

spio ApS

Guldsmedgade 20, 1.
DK-8000 Aarhus C

CVR no. 36 72 78 29

Annual report 2023

The annual report was presented and approved at
the Company's annual general meeting on

7 June 2024

Martin Graulund Dal

Chairman of the annual general meeting

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Statement by the Executive Board

I have reviewed and approved the annual report for spio ApS for the financial year 1 January - 31 December 2023.

The annual report, which has not been audited, is presented in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

Further, in my opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

I recommend that the annual report be approved at the annual general meeting.

Management confirms that the Company fulfils the requirement to be exempt from audit.

Aarhus, 7 June 2024
Executive Board:

Martin Graulund Dal
CEO



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Auditor's report on compilation of financial statements

To the Management of spio ApS

We have compiled the financial statements of spio ApS for the financial year 1 January - 31 December 2023 based on the Company's bookkeeping records and other information provided by you.

The financial statements comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies.

We performed our work in accordance with ISRS 4410 Compilation Engagements.

We have applied our professional expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Auditor Act, including the requirements for independence, and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is based on fundamental principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion as to whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 7 June 2024

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Morten Høgh-Petersen
State Authorised Public Accountant
mne34283

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Management's review

Company details

spio ApS
Guldsmedgade 20, 1.
DK-8000 Aarhus C

Telephone:	25 11 16 86
E-mail:	contact@spio.com
CVR no.:	36 72 78 29
Established:	29 April 2015
Registered office:	Aarhus
Financial year:	1 January - 31 December

Executive Board

Martin Graulund Dal, CEO

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Management's review

Operating review

Principal activities

Spio is a software and hardware company, that develops a soil moisture sensor and related software to support agronomic decisions. Our customers include turfgrass professionals, irrigation experts, farmers, Parks and Rec, tree care companies, landscaping professionals etc.

Development in activities and financial position

The Company's income statement for 2023 shows a loss of DKK 227,267 as against a loss of DKK 481,091 in 2022. Equity in the Company's balance sheet at 31 December 2023 stood at DKK 4,426,399 as against DKK 4,653,666 at 31 December 2022.

Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report for 2023.

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Income statement

DKK	Note	2023	2022
Gross profit		1,494,772	1,749,943
Staff costs	2	-1,469,647	-1,300,165
Depreciation of property, plant and equipment		0	-6,095
Profit before financial income and expenses		25,125	443,683
Other financial income		522,358	10,592
Other financial expenses		-837,864	-1,026,790
Loss before tax		-290,381	-572,515
Tax on loss for the year	3	63,114	91,424
Loss for the year		<u>-227,267</u>	<u>-481,091</u>
Proposed distribution of loss			
Retained earnings		<u>-227,267</u>	<u>-481,091</u>

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Balance sheet

DKK	Note	31/12 2023	31/12 2022
ASSETS			
Fixed assets			
Financial assets			
Deposits		10,000	10,300
Total fixed assets		<u>10,000</u>	<u>10,300</u>
Current assets			
Receivables			
Trade receivables		53,864	0
Receivables from group entities		15,153,914	14,639,673
Corporation tax		20,000	6,000
Deferred tax assets		188,685	125,571
Other receivables		25,464	108,980
		<u>15,441,927</u>	<u>14,880,224</u>
Cash at bank and in hand		<u>330,159</u>	<u>282,691</u>
Total current assets		<u>15,772,086</u>	<u>15,162,915</u>
TOTAL ASSETS		<u>15,782,086</u>	<u>15,173,215</u>

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Balance sheet

DKK	Note	31/12 2023	31/12 2022
EQUITY AND LIABILITIES			
Equity			
Contributed capital		94,710	94,710
Share premium		4,518,265	4,518,265
Retained earnings		-186,576	40,691
Total equity		<u>4,426,399</u>	<u>4,653,666</u>
Liabilities			
Non-current liabilities			
Debt to credit institutions		11,022,911	10,213,886
Current liabilities			
Trade payables		105,614	33,828
Other payables, including taxes payable		227,162	271,835
		<u>332,776</u>	<u>305,663</u>
Total liabilities		<u>11,355,687</u>	<u>10,519,549</u>
TOTAL EQUITY AND LIABILITIES		<u>15,782,086</u>	<u>15,173,215</u>

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Statement of changes in equity

DKK	Contributed capital	Share premium	Retained earnings	Total
Equity at 1 January 2023	94,710	4,518,265	40,691	4,653,666
Transferred over the distribution of loss	0	0	-227,267	-227,267
Equity at 31 December 2023	<u>94,710</u>	<u>4,518,265</u>	<u>-186,576</u>	<u>4,426,399</u>

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1 Accounting policies

The annual report of spio ApS for 2023 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the sale of goods, comprising the sale of services, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ©2020.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Other external costs

Other external costs comprise costs for distribution and sales costs, costs for advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

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1 Accounting policies

Tax on loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Leases

On initial recognition, leases for fixed assets that transfer substantially all risks and rewards incident to ownership to the Company (finance leases) are recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. When the net present value is calculated, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other fixed assets.

The capitalised lease obligation is recognised in the balance sheet as a liability at amortised cost, allowing the interest element of the lease payment to be recognised in the income statement over the term of the lease.

All other leases are accounted for as operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

Investments

Other receivables and deposits are recognised at amortised cost.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in subsidiaries and participating interests (including associates) is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

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1 Accounting policies

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Liabilities

Liabilities are measured at amortised cost.

2 Staff costs

DKK	2023	2022
Wages and salaries	1,458,475	1,238,944
Pensions	52,120	42,000
Other social security costs	-40,948	19,221
	<u>1,469,647</u>	<u>1,300,165</u>
Average number of full-time employees	<u>2</u>	<u>2</u>

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3 Tax on loss for the year

DKK	2023	2022
Deferred tax adjustment for the year	-63,114	-125,571
Adjustment of tax concerning previous years	0	34,147
	<u>-63,114</u>	<u>-91,424</u>