BEIERHOLM
VI SKABER BALANCE

Blue Atlas Robotics ApS

Forskerparken 10, 5230 Odense M

CVR no. 39 94 46 18

Annual report for 2023

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 05.07.24

Bjarke Bach Nielsen
Dirigent

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Company information etc.

The company

Blue Atlas Robotics ApS
Forskerparken 10
5230 Odense M
Registered office: Odense C
CVR no.: 39 94 46 18
Financial year: 01.01 - 31.12

Executive Board

Sofie Christiane Hansen
Mads Andersen

Board of Directors

Richa Hallundbæk Misri
Esben Hallundbæk Østergaard
Bengt Gustav Sangberg
Mads Andersen

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.23 - 31.12.23 for Blue Atlas Robotics ApS.

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

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.23 and of the results of the company's activities for the financial year 01.01.23 - 31.12.23.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Odense M, June 28, 2024

Executive Board

Sofie Christiane Hansen

Mads Andersen

Board of Directors

Richa Hallundbæk Misri
Chairman

Esben Hallundbæk Østergaard

Bengt Gustav Sangberg

Mads Andersen

Independent auditor's report

To the capital owner of Blue Atlas Robotics ApS

Opinion

We have audited the financial statements of Blue Atlas Robotics ApS for the financial year 01.01.23 - 31.12.23, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion the financial statements give a true and fair view of the company's financial position at 31.12.23 and of the results of the company's operations for the financial year 01.01.23 - 31.12.23 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We 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 the management's review

Management is responsible for the management's review.

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

In connection with our audit of the financial statements, it is 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, 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 Statements Act. We did not identify any material misstatement of the 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.

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 judgment 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.

Odense, June 28, 2024

Beierholm
Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Henrik Welinder
State Authorized Public Accountant
MNE-no. mne23366

Primary activities

The company's activities comprise in the development, production, and sale of ROVs/Robots for underwater inspection.

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Development in activities and financial affairs

The income statement for the period 01.01.23 - 31.12.23 shows a profit/loss of DKK -4,330,137 against DKK -912,649 for the period 01.01.22 - 31.12.22. The balance sheet shows equity of DKK 4,073,158.

Management has positive expectations for the company's future growth and development potential, driven by significant interest in new technology across multiple industries, a focus on employee safety, and the demand for clear data.

In the coming year, the focus will be on the sale and further development of Sentinus V1.0. Alongside sales, we will also develop new technologies to reach the next milestone.
Our goal includes providing additional innovative solutions for sustainable and secure automation of underwater inspections. ..

Subsequent events

After the balance sheet date, the company will accept a new investor and a significant capital increase. The formal registration and receipt of the capital increase is considered a formality and will be exwcuted in July.

Income statement

Note		2023 DKK	2022 DKK
	Gross result	**-335,692**	**1,057,339**
1	Staff costs	-2,422,297	-2,063,811
	Loss before depreciation, amortisation, write-downs and impairment losses	**-2,757,989**	**-1,006,472**
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-1,793,866	-262,352
	Operating loss	**-4,551,855**	**-1,268,824**
2	Financial income	12,769	-34
3	Financial expenses	-30,038	-13,332
	Loss before tax	**-4,569,124**	**-1,282,190**
	Tax on loss for the year	238,987	369,541
	Loss for the year	**-4,330,137**	**-912,649**

Proposed appropriation account

Retained earnings	-4,330,137	-912,649
Total	**-4,330,137**	**-912,649**

Balance sheet

ASSETS

Note		31.12.23 DKK	31.12.22 DKK
	Completed development projects	2,518,687	4,296,397
	Acquired rights	74,629	0
	Development projects in progress	3,089,599	0
4	**Total intangible assets**	**5,682,915**	**4,296,397**
	Other fixtures and fittings, tools and equipment	7,325	12,000
5	**Total property, plant and equipment**	**7,325**	**12,000**
6	Equity investments in group enterprises	0	88,836
7	Deposits	23,250	23,040
	Total investments	**23,250**	**111,876**
	Total non-current assets	**5,713,490**	**4,420,273**
	Manufactured goods and goods for resale	606,925	150,000
	Total inventories	**606,925**	**150,000**
	Trade receivables	621,250	306,250
	Income tax receivable	669,957	560,666
	Other receivables	6,195	7,692
	Total receivables	**1,297,402**	**874,608**
	Cash	**574,033**	**74,935**
	Total current assets	**2,478,360**	**1,099,543**
	Total assets	**8,191,850**	**5,519,816**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.23 DKK	31.12.22 DKK
	Share capital	688,154	274,468
	Reserve for development costs	5,608,285	4,296,396
	Retained earnings	-2,223,281	-1,395,521
	Total equity	**4,073,158**	**3,175,343**
	Provisions for deferred tax	0	129,696
	Total provisions	**0**	**129,696**
8	Other payables	2,013,563	1,658,363
	Total long-term payables	**2,013,563**	**1,658,363**
	Prepayments received from customers	793,242	0
	Trade payables	404,101	67,397
	Payables to group enterprises	571,200	86,536
	Other payables	336,586	402,481
	Total short-term payables	**2,105,129**	**556,414**
	Total payables	**4,118,692**	**2,214,777**
	Total equity and liabilities	**8,191,850**	**5,519,816**

