# APX10 A/S

Ny Banegårdsgade 55, 4., 8000 Aarhus C
CVR-nr. 40 11 24 56

## Annual Report 2024

1 January - 31 December

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 20 March 2025

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Brian Veje Iversen

BDO Statsautoriseret revisionsaktieselskab
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BDO Statsautoriseret revisionsaktieselskab, a Danish limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

# Company Details

| | | |
|---|---|---|
| **Company** | APX10 A/S<br>Ny Banegårdsgade 55, 4.<br>8000 Aarhus C | |
| | CVR No.: | 40 11 24 56 |
| | Established: | 20 December 2018 |
| | Municipality: | Aarhus |
| | Financial Year: | 1 January - 31 December |
| **Board of Directors** | Brian Veje Iversen, chairman<br>Ulrich Borup Hansen<br>Jason Plummer<br>Lukas Loeffler<br>Henrik Skov Laursen | |
| **Executive Board** | Ulrich Borup Hansen | |
| **Auditor** | BDO Statsautoriseret revisionsaktieselskab<br>Havneholmen 29<br>1561 Copenhagen V | |
| **Bank** | Danske Bank<br>Holmens Kanal 2 - 12<br>1060 Copenhagen K | |

# Management's Statement

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of APX10 A/S for the financial year 1 January - 31 December 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 Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Aarhus, 20 March 2025

Executive Board

_____
Ulrich Borup Hansen

Board of Directors

| | | |
|---|---|---|
| _____ | _____ | _____ |
| Brian Veje Iversen<br>Chairman | Ulrich Borup Hansen | Jason Plummer |
| _____ | _____ | |
| Lukas Loeffler | Henrik Skov Laursen | |

# The Independent Auditor's Report

## To the Shareholder of APX10 A/S

### Conclusion
We have performed an extended review of the Financial Statements of APX10 A/S for the financial year 1 January - 31 December 2024, which comprise income statement, Balance Sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared under the Danish Financial Statements Act.

Based on the work performed 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 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

### Basis for Conclusion
We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of Financial Statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Extended Review of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### 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 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 Extended Review of the Financial Statements
Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the Financial Statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the Financial Statements.

### Statement on the Management Commentary
Management is responsible for the Management Commentary.

Our conclusion on the Financial Statements does not cover the Management Commentary, and we do not express any form of assurance conclusion thereon.

# The Independent Auditor's Report

In connection with our extended review 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 during the extended review, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management Commentary provides the information required under the Danish Financial Statements Act.

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 of the Danish Financial Statements Act. We did not identify any material misstatement in the Management Commentary.

Copenhagen, 20 March 2025

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Mads Juul Hansen
State Authorised Public Accountant
MNE no. mne44386

# Management Commentary

## Principal activities
The Company's activities are development, sale, deployment, and services related to the APX® platform. The APX® platform is a proprietary Software-as-a-Service (SaaS) solution for infrastructure owners and utilities within water, wastewater, stormwater, and district heating. The solution provides a foundation for precision capital expenditure reinvestment priorities through a dynamic and easy-to-use digital asset management system.

## Development in activities and financial and economic position
The gross profit for the year totals DKK 3,459,945. This result is in accordance with plan and the growth-related investments made throughout the year. During 2024, the Company increased its annual recurring revenue in the strategic and international markets. Expansion into Germany and the North American market continues to be successful and for the latter with onboarding of clients in new states not previously serviced.

In tandem with the increase in commercial activities and in accordance with budget, the Company increased its team and thereby its related costs throughout the year. Significant efforts and investment were continuously made to support entries into new markets where product market fit is identified.

The company has again this year received a letter of support from the parent company which secures the company's need for liquidity in 2025. We refer to the description in the note of the financial statements "Conditions in respect to going concern", stating that the company's Management has ensured that the financing of operations for the coming year has been guaranteed.

## Significant events after the end of the financial year
No events have occurred after the end of the financial year of material importance for the Company's financial position.

## Group relations
The Company is owned and funded by Cimbria Nord 1 ApS, a subsidiary of Cimbria Invest, LLC, an entity owned and managed by Cimbria Capital, LLC (“Cimbria”). Cimbria is a private equity investment firm based in United States and Denmark conducting growth and expansion capital investments in the Water Economy in North America and the Nordics. Cimbria is a dedicated long-term owner of APX10 with capacity and willingness to commit and invest capital into the Company to optimize the on-going growth and value of the Company.

