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Factbird ApS

Nyropsgade 37, 3.
1602 Copenhagen
CVR No. 37192422

Annual report 2024

The Annual General Meeting adopted the annual report on 10.04.2025

Søren Traumer Schønnemann
Chairman of the General Meeting

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Entity details

Entity

Factbird ApS
Nyropsgade 37, 3.
1602 Copenhagen

Business Registration No.: 37192422
Registered office: Copenhagen
Financial year: 01.01.2024 - 31.12.2024

Board of Directors

David Owe Andreas Olsson, Chairman
William Jonathan Owen Sheldon
Jesper Lilledal Holmgaard

Executive Board

Søren Traumer Schønnemann, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Factbird ApS for the financial year 01.01.2024 - 31.12.2024.

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 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024.

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.

Copenhagen, 10.04.2025

Executive Board

Søren Traumer Schønnemann
CEO

Board of Directors

David Owe Andreas Olsson
Chairman

William Jonathan Owen Sheldon

Jesper Lilledal Holmgaard

Independent auditor's report

To the shareholders of Factbird ApS

Opinion

We have audited the financial statements of Factbird ApS for the financial year 01.01.2024 - 31.12.2024, 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.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 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, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements 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 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:

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

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 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 audit 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 audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 10.04.2025

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Claus Jorch Andersen
State Authorised Public Accountant
Identification No (MNE) mne33712

Arif Aygar
State Authorised Public Accountant
Identification No (MNE) mne50634

Management commentary

Primary activities

Facbird's primary activities is to develop unique and innovative hardware and software Manufacturing Intelligence solutions, setting new standards for process improvement as well as waste reduction for production companies.

The Manufacturing Intelligence market spans from basic solutions to highly complex systems. Factbird is positioned in the premium segment, offering cutting-edge solutions for Overall Equipment Effectiveness (OEE), real-time tracking, advanced analytics, alarm configuration, batch and production planning, video monitoring, analog sensor integration, energy management, quality assurance, paperless execution, skills & training management and proactive maintenance. These functionalities collectively support continuous process improvements in manufacturing environments.

Description of material changes in activities and finances

Factbird remains committed to the continuous development of its hardware and software solutions, as described below under research and development activities, introducing new offerings within Manufacturing Intelligence. Despite ongoing advancements, there have been no material changes in Factbird's core activities. The result for the year is equal to a loss of EUR 2,876 thousand, which is in line with the company's strategy as well as expectations.

Research and development activities

Throughout 2024, Factbird has made substantial investments in research and development (R&D), leading to the introduction of pioneering features and new products that further strengthen its position in the market. Among the key advancements are; 1) Artificial Intelligence Co-Pilot, an AI-driven tool enabling users to extract advanced insights from large datasets by simply posing natural language queries, significantly enhancing decision-making efficiency, and 2) Visual Object Recognition, allowing users to extract real-time data and track events from live video streams, bringing unprecedented levels of automation and intelligence to manufacturing operations..

In addition to these technological advancements, Factbird has successfully launched new products, including Connected Operations and Knowledge Excellence. These solutions have been developed in close collaboration with customers and industry experts to ensure they in a creative way address evolving market needs.

Factbird's commitment to innovation has driven accelerated growth in 2024, with the company now serving over 300 manufacturing companies across 30+ countries. Furthermore, the introduction of new innovative products has expanded the company's total addressable market, unlocking new opportunities for future growth.

For further details on Factbird's products, solutions, and customer success stories, please visit www.factbird.com.

Events after the balance sheet date

After the balance sheet date, a capital increase of EUR 5 million was carried out in the company, followed by a capital reduction with a payout to shareholders amounting to EUR 7.4 million. Apart from this, no events have occurred after the balance sheet date that would impact the evaluation of this financial report.

Income statement for 2024

	Notes	2024 EUR	2023 EUR
Gross profit/loss	1	**2,069,027**	**940,532**
Staff costs	2	(4,891,697)	(3,303,770)
Depreciation, amortisation and impairment losses		(430,396)	(83,023)
Operating profit/loss		**(3,253,066)**	**(2,446,261)**
Other financial income	3	316,353	31,947
Other financial expenses	4	(184,435)	(143,325)
Profit/loss before tax		**(3,121,148)**	**(2,557,639)**
Tax on profit/loss for the year		245,233	363,380
Profit/loss for the year		**(2,875,915)**	**(2,194,259)**
Proposed distribution of profit and loss			
Retained earnings		(2,875,915)	(2,194,259)
Proposed distribution of profit and loss		**(2,875,915)**	**(2,194,259)**

