



APX10 A/S

Ny Banegårdsgade 55, 4.
8000 Aarhus C
CVR No. 40112456

Annual report 2021

The Annual General Meeting adopted the
annual report on 06.05.2022

Brian Veje Iversen

Chairman of the General Meeting

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Entity details

Entity

APX10 A/S

Ny Banegårdsgade 55, 4.

8000 Aarhus C

CVR No.: 40112456

Registered office: Aarhus

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Brian Veje Iversen, Chairman

Emrah Ercan

Henrik Skov Laursen

Jason Plummer

Noah Sabich

Fabian Bernard Seunier

Ulrich Borup Hansen

Executive Board

Ulrich Borup Hansen, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of APX10 A/S for the financial year 01.01.2021 - 31.12.2021.

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 Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aarhus, 06.05.2022

Executive Board

Ulrich Borup Hansen
CEO

Board of Directors

Brian Veje Iversen
Chairman

Emrah Ercan

Henrik Skov Laursen

Jason Plummer

Noah Sabich

Fabian Bernard Seunier

Ulrich Borup Hansen

Independent auditor's extended review 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 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. 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 are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity 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 about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than 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 opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in 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 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 commentary.

Aarhus, 06.05.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Fauerskov

State Authorised Public Accountant
Identification No (MNE) mne35428

Jonas Thøstesen Svensson

State Authorised Public Accountant
Identification No (MNE) mne47824

Management commentary

Primary 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.

Description of material changes in activities and finances

The gross profit for the year totals DKK 184,881. This result is in accordance with plan and the growth-related investments made throughout the year.

During 2021, despite an unforeseen restrictive business development and sales environment due to COVID-19, the Company was able to increase its annual recurring revenue base. International activities in Northern European markets as well as North America were still affected by the global COVID-19 pandemic.

APX10 is continuing to accelerate its efforts executing its international market expansion strategy.

Outlook

APX10 Management expects continuous growth in its domestic market as well as successful market expansion in select European and North American markets within the coming months and years.

The data | APX® solution is designed for international scalability why localization for new markets and development of new features are a continuous ongoing effort, where clients are an integral part of that process.

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.

Events after the balance sheet date

APX10 has a loan agreement with group enterprises. With the loan agreement APX10 has enough cash and loan facility to cover the estimated cash burn for 2022.

Supplementary reports

Impact of COVID-19

Measures taken by the management to face the pandemic:

In the first half of 2021 business travel and in-person meetings have been restricted but has since eased up. Management has throughout 2021 fully adhered to the official restrictions and guidance provided by the danish government and relevant local municipalities.

As part of a continued and future modus operandi, client and partner meetings are initially organized online which also supports a more agile outreach allowing for optimized planning and reduced travel activities.

COVID-19 Impact on the 2022 Budget:

The Company is actively evaluating the impact of COVID-19 on its 2022 Budget. A balanced approach to the T&E cost as well as cost associated with user conferences and marketing are constantly evaluated and the company has the agility to react and respond to a changing economic landscape.

The budget for 2022 though reflect that government-enforced restrictions in focus markets are expected to be limited and as such business travel and in-person meeting activity will regain, allowing for an aggressive market expansion strategy.

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		184,881	218,402
Staff costs	1	(2,385,923)	(2,865,299)
Depreciation, amortisation and impairment losses	2	(4,068,016)	(3,083,352)
Operating profit/loss		(6,269,058)	(5,730,249)
Other financial income		154	0
Financial expenses from group enterprises		(252,453)	(83,556)
Other financial expenses		(18,145)	(16,952)
Profit/loss before tax		(6,539,502)	(5,830,757)
Tax on profit/loss for the year	3	(455,352)	919,827
Profit/loss for the year		(6,994,854)	(4,910,930)
Proposed distribution of profit and loss			
Retained earnings		(6,994,854)	(4,910,930)
Proposed distribution of profit and loss		(6,994,854)	(4,910,930)

