

UNDERSTORY

Annual report 2024

The Annual General Meeting adopted the annual report on 22.04.2025

Lasse Jørgensen Kjær

Chairman of the General Meeting

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Entity details

Entity

Understory A/S
Vestergade 4, 2.
8000 Aarhus C

Business Registration No.: 43717960
Registered office: Aarhus
Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Lars Daniel Blom Rasmussen
Lasse Jørgensen Kjær
Peter Mühlendorph Egehoved
Anders Kynde Frederiksen
Anders Boelskifte Mogensen

Executive Board

Lasse Jørgensen Kjær

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Understory A/S 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.

Aarhus, 03.04.2025

Executive Board

Lasse Jørgensen Kjær

Board of Directors

Lars Daniel Blom Rasmussen

Lasse Jørgensen Kjær

Peter Mühlendorph Egehoved

Anders Kynde Frederiksen

Anders Boelskifte Mogensen

Independent auditor's extended review report

To the shareholders of Understory A/S

Conclusion

We have performed an extended review of the financial statements of Understory A/S 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.

Based on our extended review, 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 conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. 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 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 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 to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of Management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than 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.

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 in 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 by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with 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.

Aarhus, 03.04.2025

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Jonas Thøstesen Svensson

State Authorised Public Accountant

Identification No (MNE) mne47824

Management commentary

Primary activities

The company's purpose is the development and sale of software solutions.

Development in activities and finances

2024 was a year of substantial growth and strategic development for Understory.

We enhanced our platform with core great new powers, integrations, and improved usability, benefitting both creators and guests.

Our commercial unit expanded significantly, strengthening sales and customer success capabilities.

We entered new Nordic markets, establishing a solid regional presence and proving high demand for our solution.

Financially, we achieved high revenue growth driven by subscriptions and transactions. While we invested heavily in product and team expansion, our financial position remains robust, supporting future growth.

The company reported an EBITDA of DKK (20.7) million, reflecting a focus on long-term scalability over short-term profitability. Despite the bottom line of DKK (21.7) million, the cash position remained strong at DKK 27.4 million at year-end, ensuring operational runway into 2025.

Looking ahead to 2025, our priorities are continued market expansion, ongoing platform improvements and expansion outside of the nordics.

We are committed to powering experience creators and being the driving force of the industry.

Outlook

Looking ahead to 2025, our priorities are continued market expansion, ongoing platform improvements and expansion outside of the Nordics. Due to our continuing focus on long-term scalability the expectation is that EBIT in 2025 will be in the range of DKK (22-27) million. In case of a 30% lowered realized revenue in H1 2025 compared to the expected level, management has created mitigating factors to ensure stability of the company. The mitigating factors includes a plan which secure sufficient cash-runway through out 2025.

Events after the balance sheet date

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

Income statement for 2024

	Notes	2024 DKK	2022/23 DKK
Gross profit/loss		(7,968,448)	(2,205,041)
Staff costs	1	(12,715,078)	(3,077,319)
Depreciation, amortisation and impairment losses	2	(882,720)	(850,802)
Operating profit/loss		(21,566,246)	(6,133,162)
Other financial income		39,340	244
Other financial expenses		(139,597)	(121,140)
Profit/loss for the year		(21,666,503)	(6,254,058)
Proposed distribution of profit and loss			
Retained earnings		(21,666,503)	(6,254,058)
Proposed distribution of profit and loss		(21,666,503)	(6,254,058)

Balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2022/23 DKK
Acquired intangible assets		2,667,638	3,547,248
Acquired rights		258,090	0
Intangible assets	3	2,925,728	3,547,248
Deposits		202,325	35,000
Financial assets	4	202,325	35,000
Fixed assets		3,128,053	3,582,248
Trade receivables		149,001	53,893
Other receivables	5	292,934	22,386,718
Prepayments		239,222	7,378
Receivables		681,157	22,447,989
Cash		27,366,389	441,506
Current assets		28,047,546	22,889,495
Assets		31,175,599	26,471,743

Equity and liabilities

	Notes	2024 DKK	2022/23 DKK
Contributed capital		5,720,326	4,963,793
Retained earnings		20,851,388	19,238,785
Equity		26,571,714	24,202,578
Other payables		1,707,933	1,620,000
Non-current liabilities other than provisions	6	1,707,933	1,620,000
Current portion of non-current liabilities other than provisions	6	41,667	0
Trade payables		894,377	316,817
Other payables		1,842,345	287,555
Deferred income		117,563	44,793
Current liabilities other than provisions		2,895,952	649,165
Liabilities other than provisions		4,603,885	2,269,165
Equity and liabilities		31,175,599	26,471,743
Unrecognised rental and lease commitments	7		

Statement of changes in equity for 2024

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Equity beginning of year	4,963,793	0	19,238,785	24,202,578
Increase of capital	756,533	23,706,904	0	24,463,437
Costs related to equity transactions	0	0	(427,798)	(427,798)
Transfer to reserves	0	(23,706,904)	23,706,904	0
Profit/loss for the year	0	0	(21,666,503)	(21,666,503)
Equity end of year	5,720,326	0	20,851,388	26,571,714

Notes

1 Staff costs

	2024	2022/23
	DKK	DKK
Wages and salaries	12,011,341	3,026,001
Pension costs	651,350	35,035
Other social security costs	52,387	16,283
	12,715,078	3,077,319
Average number of full-time employees	19	5

2 Depreciation, amortisation and impairment losses

	2024	2022/23
	DKK	DKK
Amortisation of intangible assets	882,720	850,802
	882,720	850,802

3 Intangible assets

	Acquired intangible assets DKK	Acquired rights DKK
Cost beginning of year	4,398,050	0
Additions	0	261,200
Cost end of year	4,398,050	261,200
Amortisation and impairment losses beginning of year	(850,802)	0
Amortisation for the year	(879,610)	(3,110)
Amortisation and impairment losses end of year	(1,730,412)	(3,110)
Carrying amount end of year	2,667,638	258,090

4 Financial assets

	Deposits DKK
Cost beginning of year	35,000
Additions	203,375
Disposals	(36,050)
Cost end of year	202,325
Carrying amount end of year	202,325

5 Other receivables

	2024	2022/23
	DKK	DKK
Other receivables	292,934	22,386,718
	292,934	22,386,718

Other receivables consisted of t.DKK 22,326 in 2022/23 that were registered capital increases which, as of the balance sheet date, were deposited in a client account with the company's lawyer. The deposited amount has been paid to the company in 2024.

6 Non-current liabilities other than provisions

	Due within 12	Due after
	months	more than 12
	2024	2024
	DKK	DKK
Other payables	41,667	1,707,933
	41,667	1,707,933

7 Unrecognised rental and lease commitments

	2024	2022/23
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	1,238,358	46,667

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.

Non-comparability

The previous financial year was the company's first financial year and covered the period 11.12.2022 - 31.12.2023. The current financial year covers the period 01.01.2024 - 31.12.2024, which is why there is no comparability.

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. Intangible 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, cost of sales and other 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.

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 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 intangible assets comprise amortisation and impairment losses for the financial year.

Other financial income

Other financial income comprises interest income and payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses.

Balance sheet**Intellectual property rights etc.**

Intellectual property rights etc. comprise development projects completed related intellectual property rights, acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement. The amortisation periods used are 5-7 years.

Intellectual property rights etc. 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.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises 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.