

statsautoriseret revisionsfirma
Stationspladsen 1 og 3
3000 Helsingør
CVR nr. 30 19 52 64

Tlf. 4921 8700
Fax 4921 8750
www.kallermann.dk

Cobira ApS
Abildgårdsparken 8 A
3460 Birkerød

CVR no. 41604883

Annual report 2022

The annual report was presented and adopted at the annual general meeting of the Company on 26 May 2023

Peter Thomas Brandt
Chairman of the annual general meeting

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Management's Statement

Today, Management has considered and approved the annual report of Cobira ApS for the financial year 1 January 2022 - 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 assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January 2022 - 31 December 2022.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

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

Birkerød, 9 May 2023

Executive Board

Peter Thomas Brandt
Chief Executive Officer

Board of Directors

Søren Amund Henriksen
Chairman

Frederik Thurn Weisz

Morten Gjørup Andersen

Gustav Gottlieb Piper

Theis William Dahl

Ulrik Lehrskov-Schmidt

Independent Auditors' Report

To the shareholders of Cobira ApS

Opinion

We have audited the financial statements of Cobira ApS for the financial year 1 January 2022 - 31 December 2022, which comprise an income statement, balance sheet, statement of changes in equity and notes. 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 December 2022 and of the results of its operations for the financial year 1 January 2022 - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

- * Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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

Independent Auditors' Report

Company's internal control.

- * Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Statement on 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 opinion providing assurance regarding the Management's review.

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

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Elsinore, 9 May 2023

Kallermann Revision A/S - statsautoriseret revisionsfirma

CVR-no. 30195264

Rasmus Rolighed Asmussen

State Authorized Public Accountant

mne45874

Company details

| | |
|---------------------------|--|
| Company | Cobira ApS Abildgårdsparken 8 A 3460 Birkerød CVR no. 41604883 |
| Executive Board | Peter Thomas Brandt, Chief Executive Officer |
| Board of Directors | Søren Amund Henriksen Frederik Thurn Weisz Morten Gjørup Andersen Gustav Gottlieb Piper Theis William Dahl Ulrik Lehrskov-Schmidt |
| Auditors | Kallermann Revision A/S - statsautoriseret revisionsfirma Stationspladsen 1 og 3 3000 Helsingør CVR no. 30195264 |

Management's Review

The Company's principal activities

The Company's activities comprise of the development and sale of global, scalable and secure Industrial IoT network connectivity and other related services.

Development in activities and the financial situation

The Company's income statement of the financial year 1 January 2022 - 31 December 2022 shows a result of -3.900.968 DKK and the balance sheet at 31 December 2022 a total of 10.088.298 DKK and an equity of 1.833.979 DKK.

The development of Cobira's IoT connectivity technologies, platform and services has proceeded according to plan and has now achieved a maturity that enables the company to scale the business significantly in the coming years.

The management considers the year's result and the forward-looking capital situation to be satisfactory in relation to the plans that have been laid. Cobira is still experiencing good progress in sales despite the fact that many of Cobira's customers are significantly affected by the world situation with war in Europe, high inflation and the after-effects of the Covid-19 pandemic.

In connection to the change of accounting policies regarding development costs a fundamental error regarding previous years figures has been identified regarding the tax credit scheme, and cost related to development is adjusted to 4.106.066 DKK instead of 2.645.310 DKK. The error has increased the tax credit from 581.968 DKK to 903.335 DKK impacting the P/L positively with 321.367 DKK. The adjustment of opening figures as well as figures previous years is also influenced by the changed accounting policies.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Accounting Policies

Reporting class

The Annual Report of Cobira ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

Changed accounting policies, estimates and errors

Correction of fundamental errors regarding previous year:

- In connection to the change of accounting policies regarding development costs a fundamental error regarding previous years figures has been identified regarding the tax credit scheme, and cost related to development is adjusted to 4.106.066 DKK instead of 2.645.310 DKK. The error has increased the tax credit from 581.968 DKK to 903.335 DKK impacting the P/L positively with 321.367 DKK. The adjustment of opening figures as well as figures previous years is also influenced by the changed accounting policies below. The total impact of the figures in the previous year is highlighted below as a total.

Changed accounting policies:

- Development costs are recognised under intangible assets at cost according to the rules applicable to class C. The development projects completed are now measured at cost less accumulated amortisation and impairment losses. So far, development costs have been recognised as costs in the income statement whereas the fundamental error below also impacts the figures. This change entails a positive impact on profit from ordinary activities before tax of 4.106.066 DKK changing the loss after tax for the year 2020/21 from -4.362.325 DKK to -1.063.183 DKK. Intangible assets is increased with 4.106.666 DKK and the deferred tax asset has been changed to a liability from 870.570 DKK to -257.721 DKK increasing the balance sheet total to 8.554.146 DKK. The equity as of 1st of January 2022 is increased by 3.299.142 DKK (from -2.314.195 DKK to 984.947 DKK).

