Cleardox ApS

Store Regnegade 2, 1110 København K

CVR no. 40 98 49 92

Annual report for the period

1 June to 31 December 2024

Adopted at the annual general meeting on 28 May 2025

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Christoffer Stougaard Pedersen
Chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Cleardox ApS for the financial year 1 June - 31 December 2024.

The annual report is 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 2024 and of the results of the company's operations for the financial year 1 June - 31 December 2024.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 28 May 2025

Executive board

Oliver Julius Byrch Fjellvang	Christoffer Stougaard Pedersen

Independent auditor's report

To the shareholders of Cleardox ApS

Opinion

We have audited the financial statements of Cleardox ApS for the financial year 1 June - 31 December 2024, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under 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 2024 and of the results of the company's operations for the financial year 1 June - 31 December 2024 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' 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 and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the 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 judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- 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.

Statement on management's review

Management is responsible for management's review.

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

In connection with our audit of the financial statements, 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.

Independent auditor's report

Based on the work we have performed, we conclude that 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 management's review.

Copenhagen, 28 May 2025

Baker Tilly Denmark
Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Morten Friis Munksgaard
statsautoriseret revisor
mne34482

Company details

The company	Cleardox ApS Store Regnegade 2 1110 København K	
	Telephone:	30185173
	CVR no.:	40 98 49 92
	Reporting period: Incorporated:	1 June - 31 December 2024 4 December 2019
	Domicile:	København K
Executive board	Oliver Julius Byrch Fjellvang Christoffer Stougaard Pedersen	
Auditors	Baker Tilly Denmark Godkendt Revisionspartnerselskab Poul Bundgaards Vej 1, 1. 2500 Valby	

Management's review

Business review

The company's purpose is directly or indirectly to conduct business in the development of IT applications that can be sold as software as-a-service.

Financial review

The company's income statement for the year ended 31 December 2024 shows a loss of DKK 300.120, and the balance sheet at 31 December 2024 shows equity of DKK 152.446.

Year in Review

Over the past year, Cleardox has achieved significant milestones and witnessed substantial growth across various aspects of our business.

1. **Revenue Growth:** We have experienced a major improvement in revenue, reflecting the increased demand for our products and services.

2. **Customer Base:** Our customer base has nearly doubled, demonstrating the growing trust and reliance on Cleardox's offerings.

3. **Page Anonymization:** We are now anonymizing 350,000 pages per month, a significant increase from the previous year, highlighting our enhanced processing capabilities.

4. **International Expansion:** We have successfully expanded our customer base internationally, now serving clients in Sweden, Belgium, Norway, and the US.

5. **Team Growth:** Our team has doubled in size, enabling us to support our growing operations and customer base more effectively.

6. **Product Development:**

    - We launched a new product, Cleardox Legal Binder, which has been well-received by our clients.

    - Our existing product, Cleardox Redact, has been significantly improved with a host of new and exciting features.

    - Cleardox AI - our full automatic anonymization tool has been released

Outlook for 2025

Looking ahead, we have a strategic roadmap focused on continuing our growth and expanding our market presence.

Management's review

1. **International Sales:** We will intensify our efforts to increase international sales, with a particular focus on the Netherlands, Germany, and the US.

2. **Research and Development:** R&D will be a major focus area. We continue the development of our two new products

    - Cleardox AI: Aimed at achieving full automatic anonymization, Cleardox AI will be capable of anonymizing thousands of documents with minimal human intervention.

    - **Cleardox Legal Binder**: Digitizes the workflow around the creation of legal bundles for litigation cases and closing binders in corporate M&A.

By concentrating on these areas, we aim to solidify our market position and drive sustained growth in the coming years.

Significant 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.

Income statement 1 June - 31 December

	Note	2024	2023/24
		DKK 7 Months	DKK 12 Months
Gross profit		**2.002.128**	**3.047.978**
Staff costs	1	-1.020.192	-2.150.567
Profit/loss before amortisation/depreciation and impairment losses		**981.936**	**897.411**
Depreciation, amortisation and impairment of intangible assets		-1.028.540	-1.668.789
Profit/loss before net financials		**-46.604**	**-771.378**
Financial costs		-241.868	-313.278
Profit/loss before tax		**-288.472**	**-1.084.656**
Tax on profit/loss for the year	2	-11.648	252.432
Profit/loss for the year		**-300.120**	**-832.224**

Recommended appropriation of profit/loss

Transferred to reserve for development expenditure	-252.085	-253.725
Retained earnings	-48.035	-578.499
	-300.120	**-832.224**

