

Copperleaf Technologies Denmark ApS

Hovedvejen 56A, 2600 Glostrup

Company reg. no. 43 29 16 37

Annual report

2023

The annual report was submitted and approved by the general meeting on the 30 May 2024.

Stefan Michael Sadnicki
Chairman of the meeting

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Contents

	<u>Page</u>
Reports	
Management's statement	1
Practitioner's compilation report	2
Management's review	
Company information	3
Financial highlights	4
Management's review	5
Financial statements 1 January - 31 December 2023	
Accounting policies	6
Income statement	10
Balance sheet	11
Statement of changes in equity	13
Notes	14

Management's statement

Today, the Executive Board has approved the annual report of Copperleaf Technologies Denmark ApS for the financial year 2023.

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

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

The Executive Board consider the conditions for audit exemption of the 2023 financial statements to be met.

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

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

Glostrup, 30 May 2024

Executive board

Stefan Michael Sadnicki

Christopher Franklin Allen

Practitioner's compilation report

To the Shareholders of Copperleaf Technologies Denmark ApS

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

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

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

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

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

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

Glostrup, 30 May 2024

PKF Munkebo Eriksen Funch

State Authorised Public Accountants
Company reg. no. 14 11 92 99

Thomas Funch
State Authorised Public Accountant
mne47782

Company information

The company

Copperleaf Technologies Denmark ApS
Hovedvejen 56A
2600 Glostrup

Company reg. no. 43 29 16 37
Established: 20 May 2022
Domicile: Glostrup municipality
Financial year: 1 January - 31 December
2nd financial year

Executive board

Stefan Michael Sadnicki
Christopher Franklin Allen

Auditors

PKF Munkebo Eriksen Funch, Statsautoriseret Revisionsaktieselskab
Hovedvejen 56
2600 Glostrup

Bankers

TD Bank

Parent company

Copperleaf Technologies Inc.

Financial highlights

DKK in thousands.	<u>2023</u>	<u>2022</u>	<u>2021</u>
Income statement:			
Gross profit	1.026	1.259	1.010
Profit from operating activities	108	141	69
Net financials	-3	16	-6
Net profit or loss for the year	81	121	50
Statement of financial position:			
Balance sheet total	588	965	222
Equity	291	210	90
Employees:			
Average number of full-time employees	1	1	0

The financial highlights for 2021 solely comprise the period 5 March 2021 to 31 December 2021.

Management's review

Description of key activities of the company

The purpose of the Company is to conduct business with trade and service as well as activities related to it.

Development in activities and financial matters

The gross profit for the year totals DKK 1.026.000 against DKK 1.259.000 last year. Income from ordinary activities after tax totals DKK 81.000 against DKK 121.000 last year. Management considers the net profit the year satisfactory.

Events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the Company's financial position.

Accounting policies

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

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

Recognition and measurement in general

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

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

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

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

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

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

Income statement

Gross profit

Gross profit comprises the revenue, cost of sales and other external costs.

The enterprise will be applying IFRS 15 as its basis of interpretation for the recognition of revenue.

The revenue is recognised when the control of the identifiable individual performance obligations has been performed in respect of the customer whereby the customer gains control of the asset or the service. Sales remunerations are allocated proportionally to the individual performance obligations in the agreement.

Accounting policies

Revenue from service contracts is recognised on a linear basis over the period during which the service is performed.

Revenue is measured at fair value of agreed remunerations, less VAT and expenses. All forms of discount are recognised in revenue.

Revenue from contracts, including variable considerations such as quantity discounts and performance-related payments are recognised at the most probable consideration value. Revenue is not recognised until it is deemed most likely that changes in the estimated variable consideration will not subsequently result in the reversal of a material part of the amount, thus reducing revenue.

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

Other external expenses comprise expenses incurred for sales and administration.

Staff costs

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

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses.

Tax on net profit or loss for the year

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

Statement of financial position

Receivables

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

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounting policies

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress cannot be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Accounting policies

Liabilities other than provisions

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

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Gross profit	1.026.210	1.258.583
1 Staff costs	-917.922	-1.117.130
Loss before net financials	108.288	141.453
Other financial income	24.150	24.282
Other financial expenses	-27.221	-8.526
Pre-tax net profit or loss	105.217	157.209
2 Tax on net profit or loss for the year	-24.552	-36.278
Net profit or loss for the year	80.665	120.931
Proposed distribution of net profit:		
Transferred to retained earnings	80.665	120.931
Total allocations and transfers	80.665	120.931

Balance sheet at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2023</u>	<u>2022</u>
Current assets			
3	Contract work in progress	341.643	451.286
	Receivables from group enterprises	0	200.842
	Other receivables	6.358	133.712
	Prepayments	3.240	3.593
	Total receivables	<u>351.241</u>	<u>789.433</u>
	Cash and cash equivalents	<u>237.090</u>	<u>175.227</u>
	Total current assets	<u>588.331</u>	<u>964.660</u>
	Total assets	<u>588.331</u>	<u>964.660</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		<u>2023</u>	<u>2022</u>
<u>Note</u>			
Equity			
	Contributed capital	40.000	40.000
	Retained earnings	251.111	170.446
	Total equity	<u>291.111</u>	<u>210.446</u>
Liabilities other than provisions			
	Trade payables	2.620	0
	Payables to group enterprises	130.944	0
4	Income tax payable	24.552	36.278
	Other payables	139.104	717.936
	Total short term liabilities other than provisions	<u>297.220</u>	<u>754.214</u>
	Total liabilities other than provisions	<u>297.220</u>	<u>754.214</u>
	Total equity and liabilities	<u>588.331</u>	<u>964.660</u>

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
	<hr/>	<hr/>	<hr/>
Equity 1 January 2022	40.000	49.515	89.515
Retained earnings for the year	0	120.931	120.931
Equity 1 January 2023	<hr/> 40.000	<hr/> 170.446	<hr/> 210.446
Retained earnings for the year	0	80.665	80.665
	<hr/> 40.000	<hr/> 251.111	<hr/> 291.111

Notes

All amounts in DKK.

	<u>2023</u>	<u>2022</u>
1. Staff costs		
Salaries and wages	822.561	1.021.658
Pension costs	90.000	90.000
Other costs for social security	5.361	5.472
	<u>917.922</u>	<u>1.117.130</u>
Average number of employees	<u>1</u>	<u>1</u>
2. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	<u>24.552</u>	<u>36.278</u>
	<u>24.552</u>	<u>36.278</u>
	<u>31/12 2023</u>	<u>31/12 2022</u>
3. Contract work in progress		
Selling price of the production for the period	<u>341.643</u>	<u>451.286</u>
Contract work in progress, net	<u>341.643</u>	<u>451.286</u>
The following is recognised:		
Contract work in progress (current assets)	<u>341.643</u>	<u>451.286</u>
	<u>341.643</u>	<u>451.286</u>
4. Income tax payable		
Income tax receivables 1 January 2023	36.278	13.966
Income tax paid concerning last year	<u>-36.278</u>	<u>-13.966</u>
Income tax receivables concerning previous years	<u>0</u>	<u>0</u>
Income tax calculated for the current year	<u>24.552</u>	<u>36.278</u>
	<u>24.552</u>	<u>36.278</u>