# Income Statement 1 January - 31 December

| | Note | 2024<br>DKK | 2023<br>DKK |
|---|---|---|---|
| **Gross profit** | | **3.459.945** | **2.854.774** |
| Staff costs | 1 | -7.640.112 | -6.298.568 |
| Depreciation, amortisation and impairment losses | | -4.509.867 | -4.582.980 |
| **Operating loss** | | **-8.690.034** | **-8.026.774** |
| Other financial income | 2 | 104.188 | 45.686 |
| Other financial expenses | 3 | -573.628 | -880.191 |
| **Loss before tax** | | **-9.159.474** | **-8.861.279** |
| Tax on profit/loss for the year | 4 | 81.991 | 55.096 |
| **Loss for the year** | | **-9.077.483** | **-8.806.183** |

**PROPOSED DISTRIBUTION OF LOSS**

| | | | |
|---|---|---|---|
| Retained earnings | | -9.077.483 | -8.806.183 |
| **Total** | | **-9.077.483** | **-8.806.183** |

# Balance Sheet at 31 December

## Assets

| | Note | 2024<br>DKK | 2023<br>DKK |
|---|---|---|---|
| Development projects completed | | 5.361.829 | 5.443.173 |
| Goodwill | | 3.750.000 | 5.625.000 |
| **Intangible assets** | 5 | **9.111.829** | **11.068.173** |
| Investments in subsidiaries | | 75.426 | 75.426 |
| Rent deposit and other receivables | | 148.051 | 103.051 |
| **Financial non-current assets** | 6 | **223.477** | **178.477** |
| **Non-current assets** | | **9.335.306** | **11.246.650** |
| Trade receivables | | 0 | 190.252 |
| Receivables from group enterprises | | 3.498.774 | 1.710.500 |
| Other receivables | | 57.267 | 139 |
| Prepayments | | 268.200 | 243.549 |
| **Receivables** | | **3.824.241** | **2.144.440** |
| **Cash and cash equivalents** | | **2.028.194** | **2.162.659** |
| **Current assets** | | **5.852.435** | **4.307.099** |
| **Assets** | | **15.187.741** | **15.553.749** |

# Balance Sheet at 31 December

## Equity and liabilities

| | Note | 2024<br>DKK | 2023<br>DKK |
|---|---|---|---|
| Share capital | | 1.727.485 | 1.000.000 |
| Reserve for development costs | | 4.182.227 | 4.245.676 |
| Retained earnings | | -1.419.796 | -18.703.195 |
| **Equity** | | **4.489.916** | **-13.457.519** |
| Payables to group enterprises | | 5.526.831 | 23.609.118 |
| Other non-current liabilities | | 549.977 | 534.663 |
| **Non-current liabilities** | 7 | **6.076.808** | **24.143.781** |
| Bank debt | | 65.750 | 168.057 |
| Trade payables | | 249.294 | 318.512 |
| Other liabilities | | 709.451 | 1.070.187 |
| Deferred income | | 3.596.522 | 3.310.731 |
| **Current liabilities** | | **4.621.017** | **4.867.487** |
| **Liabilities** | | **10.697.825** | **29.011.268** |
| **Equity and liabilities** | | **15.187.741** | **15.553.749** |
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| **Conditions in respect to going concern** | 10 | | |

# Equity

| DKK | Share capital | Reserve for development costs | Retained earnings | Total |
|---|---|---|---|---|
| Equity at 1 January 2024 | 1.000.000 | 4.245.676 | -18.703.195 | -13.457.519 |
| Proposed loss allocation | | | -9.077.483 | -9.077.483 |
| **Transactions with owners** | | | | |
| Capital increase | 727.485 | | 26.312.433 | 27.039.918 |
| Cost of capital increase | | | -15.000 | -15.000 |
| **Other legal bindings** | | | | |
| Capitalized development costs | | 2.553.523 | -2.553.523 | 0 |
| **Transfers** | | | | |
| Depreciations | | -2.634.867 | 2.634.867 | 0 |
| **Tax on changes in equity** | | **17.895** | **-17.895** | **0** |
| **Equity at 31 December 2024** | **1.727.485** | **4.182.227** | **-1.419.796** | **4.489.916** |

