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APX10 A/S
NY BANEGÅRDSGADE 55, 4., 8000 AARHUS C
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2022

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 20 June 2023**

Brian Veje Iversen

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COMPANY DETAILS

Company	APX10 A/S Ny Banegårdsgade 55, 4. 8000 Aarhus C
	CVR No.: 40 11 24 56 Established: 20 December 2018 Municipality: Aarhus Financial Year: 1 January - 31 December
Board of Directors	Brian Veje Iversen, chairman Fabian Bernard Seunier Noah Sabich Ulrich Borup Hansen Jason Plummer Lukas Loeffler Henrik Skov Laursen
Executive Board	Ulrich Borup Hansen
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of APX10 A/S for the financial year 1 January - 31 December 2022.

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 at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Aarhus, 20 June 2023

Executive Board

Ulrich Borup Hansen

Board of Directors

Brian Veje Iversen
Chairman

Fabian Bernard Seunier

Noah Sabich

Ulrich Borup Hansen

Jason Plummer

Lukas Loeffler

Henrik Skov Laursen

THE INDEPENDENT AUDITOR'S REPORT

To the Shareholders of APX10 A/S

Conclusion

We have performed an extended review of the Financial Statements of APX10 A/S for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared under the Danish Financial Statements Act.

Based on the work performed in our opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises 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 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 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 in order to obtain limited assurance for our conclusion on the Financial Statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries 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 Commentary

Management is responsible for the Management Commentary.

Our conclusion on the Financial Statements does not cover the Management Commentary, and we do not express any form of assurance conclusion thereon.

THE INDEPENDENT AUDITOR'S REPORT

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

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

Based on the work we have performed, we conclude that the Management Commentary 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 the Management Commentary.

Copenhagen, 20 June 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Mads Juul Hansen
State Authorised Public Accountant
MNE no. mne44386

MANAGEMENT COMMENTARY

Principal activities

The Company's activities are development, sale, deployment, and services related to the software solution data|APX®.

data|APX® is a proprietary Software-as-a-Service (SaaS) solution for water, wastewater, stormwater and district heating utilities and infrastructure owners. The solution provides a foundation for precision capital expenditure reinvestment priorities through a dynamic and easy-to-use digital asset management system.

Development in activities and financial and economic position

The gross profit for the year totals DKK 1.460.940. This result is in accordance with plan and the growth-related investments made throughout the year.

During 2022, the Company was able to increase its annual recurring revenue base in Denmark and in Northern European markets. The year has also been affected by an increase in staff costs caused by the increase in activities, notably the continued acceleration of the company's international market expansion strategy.

Significant efforts and investment have been made in a successful German market entry as well as a North American market entry. The latter with the formation of a American subsidiary (APX10 INC) and local employees servicing the North American market out of the Mid-West region.

The company has received a letter of support from the parent company which secures the company's need for liquidity in the coming year. We refer to the description in the note of the financial statements "Conditions in respect to going concern", stating that the company's Management has ensured that the financing of operations for the coming year has been guaranteed.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

Group relations

The Company is owned and funded by Cimbria Nord 1 ApS, a subsidiary of Cimbria Invest, LLC, an entity owned and management by Cimbria Capital, LLC ("Cimbria"). Cimbria is a private equity investment firm based in United States and Denmark conducting growth and expansion capital investments in the Water Economy in North America and the Nordics. Cimbria is a dedicated long-term owner of APX10 with capacity and willingness to commit and invest capital into the Company to optimize the on-going growth and value of the Company.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2022 DKK	2021 DKK
GROSS PROFIT		1.460.940	2.441.693
Staff costs.....	1	-5.529.749	-4.642.736
Depreciation, amortisation and impairment losses.....		-4.799.830	-4.068.016
OPERATING LOSS		-8.868.639	-6.269.059
Other financial income.....	2	32.139	154
Impairment of asset investments.....		0	-455.352
Other financial expenses.....	3	-560.227	-270.597
LOSS BEFORE TAX		-9.396.727	-6.994.854
Tax on profit/loss for the year.....		0	0
LOSS FOR THE YEAR		-9.396.727	-6.994.854
PROPOSED DISTRIBUTION OF LOSS			
Retained earnings.....		-9.396.727	-6.994.854
TOTAL		-9.396.727	-6.994.854

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2022 DKK	2021 DKK
Development projects completed.....		5.416.522	5.376.894
Goodwill.....		7.500.000	9.375.000
Intangible assets.....	4	12.916.522	14.751.894
Other plant, machinery tools and equipment.....		0	8.801
Property, plant and equipment.....	5	0	8.801
Investments in subsidiaries.....		75.426	0
Rent deposit and other receivables.....		103.051	90.600
Financial non-current assets.....	6	178.477	90.600
NON-CURRENT ASSETS.....		13.094.999	14.851.295
Trade receivables.....		750.000	0
Receivables from group enterprises.....		543.613	0
Other receivables.....		868	0
Prepayments.....		181.035	152.023
Receivables.....		1.475.516	152.023
Cash and cash equivalents.....		2.142.954	2.113.019
CURRENT ASSETS.....		3.618.470	2.265.042
ASSETS.....		16.713.469	17.116.337

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2022 DKK	2021 DKK
Share capital.....		1.000.000	1.000.000
Reserve for development costs.....		4.224.887	4.193.977
Retained earnings.....		-9.876.223	-448.586
EQUITY.....		-4.651.336	4.745.391
Payables to group enterprises.....		17.842.449	9.836.009
Other non-current liabilities.....		495.834	495.834
Non-current liabilities.....	7	18.338.283	10.331.843
Bank debt.....		152.354	85.637
Trade payables.....		251.731	239.340
Other liabilities.....		589.895	374.617
Deferred income.....		2.032.542	1.339.509
Current liabilities.....		3.026.522	2.039.103
LIABILITIES.....		21.364.805	12.370.946
EQUITY AND LIABILITIES.....		16.713.469	17.116.337
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EQUITY