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Completed development projects	5	5,376,894	4,456,312
Goodwill		9,375,000	11,250,000
Intangible assets	4	14,751,894	15,706,312
Other fixtures and fittings, tools and equipment		8,801	23,888
Property, plant and equipment	6	8,801	23,888
Deposits		90,600	90,600
Financial assets	7	90,600	90,600
Fixed assets		14,851,295	15,820,800
Trade receivables		0	906,250
Income tax receivable		0	455,352
Prepayments		152,023	112,364
Receivables		152,023	1,473,966
Cash		2,113,019	1,352,429
Current assets		2,265,042	2,826,395
Assets		17,116,337	18,647,195

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		1,000,000	1,000,000
Reserve for development expenditure		4,193,977	3,475,923
Retained earnings		(448,586)	7,264,322
Equity		4,745,391	11,740,245
Payables to group enterprises		9,836,009	4,084,291
Other payables		495,834	490,318
Non-current liabilities other than provisions	8	10,331,843	4,574,609
Bank loans		85,637	38,950
Trade payables		196,120	233,992
Other payables	9	417,837	883,148
Deferred income		1,339,509	1,176,251
Current liabilities other than provisions		2,039,103	2,332,341
Liabilities other than provisions		12,370,946	6,906,950
Equity and liabilities		17,116,337	18,647,195
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Group relations	12		

Statement of changes in equity for 2021

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,000,000	3,475,923	7,264,322	11,740,245
Transfer to reserves	0	718,054	(718,054)	0
Profit/loss for the year	0	0	(6,994,854)	(6,994,854)
Equity end of year	1,000,000	4,193,977	(448,586)	4,745,391

Notes

1 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	4,058,629	4,327,973
Pension costs	511,571	540,783
Other social security costs	47,537	44,292
Other staff costs	24,999	22,033
	4,642,736	4,935,081
Staff costs classified as assets	(2,256,813)	(2,069,782)
	2,385,923	2,865,299
Average number of full-time employees	6	7

2 Depreciation, amortisation and impairment losses

	2021	2020
	DKK	DKK
Amortisation of intangible assets	4,052,929	3,068,265
Depreciation of property, plant and equipment	15,087	15,087
	4,068,016	3,083,352

3 Tax on profit/loss for the year

	2021	2020
	DKK	DKK
Current tax	0	(1,344,710)
Change in deferred tax	0	424,883
Adjustment concerning previous years	455,352	0
	455,352	(919,827)

4 Intangible assets

	Completed development projects DKK	Goodwill DKK
Cost beginning of year	5,649,577	15,000,000
Additions	3,098,511	0
Cost end of year	8,748,088	15,000,000
Amortisation and impairment losses beginning of year	(1,193,265)	(3,750,000)
Amortisation for the year	(2,177,929)	(1,875,000)
Amortisation and impairment losses end of year	(3,371,194)	(5,625,000)
Carrying amount end of year	5,376,894	9,375,000

5 Development projects

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 5,377k. the 31.12.2021. The platform is expected to bring significant competitive advantages and thus a significant increase in the level of activity and profit for the company.

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	95,261
Cost end of year	95,261
Depreciation and impairment losses beginning of year	(71,373)
Depreciation for the year	(15,087)
Depreciation and impairment losses end of year	(86,460)
Carrying amount end of year	8,801

7 Financial assets

	Deposits DKK
Cost beginning of year	90,600
Cost end of year	90,600
Carrying amount end of year	90,600

8 Non-current liabilities other than provisions

	Due after more than 12 months 2021 DKK	Outstanding after 5 years 2021 DKK
Payables to group enterprises	9,836,009	9,836,009
Other payables	495,834	495,834
	10,331,843	10,331,843

9 Other payables

	2021 DKK	2020 DKK
VAT and duties	91,125	162,149
Wages and salaries, personal income taxes, social security costs, etc payable	137,955	530,588
Holiday pay obligation	145,537	155,499
Other costs payable	43,220	34,912
	417,837	883,148

10 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Liabilities under rental or lease agreements until maturity in total	72,088	67,950

11 Contingent liabilities

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.

12 Group relations

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.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement over the period when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and equipment.

Other financial income

Other financial income comprises interest income, payables and transactions in foreign currencies etc.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 8 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income

statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises of bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.