



Avallone ApS

Rahbeks Alle 21
1801 Frederiksberg C
CVR No. 41146567

Annual report 2023

The Annual General Meeting adopted the annual report on 28.06.2024

Anders Meinert Jørgensen
Chairman of the General Meeting

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Entity details

Entity

Avallone ApS

Rahbeks Alle 21

1801 Frederiksberg C

Business Registration No.: 41146567

Registered office: Frederiksberg

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Martin Albertsen

Richard Breiter

Martin Kristian Simonsen Tillisch

Anders Meinert Jørgensen

Nikolaj Kromann Jørgensen

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 01.01.2023 - 31.12.2023.

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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

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, 28.06.2024

Executive Board

Anders Meinert Jørgensen

Board of Directors

Martin Albertsen

Richard Breiter

Martin Kristian Simonsen Tillisch

Anders Meinert Jørgensen

Nikolaj Kromann Jørgensen

Independent auditor's report

To the shareholders of Avallone ApS

Opinion

We have audited the financial statements of Avallone ApS for the financial year 01.01.2023 - 31.12.2023, 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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 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, 28.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

René Carøe Andersen

State Authorised Public Accountant
Identification No (MNE) mne34499

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 2023 shows a loss of DKK 9,447 thousand and at 31 December 2023 the balance sheet of the Company shows an equity of DKK 3,360 thousand.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss	1	1,605,357	(3,755,771)
Staff costs	2	(11,086,753)	(12,366,983)
Operating profit/loss		(9,481,396)	(16,122,754)
Other financial income from group enterprises		133,763	0
Impairment losses on financial assets		18,622	(18,622)
Other financial expenses	3	(1,124,883)	(1,046,837)
Profit/loss before tax		(10,453,894)	(17,188,213)
Tax on profit/loss for the year	4	1,006,565	1,152,969
Profit/loss for the year		(9,447,329)	(16,035,244)
Proposed distribution of profit and loss			
Retained earnings		(9,447,329)	(16,035,244)
Proposed distribution of profit and loss		(9,447,329)	(16,035,244)

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Investments in group enterprises		18,622	0
Deposits		360,000	442,292
Financial assets	5	378,622	442,292
Fixed assets		378,622	442,292
Trade receivables		1,317,680	230,475
Receivables from group enterprises		1,033,153	0
Other receivables		12,310,200	7,093
Income tax receivable	6	1,006,565	1,152,969
Prepayments		429,254	62,202
Receivables		16,096,852	1,452,739
Cash		4,483,237	13,638,908
Current assets		20,580,089	15,091,647
Assets		20,958,711	15,533,939

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital	7	320,183	276,218
Retained earnings		3,039,426	220,520
Equity		3,359,609	496,738
Other payables		13,870,001	12,350,392
Non-current liabilities other than provisions	8	13,870,001	12,350,392
Current portion of non-current liabilities other than provisions	8	0	568,000
Trade payables		389,410	254,472
Other payables	9	1,321,916	521,352
Deferred income		2,017,775	1,342,985
Current liabilities other than provisions		3,729,101	2,686,809
Liabilities other than provisions		17,599,102	15,037,201
Equity and liabilities		20,958,711	15,533,939
Unrecognised rental and lease commitments	10		
Assets charged and collateral	11		

Statement of changes in equity for 2023

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Equity beginning of year	276,218	0	220,520	496,738
Increase of capital	43,965	12,266,235	0	12,310,200
Transfer to reserves	0	(12,266,235)	12,266,235	0
Profit/loss for the year	0	0	(9,447,329)	(9,447,329)
Equity end of year	320,183	0	3,039,426	3,359,609

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 15,582 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.

Notes

1 Gross profit/loss

Gross profit includes revenue, costs of sales and other external expenses.

2 Staff costs

	2023 DKK	2022 DKK
Wages and salaries	10,739,180	11,974,255
Other social security costs	125,148	167,709
Other staff costs	222,425	225,019
	11,086,753	12,366,983
Average number of full-time employees	16	19

3 Other financial expenses

	2023 DKK	2022 DKK
Financial expenses from group enterprises	0	(41,993)
Other interest expenses	1,102,286	1,016,437
Exchange rate adjustments	22,597	72,393
	1,124,883	1,046,837

4 Tax on profit/loss for the year

	2023 DKK	2022 DKK
Current tax	(1,006,565)	(1,152,969)
	(1,006,565)	(1,152,969)

5 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	18,622	442,292
Disposals	0	(82,292)
Cost end of year	18,622	360,000
Impairment losses beginning of year	(18,622)	0
Reversal of impairment losses	18,622	0
Impairment losses end of year	0	0
Carrying amount end of year	18,622	360,000

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
UAB Avallone Lithuania	Vilnius, Gyneju	UAB	100.00

6 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.

7 Share capital

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

8 Non-current liabilities other than provisions

	Due within 12 months	Due after more than 12 months
	2022	2023
	DKK	DKK
Other payables	568,000	13,870,001
	568,000	13,870,001

9 Other payables

	2023	2022
	DKK	DKK
VAT and duties	517,708	0
Wages and salaries, personal income taxes, social security costs, etc. payable	803,022	520,456
Other costs payable	1,186	896
	1,321,916	521,352

10 Unrecognised rental and lease commitments

	2023	2022
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	550,000	1,367,000

11 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.

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.

Impairment losses on financial assets

Impairment losses on financial assets comprise impairment losses on financial assets which are not measured at fair value on a current basis.

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.

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.