Apart from the above mentioned fields, the accounting policies are consistent with those of the previous year.

Reporting currency

The annual report is presented in DKK.

Foreign currency translation

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the income statement under financial income and expenses.

Gross profit/loss

Gross profit (loss) is a combination of the items of revenue, change in inventories of finished goods, other operational income, cost of raw materials and consumables and other external expenses.

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT. All discounts and rebates granted are recognised in revenue.

Cost of sales

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

Other external expenses

Other external expenses include costs for distribution, sales, administration etc.

Accounting Policies

Staff costs

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

Other staff expenses are recognised in other external expenses.

Depreciation and impairment of intangible assets

Depreciation and impairment of intangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

| | Useful life |
|--------------------------------|--------------------|
| Completed development projects | 5-7 years |

Profit or loss resulting from the sale of intangible is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the income statement under other operating income or expenses.

Profit or loss on disposal of intangible is calculated as the difference between the selling price less selling expenses and the carrying amount at the date of sale and is recognized in the income st

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, realised and unrealised capital gains and losses regarding accounts payable and transactions in foreign currencies, and allowances under the advance-payment of tax scheme.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Intangible assets

Clearly defined and identifiable development projects where the technical rate of utilisation, sufficient resources and a potential future market or development potential in the Company are provable and where the intention is to manufacture, market or use the product or process are recognised as intangible assets if the value in use can be determined reliably and it is sufficiently certain that future earnings can cover production, sales and administration costs as well as total development costs.

Other development costs are recognised as costs in the income statement as they incur.

Development costs comprise costs, including wages, salaries and amortisation, that are directly or indirectly attributable to the development activities of the enterprise and meet the recognition criteria.

Capitalised development costs are measured at cost on initial recognition and subsequently at the lower of cost less accumulated amortisation and the recoverable amount.

Deposits

Deposits are measured at cost.

Accounting Policies

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Current tax liabilities

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

Liabilities

Other payables are measured at amortised cost, which usually corresponds to the nominal value.

Accruals and deferred income entered as liabilities consist of payments received regarding income in the subsequent financial years.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

Income Statement

| | Note | 2022 DKK | 2020/21 DKK |
|--|------|-------------------|-------------------|
| Gross profit (loss) | | -1.427.151 | -183.369 |
| Staff costs | 1 | -2.617.876 | -1.180.696 |
| Depreciation, amortisation expense and impairment losses | | -821.213 | 0 |
| Profit (loss) from ordinary operating activities | | -4.866.240 | -1.364.065 |
| Financial income | | 34.207 | 4.038 |
| Financial expenses | | -388.265 | -348.770 |
| Profit (loss) from ordinary activities before tax | | -5.220.298 | -1.708.797 |
| Tax expense | 2 | 1.319.330 | 645.614 |
| Profit (loss) | | -3.900.968 | -1.063.183 |
| Proposed distribution of results | | | |
| Reserve for development expenditure | | 1.427.135 | 3.202.731 |
| Retained earnings | | -5.328.103 | -4.265.914 |
| Distribution of profit | | -3.900.968 | -1.063.183 |

Balance Sheet as of 31 December

| | Note | 2022 DKK | 2021 DKK |
|----------------------------------|------|-------------------|------------------|
| Assets | | | |
| Completed development projects | 3 | 3.284.853 | 0 |
| Development projects in progress | 4 | 2.650.873 | 4.106.066 |
| Intangible assets | | 5.935.726 | 4.106.066 |
| Deposits, investments | 5 | 67.500 | 68.500 |
| Investments | | 67.500 | 68.500 |
| Fixed assets | | 6.003.226 | 4.174.566 |
| Short-term trade receivables | | 1.337.097 | 0 |
| Current deferred tax | | 478.417 | 0 |
| Other receivables | | 145.594 | 0 |
| Short-term tax receivables | | 904.559 | 903.335 |
| Deferred income assets | | 40.777 | 199.803 |
| Receivables | | 2.906.444 | 1.103.138 |
| Cash and cash equivalents | | 1.178.628 | 3.276.442 |
| Current assets | | 4.085.072 | 4.379.580 |
| Assets | | 10.088.298 | 8.554.146 |