Balance sheet at 31.12.2024

Assets

	Notes	2024 EUR	2023 EUR
Completed development projects	6	1,750,345	1,490,513
Acquired intangible assets		15,275	26,058
Development projects in progress	6	691,421	189,340
Intangible assets	5	**2,457,041**	**1,705,911**
Other fixtures and fittings, tools and equipment		153,393	52,017
Property, plant and equipment	7	**153,393**	**52,017**
Investments in group enterprises		949	949
Deposits		168,067	94,303
Financial assets	8	**169,016**	**95,252**
Fixed assets		**2,779,450**	**1,853,180**
Manufactured goods and goods for resale		454,459	446,581
Inventories		**454,459**	**446,581**
Trade receivables		1,154,627	642,106
Receivables from group enterprises		1,582,748	270,099
Other receivables		51,382	350
Income tax receivable	9	245,233	363,380
Prepayments		161,991	164,949
Receivables		**3,195,981**	**1,440,884**
Cash		**6,329,802**	**9,705,957**
Current assets		**9,980,242**	**11,593,422**
Assets		**12,759,692**	**13,446,602**

Equity and liabilities

	Notes	2024 EUR	2023 EUR
Contributed capital		52,481	52,481
Reserve for development expenditure		2,441,766	1,679,853
Retained earnings		5,928,065	9,565,893
Equity		**8,422,312**	**11,298,227**
Debt to other credit institutions		1,607,650	805,369
Non-current liabilities other than provisions	10	**1,607,650**	**805,369**
Current portion of non-current liabilities other than provisions	10	405,772	0
Trade payables		274,436	468,877
Other payables	11	315,212	154,957
Deferred income		1,734,310	719,172
Current liabilities other than provisions		**2,729,730**	**1,343,006**
Liabilities other than provisions		**4,337,380**	**2,148,375**
Equity and liabilities		**12,759,692**	**13,446,602**
Unrecognised rental and lease commitments	12		
Assets charged and collateral	13		

Statement of changes in equity for 2024

	Contributed capital EUR	Reserve for development expenditure EUR	Retained earnings EUR	Total EUR
Equity beginning of year	52,481	1,679,853	9,565,893	11,298,227
Transfer to reserves	0	761,913	(761,913)	0
Profit/loss for the year	0	0	(2,875,915)	(2,875,915)
Equity end of year	**52,481**	**2,441,766**	**5,928,065**	**8,422,312**

For the purpose of offering incentive pay in the form of warrants, the Company's Board of Directors are authorized for the period until 14 November 2028 once or several times to increase the Company's share capital with up to nominally 13,226 shares in total without pre-emption right for the Company's shareholders. The authorization empowers the Board of Directors to determine the terms for the granted share options, including the exercise price.

Notes

1 Gross profit/loss

Gross profit includes own work capitalised for EUR 1,082 thousand (2023: EUR 1,035 thousand)

2 Staff costs

	2024 EUR	2023 EUR
Wages and salaries	4,543,581	3,059,382
Pension costs	278,991	207,657
Other social security costs	69,125	36,731
	4,891,697	**3,303,770**
Average number of full-time employees	**50**	**25**

3 Other financial income

	2024 EUR	2023 EUR
Financial income from group enterprises	24,955	0
Other interest income	261,525	19,603
Exchange rate adjustments	29,873	12,344
	316,353	**31,947**

4 Other financial expenses

	2024 EUR	2023 EUR
Other interest expenses	154,998	77,976
Exchange rate adjustments	0	41,393
Other financial expenses	29,437	23,956
	184,435	**143,325**

5 Intangible assets

	Completed development projects EUR	Acquired intangible assets EUR	Development projects in progress EUR
Cost beginning of year	1,550,678	32,348	189,340
Transfers	76,696	0	(76,696)
Additions	535,922	0	578,777
Cost end of year	**2,163,296**	**32,348**	**691,421**
Amortisation and impairment losses beginning of year	(60,165)	(6,290)	0
Amortisation for the year	(352,786)	(10,783)	0
Amortisation and impairment losses end of year	**(412,951)**	**(17,073)**	**0**
Carrying amount end of year	**1,750,345**	**15,275**	**691,421**

6 Development projects

Throughout 2024, Factbird has made substantial investments in research and development (R&D), leading to the introduction of pioneering features and new products that further strengthen its position in the market. Among the key advancements are; 1) Artificial Intelligence Co-Pilot, an AI-driven tool enabling users to extract advanced insights from large datasets by simply posing natural language queries, significantly enhancing decision-making efficiency, and 2) Visual Object Recognition, allowing users to extract real-time data and track events from live video streams, bringing unprecedented levels of automation and intelligence to manufacturing operations..