Balance sheet 31 December

	Note	2024	2023
		DKK	DKK
Assets			
Completed development projects		1.928.582	2.251.768
Acquired patents		192.709	210.938
Intangible assets	3	**2.121.291**	**2.462.706**
Total non-current assets		**2.121.291**	**2.462.706**
Trade receivables		196.250	206.000
Corporation tax		180.868	629.380
Prepayments		0	40.638
Receivables		**377.118**	**876.018**
Cash at bank and in hand		**3.925.604**	**2.432.436**
Total current assets		**4.302.722**	**3.308.454**
Total assets		**6.424.013**	**5.771.160**

Balance sheet 31 December

	Note	2024	2023
		DKK	DKK
Equity and liabilities			
Share capital		51.606	51.606
Reserve for development expenditure		1.504.294	1.756.379
Retained earnings		-1.403.454	-1.355.419
Equity		**152.446**	**452.566**
Provision for deferred tax		160.778	224.973
Total provisions		**160.778**	**224.973**
Other credit institutions		2.047.206	2.804.713
Total non-current liabilities	4	**2.047.206**	**2.804.713**
Short-term part of long-term debt	4	1.562.458	725.241
Prepayments received from customers		1.752.100	849.035
Trade payables		5.730	5.730
Other payables		743.295	708.902
Total current liabilities		**4.063.583**	**2.288.908**
Total liabilities		**6.110.789**	**5.093.621**
Total equity and liabilities		**6.424.013**	**5.771.160**
Contingent liabilities	5		

Statement of changes in equity

	Share capital	Reserve for development expenditure	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 June	51.606	0	-1.625.835	-1.574.229
Net effect from change of accounting policy	0	1.756.379	270.416	2.026.795
Adjusted equity at 1 June	51.606	1.756.379	-1.355.419	452.566
Net profit/loss for the year	0	-252.085	-48.035	-300.120
Equity at 31 December	**51.606**	**1.504.294**	**-1.403.454**	**152.446**

Notes

		2024	2023/24
		DKK 7 Months	DKK 12 Months
1	**Staff costs**		
	Wages and salaries	957.036	2.004.286
	Other social security costs	-353	33.814
	Other staff costs	63.509	112.467
		1.020.192	**2.150.567**
	Number of fulltime employees on average	3	3
2	**Tax on profit/loss for the year**		
	Current tax for the year	0	-180.868
	Deferred tax for the year	-64.195	-71.564
	Adjustment of tax concerning previous years	75.843	0
		11.648	**-252.432**

3 **Intangible assets**

	Completed development projects	Acquired patents
	DKK	DKK
Cost at 1 June	6.263.776	312.500
Additions for the year	687.125	0
Cost at 31 December	6.950.901	312.500
Impairment losses and amortisation at 1 June	4.012.008	101.562
Amortisation for the year	1.010.311	18.229
Impairment losses and amortisation at 31 December	5.022.319	119.791
Carrying amount at 31 December	**1.928.582**	**192.709**

Special assumptions regarding development projects and tax assets

The development costs relate to the company’s SaaS product, where new development projects are capitalized. Management expects continued growth and profitability going forward.

Notes

4 Long term debt

	Debt at 1 June	Debt at 31 December	Instalment next year	Debt outstanding after 5 years
	DKK	DKK	DKK	DKK
Other credit institutions	3.529.954	3.609.664	1.562.458	0
	3.529.954	**3.609.664**	**1.562.458**	**0**

5 Contingent liabilities

The company has entered into lease obligations amounting to TDKK 33 as of December 31, 2024.

Accounting policies

The annual report of Cleardox ApS for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The company has changed its accounting policy to capitalize development costs, as this is considered to provide a more accurate representation. The change results in an reduction in profit before tax for 2024 of DKK 323 thousand (2023/24: DKK 325 thousand), an increase in assets for 2024 of DKK 1,929 thousand (2023/24: DKK 2,252 thousand), and an increase in equity for 2024 of DKK 1,758 thousand (2023/24: DKK 2,027 thousand).

Other than this matter, the accounting policies applied are consistent with those of last year.

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 amortisation, depreciation and impairment losses, 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 the asset 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 the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue

Income from services, comprising service contracts and extended warranties relating to products and contracts sold is recognised on a straight-line basis as the services are provided.

Accounting policies

Revenue is measured at fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. Revenue is net of all types of discounts granted.

Other operating income

The item Other operating income includes items of a secondary nature relative to the company’s activities, including gains on the sale of intangible assets and items of property, plant and equipment, operating losses, indemnities relating to operating losses and conflicts as well as payroll refunds. Indemnities are recognised when it is more probable than not that the company is going to be indemnified.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Depreciation, amortisation and impairment of intangible assets

Depreciation, amortisation and impairment of intangible assets comprise the year's depreciation, amortisation and impairment of intangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Intangible assets

Development projects, patents and licences

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

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

Accounting policies

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually three years.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the term of the licence, however not more than 10 years.

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities, which include trade payables and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Prepayments received from customers

Prepayments received from customers recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.