Deloitte.

Avallone ApS

Rahbeks Alle 21
1801 Frederiksberg C
CVR No. 41146567

Annual report 2024

The Annual General Meeting adopted the annual report on 30.06.2025

DocuSigned by:
Anders Meinert Jørgensen
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Anders Meinert Jørgensen
Chairman of the General Meeting

Contents

Entity details

Entity

Avallone ApS
Rahbeks Alle 21
1801 Frederiksberg C

Business Registration No.: 41146567
Registered office: Frederiksberg
Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Georg Werner Hetrodt, Chairman
Richard Breiter
Anders Meinert Jørgensen
Nikolaj Kromann Jørgensen
Martin Saxo Albertsen

Executive Board

Anders Meinert Jørgensen

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 Avallone 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, 27.06.2025

Executive Board

Anders Meinert Jørgensen

Board of Directors

Georg Werner Hetrodt
Chairman

Richard Breiter

Anders Meinert Jørgensen

Nikolaj Kromann Jørgensen

Martin Saxo Albertsen

Independent auditor's report

To the shareholders of Avallone ApS

Opinion

We have audited the financial statements of Avallone 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.

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, 27.06.2025

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

René Carøe Andersen
State Authorised Public Accountant
Identification No (MNE) mne34499

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

Management commentary

Primary activities

The company's purpose is to conduct business with trade and service as well as activities related to it.

The income statement of the Company for 2024 shows a loss of DKK 8,297 thousand and at 31 December 2024 the balance sheet of the Company shows an equity of DKK (6,415) thousand.

The company has lost more than half of its share capital, and in accordance with the Danish Companies Act, a plan has been established to restore the share capital. The restoration of the share capital will be achieved through capital injection and own earnings in the future.

Events after the balance sheet date

After the balance sheet date, Avallone received investments in two rounds through capital increases in the company amounting to DKK 5.3 million and sale of treasury shares for DKK 616 thousand. Furthermore, the company has entered into an agreement with the lender to defer loan repayments, which are presented as current portion of non-current liabilities other than provisions in the annual report amounting to DKK 5.9 million. These investments and change in loan agreements together ensure sufficient liquidity for the continued operation of the company. Apart from these matters, no other events have occurred after the balance sheet date that have a significant impact on the annual report.

Treasury shares

	Number	Nominal value DKK	Share of contributed capital %	Purchase/ (selling) price DKK
Acquistion of A & B-shares as of January 1 2024	2,405	2,405	0.75	303,030
Investments acquired	**2,405**	**2,405**	**0.75**	

The Company acquired a total nominal value of treasury shares 2,405 DKK (0.75% of the share capital) at a price of 126 DKK, corresponding to 303,030 DKK.

Referring to the section with events after the balance sheet date, treasury shares have been sold after the balance sheet date at a price of DKK 616 thousand.

Income statement for 2024

	Notes	2024 DKK	2023 DKK
Gross profit/loss		**2,990,099**	**224,013**
Staff costs	2	(10,181,164)	(10,800,003)
Operating profit/loss		**(7,191,065)**	**(10,575,990)**
Other financial income from group enterprises		18,182	133,763
Other financial income	3	109,356	18,622
Other financial expenses	4	(1,233,686)	(1,124,883)
Profit/loss before tax		**(8,297,213)**	**(11,548,488)**
Tax on profit/loss for the year		0	1,006,565
Profit/loss for the year		**(8,297,213)**	**(10,541,923)**
Proposed distribution of profit and loss			
Retained earnings		(8,297,213)	(10,541,923)
Proposed distribution of profit and loss		**(8,297,213)**	**(10,541,923)**

Balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Investments in group enterprises		18,622	18,622
Deposits		226,600	360,000
Financial assets	5	**245,222**	**378,622**
Fixed assets		**245,222**	**378,622**
Trade receivables		2,291,804	1,317,680
Other receivables		10,000	12,310,200
Income tax receivable		0	1,006,565
Prepayments		587,302	429,254
Receivables		**2,889,106**	**15,063,699**
Cash		**11,736,532**	**4,483,237**
Current assets		**14,625,638**	**19,546,936**
Assets		**14,870,860**	**19,925,558**

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital	6	320,183	320,183
Retained earnings		(6,735,367)	1,944,831
Equity		**(6,415,184)**	**2,265,014**
Other payables		7,882,889	13,870,001
Non-current liabilities other than provisions	7	**7,882,889**	**13,870,001**
Current portion of non-current liabilities other than provisions	7	5,940,735	0
Trade payables		993,292	389,410
Payables to group enterprises		103,541	61,441
Other payables	8	1,494,593	1,321,917
Deferred income		4,870,994	2,017,775
Current liabilities other than provisions		**13,403,155**	**3,790,543**
Liabilities other than provisions		**21,286,044**	**17,660,544**
Equity and liabilities		**14,870,860**	**19,925,558**
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	9		
Assets charged and collateral	10		

Statement of changes in equity for 2024

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	320,183	3,039,425	3,359,608
Corrections of material errors	0	(1,094,594)	(1,094,594)
Adjusted equity beginning of year	**320,183**	**1,944,831**	**2,265,014**
Costs related to equity transactions	0	(79,955)	(79,955)
Purchase of treasury shares	0	(303,030)	(303,030)
Profit/loss for the year	0	(8,297,213)	(8,297,213)
Equity end of year	**320,183**	**(6,735,367)**	**(6,415,184)**

Warrants
For the purpose of offering incentive pay in the form of share options, the Company's Board of Directors is authorised for the period until 14 january 2026 once or several times to increase the Company's share capital with up to nominally 30,182 shares in total without pre-emption right for the Company's shareholders. The authorisation empowers the Board of Directors to determine the terms for the granted share options, including the exercise price.