9 Contingent liabilities
10 Charges and security

Statement of changes in equity

Figures in DKK	Share capital	Reserve for developmen t costs	Retained earnings	Total equity
Statement of changes in equity for 01.01.23 - 31.12.23				
Balance as at 01.01.23	274,468	4,296,396	-1,395,521	3,175,343
Capital increase	211,684	0	0	3,099,964
Debt conversion	202,002	0	0	2,127,988
Other changes in equity	0	1,311,889	3,502,377	0
Net profit/loss for the year	0	0	-4,330,137	-4,330,137
Balance as at 31.12.23	688,154	5,608,285	-2,223,281	4,073,158

Notes

	2023 DKK	2022 DKK

1. Staff costs

	2023 DKK	2022 DKK
Wages and salaries	2,106,205	1,795,956
Pensions	170,261	155,280
Other social security costs	29,867	26,412
Other staff costs	115,964	86,163
Total	2,422,297	2,063,811
Average number of employees during the year	9	8

2. Financial income

	2023 DKK	2022 DKK
Other interest income	2,145	-34
Other financial income	10,624	0
Total	12,769	-34

3. Financial expenses

	2023 DKK	2022 DKK
Interest, group enterprises	11,200	3,041
Other interest expenses	3,300	10,291
Other financial expenses	15,538	0
Other financial expenses	18,838	10,291
Total	30,038	13,332

4. Intangible assets

Figures in DKK	Completed development projects	Acquired rights	Development projects in progress
Cost as at 01.01.23	4,550,724	0	0
Additions during the year	0	86,110	3,089,599
Cost as at 31.12.23	4,550,724	86,110	3,089,599
Amortisation and impairment losses as at 01.01.23	-254,327	0	0
Impairment losses during the year	-1,400,000	0	0
Amortisation during the year	-377,710	-11,481	0
Amortisation and impairment losses as at 31.12.23	-2,032,037	-11,481	0
Carrying amount as at 31.12.23	2,518,687	74,629	3,089,599

Development and production of robotic devices and associated software and services for ship owners.

5. Property, plant and equipment

Figures in DKK	Other fixtures and fittings, tools and equipment
Cost as at 01.01.23	23,375
Additions during the year	-11,375
Cost as at 31.12.23	12,000
Depreciation during the year	-4,675
Depreciation and impairment losses as at 31.12.23	-4,675
Carrying amount as at 31.12.23	7,325

6. Equity investments in group enterprises

Figures in DKK	Equity investments in group enterprises
Cost as at 01.01.23	88,836
Cost as at 31.12.23	88,836
Impairment losses during the year	-88,836
Depreciation and impairment losses as at 31.12.23	-88,836
Carrying amount as at 31.12.23	0

7. Deposits

Figures in DKK	Deposits
Cost as at 01.01.23	23,040
Additions during the year	23,250
Cost as at 31.12.23	46,290
Impairment losses during the year	-23,040
Impairment losses as at 31.12.23	-23,040
Carrying amount as at 31.12.23	23,250

8. Long-term payables

Figures in DKK	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.23	Total payables at 31.12.22
Other payables	0	2,013,563	2,013,563	1,658,363
Total	0	2,013,563	2,013,563	1,658,363

9. Contingent liabilities

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and is liable for income taxes on a pro rata basis and must comply with any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The maximum liability totals an amount corresponding to the share of the capital in the company which is owned directly or indirectly by the ultimate parent. The total tax liability for the jointly taxed companies at the balance sheet date has not yet been determined. For further information, please see the financial statements of the management company.

10. Charges and security

The company has not provided any security over assets.

11. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

In accordance with section 110 of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

11. Accounting policies - continued -

GRANTS

Grants are recognised when there is reasonable certainty that the grant conditions have been met and that the grant will be received.

Grants received for the production or construction of assets are recognised as deferred income under payables. For depreciable and amortisable assets, the grant is recognised as the asset is depreciated or amortised.

INCOME STATEMENT

Gross result

Gross result comprises revenue, other operating income and cost of sales and other external expenses.

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Income from the sale of services is recognised in the income statement as delivery takes place (delivery method). Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise’s activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

11. Accounting policies - continued -

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value DKK
Completed development projects	3-8	
Acquired rights	5	0
Other plant, fixtures and fittings, tools and equipment	5	0

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

11. Accounting policies - continued -

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Intangible assets

Completed development projects and development projects in progress

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

Development projects in progress are transferred to completed development projects when the asset is ready for use.

Development projects are subsequently measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Completed development projects are amortised using the straight-line method based on useful lives, which are stated in the ‘Depreciation, amortisation and impairment losses’

11. Accounting policies - continued -

section.

Acquired rights

Aquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains or losses on the disposal of intangible assets

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment

Property, plant and equipment comprise other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Equity investments in group entreprises

Equity investments in subsidiaries are measured in the balance sheet at cost less any impairment losses. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments.

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale,

11. Accounting policies - continued -

including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

If dividends are distributed on equity investments in subsidiaries exceeding the year earnings from the enterprise in question, this is considered an indication of impairment.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

11. Accounting policies - continued -

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Cash

Cash includes deposits in bank account.

Equity

An amount equivalent to internally generated development costs in the balance sheet is recognised in equity under reserve for development costs. The reserve is measured less deferred tax and reduced by amortisation and impairment losses on the asset. If impairment losses on development costs are subsequently reversed, the reserve will be restored with a corresponding amount. The reserve is dissolved when the development costs are no longer recognized in the balance sheet, and the remaining amount will be transferred to retained earnings.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

11. Accounting policies - continued -

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to the time and date of delivery of the agreed product or completion of the agreed service.