In addition to these technological advancements, Factbird has successfully launched new products, including Connected Operations and Knowledge Excellence. These solutions have been developed in close collaboration with customers and industry experts to ensure they in a creative way address evolving market needs.

The introduction of new innovative products has expanded the company's total addressable market, unlocking new opportunities for future growth.

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment EUR
Cost beginning of year	88,270
Additions	168,203
Cost end of year	**256,473**
Depreciation and impairment losses beginning of year	(36,253)
Depreciation for the year	(66,827)
Depreciation and impairment losses end of year	**(103,080)**
Carrying amount end of year	**153,393**

8 Financial assets

	Investments in group enterprises EUR	Deposits EUR
Cost beginning of year	949	94,303
Additions	0	73,764
Cost end of year	**949**	**168,067**
Carrying amount end of year	**949**	**168,067**

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity EUR	Profit/loss EUR
Factbird Inc	US	Inc	100.00	264,058	141,279

9 Tax receivable

Corporate income tax receivable recognised in the balance sheet relates to applying the Tax Credit Scheme under section 8X of the Danish Tax Assessment Act, by which the Company can get the tax base of tax losses originating from research and development costs.

Based on an examination of the criteria for applying the scheme, Management believes the Company is entitled to apply the scheme. Accordingly, the recognition has been based on this assessment.

However, whether the criteria for applying the scheme are met is based on an estimate. Consequently, there may be a risk that the tax authorities will deem the criteria unfulfilled. If so, the receivable must be fully or partially reversed in the income statement in the subsequent financial year.

10 Non-current liabilities other than provisions

	Due within 12 months 2024 EUR	Due after more than 12 months 2024 EUR
Debt to other credit institutions	405,772	1,607,650
	405,772	**1,607,650**

Non-current liabilities due more than 5 years equals EUR 0.

11 Other payables

	2024 EUR	2023 EUR
VAT and duties	0	(20,837)
Wages and salaries, personal income taxes, social security costs, etc. payable	147,354	29,020
Holiday pay obligation	167,858	146,774
	315,212	**154,957**

12 Unrecognised rental and lease commitments

The company has entered into lease agreements for its business premises. The total obligation for the remaining term amounts to EUR 475 thousand (2023: EUR 576 thousand).

13 Assets charged and collateral

Debt of EUR 2,013 thousand is secured by way of inventories, receivables, equipment, goodwill, domain names and rights with book value of EUR 4.2 million at the balance sheet date.

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 a few provisions for reporting class C.

Changes in accounting policies

The Entity has changed its accounting policies with regard to pressentation currency from DKK to EUR

The monetary impact of the change is considered insignificant due to the fixed exchange rate agreement between EUR and DKK. Consequently, the monetary impact is not disclosed.

The comparative figures have been restated following the change in accounting policies.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistently with last year.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, own work capitalised, other operating income, direct costs and external expenses.

Revenue

Revenue is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue

from the sale of services is recognised in the income statement 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.

Own work capitalised
Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets.

Other operating income
Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of property, plant and equipment, and salary refunds.

Direct costs
Direct costs comprises costs directly associated with revenue.

Other external expenses
Other external expenses include expenses relating to the Entity's normal activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

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 property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

Other financial income
Other financial income comprises, interest income, including interest income on receivables from group enterprises, exchange gains on transactions in foreign currencies.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, exchange losses on transactions in foreign currencies, amortisation of financial liabilities.

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.

Balance sheet

Intellectual property rights etc.
Intellectual property rights etc. comprise development projects completed and in progress and acquired intellectual property rights.

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 in the 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 external costs that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs used in the development process are recognised in cost based on time spent on each project.

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. The amortisation periods used are 5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation and are amortised on a straight-line basis over 3 years.

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

Property, plant and equipment
Plant and machinery, and other fixtures and fittings, tools and equipment are
measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each asset.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

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:

	Useful life
Other fixtures and fittings, tools and equipment	5
Completed development projects	5
Acquired rights	3

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

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.

Investments in group enterprises
Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

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 cash in hand and 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.