Capital loss
The company has lost more than half of its share capital, and in accordance with the Danish Companies Act, a plan has been established to restore the share capital. The restoration of the share capital will be achieved through capital injection and own earnings in the future.

Treasury Shares
The Company acquired a total nominal value of treasury shares 2,405 DKK (0.75% of the share capital) at a price of 126 DKK, corresponding to 303,030 DKK.

Referring to the section with events after the balance sheet date, treasury shares have been sold after the balance sheet date at a price of DKK 616 thousand.

Notes

1 Events after the balance sheet date

After the balance sheet date, Avallone received investments in two rounds through capital increases in the company amounting to DKK 5.3 million and sale of treasury shares for DKK 616 thousand. Furthermore, the company has entered into an agreement with the lender to defer loan repayments, which are presented as current portion of non-current liabilities other than provisions in the annual report amounting to DKK 5.9 million. These investments and change in loan agreements together ensure sufficient liquidity for the continued operation of the company. Apart from these matters, no other events have occurred after the balance sheet date that have a significant impact on the annual report.

2 Staff costs

	2024 DKK	2023 DKK
Wages and salaries	9,887,978	10,674,855
Pension costs	192,147	0
Other social security costs	101,039	125,148
	10,181,164	**10,800,003**
Average number of full-time employees	13	16

3 Other financial income

	2024 DKK	2023 DKK
Other interest income	109,356	18,622
	109,356	**18,622**

4 Other financial expenses

	2024 DKK	2023 DKK
Other interest expenses	1,190,306	1,102,286
Exchange rate adjustments	43,245	22,597
Other financial expenses	135	0
	1,233,686	**1,124,883**

5 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	18,622	360,000
Disposals	0	(133,400)
Cost end of year	**18,622**	**226,600**
Carrying amount end of year	**18,622**	**226,600**

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
UAB Avallone Lithuania	Vilnius, Gyneju	UAB	100.00	47,940	16,710

6 Contributed capital

	Number	Nominal value DKK
A-shares	158,777	158,777
B-shares	161,406	161,406
	320,183	**320,183**

7 Non-current liabilities other than provisions

	Due within 12 months 2024 DKK	Due after more than 12 months 2024 DKK
Other payables	5,940,735	7,882,889
	5,940,735	**7,882,889**

The company has entered into an agreement with the lender to defer loan repayments amounting to DKK 5.9 million as presented above.

8 Other payables

	2024 DKK	2023 DKK
VAT and duties	961,410	517,708
Wages and salaries, personal income taxes, social security costs, etc. payable	532,652	803,023
Other costs payable	531	1,186
	1,494,593	**1,321,917**

9 Unrecognised rental and lease commitments

	2024	2023
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	226,600	550,000

10 Assets charged and collateral

There are no assets charged and collateral.

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.

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

Consolidated financial statements

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

Material errors in previous years

Material errors concerning previous year in the financial statements is identified. The error relates to adjustments for processing of TP regulation in previous years with a subsidiary.

With the application of the rules on the correction of significant errors from previous years, the adjustment of the error has been made in the opening balance sheet and comparative figures have been adjusted.

The error has an effect on the income statement for 2023 of DKK 1,095 thousand and equity in total with DKK 1,095 million. The error has no tax effect in the financial statements.

Recognition and measurement

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

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

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

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

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

Foreign currency translation

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

Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

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.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses

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

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc. on receivables from group enterprises.

Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

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

Tax on profit/loss for the year

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

Balance sheet

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.

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.

Treasury shares

Acquisition and selling prices and dividends for treasury shares are classified directly as equity in retained earnings. Gains and losses on sale are not recognised in the income statement. Capital reduction by cancellation of treasury shares reduces the contributed capital by an amount corresponding to the nominal value.

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.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

René Carøe Andersen
DELOITTE STATSAUTORISERET REVISIONSPARTNERSELSKAB
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Revisor
Serienummer: 41af37f3-e333-4b1f-87f1-670209843ef8
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Mit ID

Arif Aygar
Revisor
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Mit ID

Anders Meinert Jørgensen
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Anders Meinert Jørgensen
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Nikolaj Kromann Jørgensen
Bestyrelsesmedlem
Serienummer: e3a1b182-0aa2-41ba-9b43-713bb5606d32
IP: 85.83.xxx.xxx
2025-06-29 19:11:41 UTC

Mit ID

Richard Breiter
Bestyrelsesmedlem
Serienummer: 0d5a1e0f-0c40-4ead-a8d4-2d29854fa13d
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Georg Werner Hetrodt
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Martin Saxo Albertsen
Bestyrelsesmedlem
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