	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2022.....	1.000.000	4.224.887	-479.496	4.745.391
Proposed loss allocation.....			-9.396.727	-9.396.727
Equity at 31 December 2022.....	1.000.000	4.224.887	-9.876.223	-4.651.336

NOTES

	2022 DKK	2021 DKK	Note
Staff costs			1
Average number of employees	8	6	
Wages and salaries.....	4.830.154	4.058.629	
Pensions.....	608.499	511.571	
Social security costs.....	47.947	47.537	
Other staff costs.....	43.149	24.999	
	5.529.749	4.642.736	
Other financial income			2
Group enterprises.....	2.678	0	
Other interest income.....	29.461	154	
	32.139	154	
Other financial expenses			3
Group enterprises.....	528.632	252.453	
Other interest expenses.....	31.595	18.144	
	560.227	270.597	
Intangible assets			4
	Development projects completed	Goodwill	
Cost at 1 January 2022.....	8.748.088	15.000.000	
Additions.....	2.955.657	0	
Cost at 31 December 2022.....	11.703.745	15.000.000	
Amortisation at 1 January 2022.....	3.371.194	5.625.000	
Amortisation for the year.....	2.916.029	1.875.000	
Amortisation at 31 December 2022.....	6.287.223	7.500.000	
Carrying amount at 31 December 2022.....	5.416.522	7.500.000	

Development projects include the development of the platform. The development project essentially consists of costs in the form of direct salaries and other costs, which are registered through the company's internal project module.

The carrying amount is DKK 5,416,522. the 31 December 2022. The platform is expected to bring significant competitive advantages and thus a significant increase in the level of activity and profit for the company.

NOTES

				Note
Property, plant and equipment				5
			Other plant, machinery tools and equipment	
Cost at 1 January 2022.....			95.261	
Cost at 31 December 2022.....			95.261	
Depreciation and impairment losses at 1 January 2022.....			86.460	
Depreciation for the year.....			8.801	
Depreciation and impairment losses at 31 December 2022.....			95.261	
Carrying amount at 31 December 2022.....			0	
 Financial non-current assets				 6
		Investments in subsidiaries	Rent deposit and other receivables	
Cost at 1 January 2022.....		0	90.600	
Additions.....		75.426	12.451	
Cost at 31 December 2022.....		75.426	103.051	
Carrying amount at 31 December 2022.....		75.426	103.051	
 Long-term liabilities				 7
		31/12 2022 total liabilities	Debt outstanding after 5 years	31/12 2021 total liabilities
Payables to group enterprises.....	17.842.449	17.842.449	9.836.009	
Other non-current liabilities.....	495.834	495.834	495.834	
	18.338.283	18.338.283	10.331.843	
 Contingencies etc.				 8
Contingent liabilities				
<p>The entity participates in a Danish joint taxation arrangement where Cimbria Nord 1 ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.</p>				
<p>There have been given tenure concerning the company's tenancy for 3 months, totalling DKK 90,708.</p>				

NOTES**Note****Group Relations****9**

The Company's related parties include:

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Cimbria Oasis Fund II, LP, Dairy Ashford Road 1155, Suit 400, Texas 77079 Houston

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Cimbria Nord 1 ApS, Tornmarksvej 94C, 5491 Blommenslyst

Conditions in respect to going concern**10**

The company has received a letter of support from the parent company which secures the company's need for liquidity in the coming year. The financial statements have therefor been presented on a going concern basis.

ACCOUNTING POLICIES

The Annual Report of APX10 A/S for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year, except for the following changes.

Change in accounting policies and classification

The accounting policies have been changed in the following areas:

- In the annual accounts, a change has been made to the accounting policies linked to the presentation of capitalized salary and administration costs in the company's income statement. The change in presentation is due solely to ensuring that the annual accounts continue to give a fair picture and have no impact on comparison figures apart from presentation. The change is due to a clarification of schedule requirements in the Annual Accounts Act.

The conclusion of the change will be a change in presentation of the company's capitalized development costs, which were previously presented under "Gross profit" and "Staff costs" to be presented under "Own work, recognised under assets".

The change has no result or balance sheet effect, as it is a presentation change. But will have an effect on any key figures presented, as the gross profit is increased by the value of capitalized development costs for the year. There has been a change in comparison figures.

The accumulated impact of the policy changes is at 31 December 2022:

The results for the year after tax are increased by DKK ('000) 0.

The balance sheet total is increased by DKK ('000) 0.

Equity is increased by DKK ('000) 0.

INCOME STATEMENT

Net revenue

Net revenue from the sale of services is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees.

ACCOUNTING POLICIES

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Intangible fixed assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 8 years. The period of amortisation is determined based on an assessment of the acquired Company's position in the market and earnings profile, and the industry-specific conditions.

Development projects comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the Company's development activities and which fulfil the criteria for recognition in the Balance Sheet.

The accounting item is measured at the lower of the capitalised costs less accumulated amortisation and recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is 3 years.

Intangible fixed assets are generally written down to the recoverable amount if this is lower than the carrying amount.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Financial non-current assets

Investments in subsidiaries are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

Other receivables are measured at amortised cost which usually corresponds to the nominal amount. The amount is written down to meet expected losses.

ACCOUNTING POLICIES

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

ACCOUNTING POLICIES

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.