Balance Sheet as of 31 December

| | Note | 2022 DKK | 2021 DKK |
|--|------|-------------------|------------------|
| Liabilities and equity | | | |
| Contributed capital | | 70.137 | 58.910 |
| Share premium | | 0 | 1.989.220 |
| Reserve for development expenditure | | 4.629.866 | 3.202.731 |
| Retained earnings | | -2.866.024 | -4.265.914 |
| Equity | | 1.833.979 | 984.947 |
| Provisions for deferred tax | | 0 | 257.721 |
| Provisions | | 0 | 257.721 |
| Other payables | | 6.547.295 | 6.242.414 |
| Long-term liabilities other than provisions | 6 | 6.547.295 | 6.242.414 |
| Prepayments received from customers | | 0 | 5.019 |
| Trade payables | | 1.131.342 | 538.198 |
| Other payables | | 575.682 | 525.847 |
| Short-term liabilities other than provisions | | 1.707.024 | 1.069.064 |
| Liabilities other than provisions within the business | | 8.254.319 | 7.311.478 |
| Liabilities and equity | | 10.088.298 | 8.554.146 |
| Contingent liabilities | 7 | | |
| Collaterals and assets pledges as security | 8 | | |

Statement of changes in Equity

| | Contributed capital DKK | Share premium DKK | Development expenditure DKK | Retained earnings DKK | Total DKK |
|------------------------------------|-------------------------------|-------------------------|-----------------------------------|-----------------------------|------------------|
| Equity 1 January 2022 | 58.910 | 1.989.220 | 3.202.731 | -4.265.914 | 984.947 |
| Increase of capital | 11.227 | 4.738.773 | 0 | 0 | 4.750.000 |
| Profit (loss) | 0 | 0 | 1.427.135 | -5.328.103 | -3.900.968 |
| Transferred from share premium | 0 | -6.727.993 | 0 | 6.727.993 | 0 |
| Equity 31 December 2022 | 70.137 | 0 | 4.629.866 | -2.866.024 | 1.833.979 |

Notes

| | 2022 | 2020/21 |
|--|-------------------|------------------|
| | DKK | DKK |
| 1. Staff costs | | |
| Wages and salaries | 4.959.562 | 4.230.304 |
| Post-employment benefit expense | 18.177 | 22.342 |
| Social security contributions | 62.057 | 13.548 |
| Employee expenses transferred to assets | -2.421.920 | -3.085.498 |
| | 2.617.876 | 1.180.696 |
| | | |
| Average number of employees | <u>8</u> | <u>7</u> |
| | | |
| 2. Tax expense | | |
| Tax credit | -583.192 | -903.335 |
| Adjustments for deferred tax | -736.138 | 257.721 |
| | -1.319.330 | -645.614 |
| | | |
| 3. Completed development projects | | |
| Cost at the beginning of the year | 0 | 0 |
| Addition during the year, incl. improvements | 4.106.066 | 0 |
| Cost at the end of the year | 4.106.066 | 0 |
| | | |
| Depreciation and amortisation at the beginning of the year | 0 | 0 |
| Amortisation for the year | -821.213 | 0 |
| Impairment losses and amortisation at the end of the year | -821.213 | 0 |
| | | |
| Carrying amount at the end of the year | 3.284.853 | 0 |
| | | |
| 4. Development projects in progress | | |
| Cost at the beginning of the year | 4.106.066 | 0 |
| Addition during the year, incl. improvements | 2.650.873 | 4.106.066 |
| Transfers during the year to other items | -4.106.066 | 0 |
| Cost at the end of the year | 2.650.873 | 4.106.066 |
| | | |
| Carrying amount at the end of the year | 2.650.873 | 4.106.066 |

Development projects consist primarily of Continuous Improvement of its Connectivity Management Platform (CMP). CMP is a whitelabel product providing Customer Access to a single-pane-of-glass management solution that empowers Service Providers and Connectivity Customers to take control of their SIM card inventory and connectivity services to maximize the value-add for their unique service offerings. It is offered as a value-added software service (SaaS) for MVNOs and Resellers allowing them to easily onboard and manage their customers in a multi-tenanted environment.

The development projects have been calculated at a cost price with a deduction of depreciation after completion. The different completed projects are estimated to have a value that at least corresponds to the book value. This estimation is among other things based on actual discussions with investors, but includes uncertainty.

Notes

| | 2022 | 2021 |
|--|---------------|---------------|
| | DKK | DKK |
| 5. Deposits, investments | | |
| Cost at the beginning of the year | 68.500 | 0 |
| Addition during the year, including improvements | 0 | 68.500 |
| Disposal during the year | -1.000 | 0 |
| Cost at the end of the year | 67.500 | 68.500 |
| | | |
| Carrying amount at the end of the year | 67.500 | 68.500 |

6. Long-term liabilities

| | Due after 1 year DKK | Due within 1 year DKK | Due after 5 years DKK |
|----------------|----------------------------|-----------------------------|-----------------------------|
| Other payables | 6.547.295 | 0 | 0 |
| | 6.547.295 | 0 | 0 |

7. Contingent liabilities

The Company has entered into rental obligations which at the balance sheet date amounts to 203 TDKK.

8. Collaterals and securities

No securities or mortgages exist at the balance sheet date.