# Notes

| | 2024<br>DKK | 2023<br>DKK |
|---|---|---|
| **1 \| Staff costs** | | |
| Average number of full time employees | 10 | 9 |
| Wages and salaries | 6.722.424 | 5.561.772 |
| Pensions | 824.522 | 663.046 |
| Social security costs | 93.166 | 73.750 |
| | **7.640.112** | **6.298.568** |
| **2 \| Other financial income** | | |
| Interest income from group enterprises | 104.188 | 45.686 |
| | **104.188** | **45.686** |
| **3 \| Other financial expenses** | | |
| Group enterprises | 539.622 | 821.766 |
| Other interest expenses | 34.006 | 58.425 |
| | **573.628** | **880.191** |
| **4 \| Tax on profit/loss for the year** | | |
| Joint taxation refund | -81.991 | -55.096 |
| | **-81.991** | **-55.096** |

## 5 | Intangible assets

| DKK | Development projects completed | Goodwill |
|---|---|---|
| Cost at 1 January 2024 | 14.438.376 | 15.000.000 |
| Additions | 2.553.523 | 0 |
| **Cost at 31 December 2024** | **16.991.899** | **15.000.000** |
| Amortisation at 1 January 2024 | 8.995.203 | 9.375.000 |
| Amortisation for the year | 2.634.867 | 1.875.000 |
| **Amortisation at 31 December 2024** | **11.630.070** | **11.250.000** |
| **Carrying amount at 31 December 2024** | **5.361.829** | **3.750.000** |

# Notes

## 5 | Intangible fixed assets (continued)

Development projects include the development of the platform. The development project essentially consists of costs in the form of direct salaries and other costs, which are registered through the company's internal project module.

The carrying amount is DKK 5,361,829 the 31 December 2024. The platform is expected to bring significant competitive advantages and thus a significant increase in the level of activity and profit for the company.

## 6 | Financial non-current assets

| DKK | Investments in subsidiaries | Rent deposit and other receivables |
|---|---|---|
| Cost at 1 January 2024 | 75.426 | 103.051 |
| Additions | 0 | 45.000 |
| **Cost at 31 December 2024** | **75.426** | **148.051** |
| **Carrying amount at 31 December 2024** | **75.426** | **148.051** |

## 7 | Long-term liabilities

| DKK | 31/12 2024 total liabilities | Debt outstanding after 5 years | 31/12 2023 total liabilities |
|---|---|---|---|
| Payables to group enterprises | 5.526.831 | 5.526.831 | 23.609.118 |
| Other non-current liabilities | 549.977 | 549.977 | 534.663 |
| | **6.076.808** | **6.076.808** | **24.143.781** |

# Notes

## 8 | Contingencies etc.

**Contingent liabilities**
The entity participates in a Danish joint taxation arrangement where Cimbria Nord 1 ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

The company has entered into an finansiel lease agreement with a remaining term of 11 months and a total leasing obligation of DKK'000 130.

The company has entered into to rent obligations agreement with a remaining term of total 3-6 months and a total rent obligation of DKK'000 151.

**Joint liabilities**
The Company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of Cimbria Nord 1 ApS, which serves as management Company for the joint taxation.

## 9 | Group Relations
The Company's related parties include:

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Cimbria Oasis Fund II, LP, Dairy Ashford Road 1155, Suit 400, Texas 77079 Houston

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Cimbria Nord 1 ApS, Tornmarksvej 94C, 5491 Blommenslyst

## 10 | Conditions in respect to going concern
The company has received a letter of support from the parent company which secures the company's need for liquidity in the coming year. The financial statements have therefor been presented on a going concern basis.

# Accounting Policies

The Annual Report of APX10 A/S for 2024 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

## Income Statement

### Net revenue
Net revenue from the sale of services is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

### Cost of sales
Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

### Other operating income
Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including salary refunds. Compensations are recognised when the income is estimated to be realisable.

### Other external expenses
Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc.

### Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees.

### Income from investments in subsidiaries
Dividend from subsidiaries is recognised in the financial year in which the dividend is declared. In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

### Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

### Tax
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

# Accounting Policies

## Balance Sheet

### Intangible fixed assets
Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 8 years. The period of amortisation is determined based on an assessment of the acquired Company's position in the market and earnings profile, and the industry-specific conditions.

Development projects comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the Company's development activities and which fulfil the criteria for recognition in the Balance Sheet.

The accounting item is measured at the lower of the capitalised costs less accumulated amortisation and recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is 3 years.

Intangible fixed assets are generally written down to the recoverable amount if this is lower than the carrying amount.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

### Financial non-current assets
Investments in subsidiaries are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

### Impairment of fixed assets
The carrying amount of intangible fixed assets together with fixed assets, which are not measured at fair value, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

### Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

# Accounting Policies

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

### Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

### Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

### Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

### Accruals, liabilities
Accruals recognised as liabilities include payments received regarding income in subsequent years.

### Foreign currency translation
Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

# Accounting Policies

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.