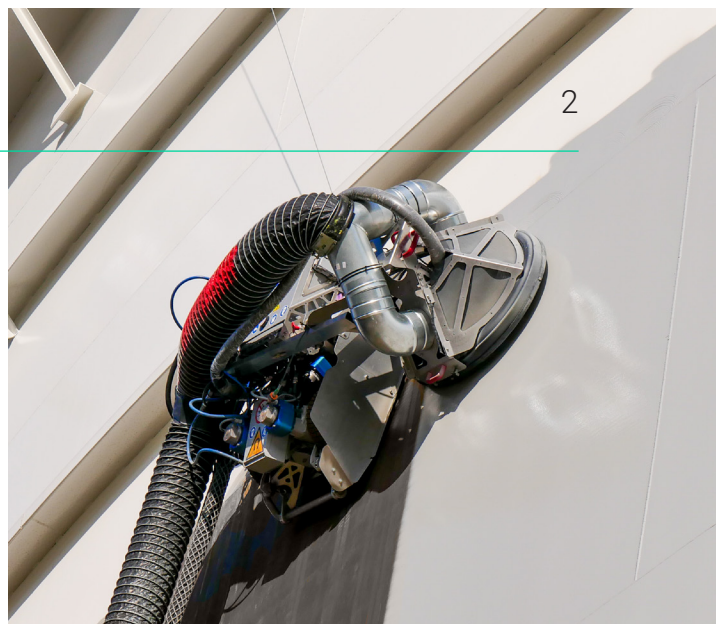


A low-angle photograph of a modern building's exterior facade, showing a worker on a high-rise structure and a large circular graphic overlay. The worker is positioned on a narrow ledge or scaffolding, wearing a yellow hard hat and safety gear. The building's facade is composed of light-colored panels with dark horizontal lines. A large, semi-transparent circular graphic is overlaid on the image, framing the scene. The sky is a clear, deep blue.

DIRECTOR'S REPORT
2023 qlayers

Summarized Financial Statements



Results (x1000)	2023	2022
Net turnover and other income	3.322	2.276
Operating expenses	-4.052	-3.311
Operating result	-730	-1.036
Financial expenses and interest	-235	-88
EBT	-965	-1.124
Taxes	243	525
Result after tax	-722	-599

Balance sheet (x1000)	2023	2022
Fixed assets	2.246	1.753
Current Assets	2.995	675
Group equity	-373	-117
Long-term liabilities	3.338	1.423
Current liabilities, accruals, and deferred income	2.276	1.122

Employee (FTE)	2023	2022
Average number of employees working in the Netherlands	29,8	20,4
Average number of employees working outside the Netherlands	0,75	0,58
Total of average number of employees	30,55	20,98

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Qlayers' Story

Background

Qlayers was established in 2017 with the mission to radically transform the way coatings are applied on industrial surfaces, **to improve sustainability and safety for all.**

Large industrial objects are currently coated using inefficient manual coating application processes resulting in up to 50% of paint being released to the environment, meaning millions of liters of paint wasted, VOC emissions and microplastic pollution in oceans.

We at Qlayers have developed patented and unique technology with which we are able to apply paint on any industrial surface at any location in a fast, safe and clean way.

We have built unique know-how, based on fluid dynamics simulations and experiments, on how paint particles behave in airflows, which allows us to control for optimal coating quality and our robots to coat with virtually no overspray.

With our ground-breaking technology, huge market potential, demonstrated traction and strong team, we are ready to become the market leader in industrial coating application technology.

Vision

At Qlayers, we draw inspiration from nature's efficient and multi-functional surfaces.

We envision a sustainable society where every surface serves a purpose, by minimizing waste and maximizing energy efficiency.

Through innovation and a commitment to staying at the forefront of our industry, we aim to not only achieve a neutral environmental footprint but also leave a positive impact.

By revolutionizing the way coatings are applied, we empower conservative and energy-intensive industries to embrace sustainability.

Our cutting-edge technology not only transforms processes but also enhances the quality of life for both industry professionals and our team. We prioritize physical and mental well-being, fostering a culture of health, transparency, and personal growth.

Values



Safety



Ownership



Sustainability



Productivity

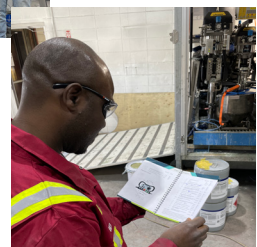
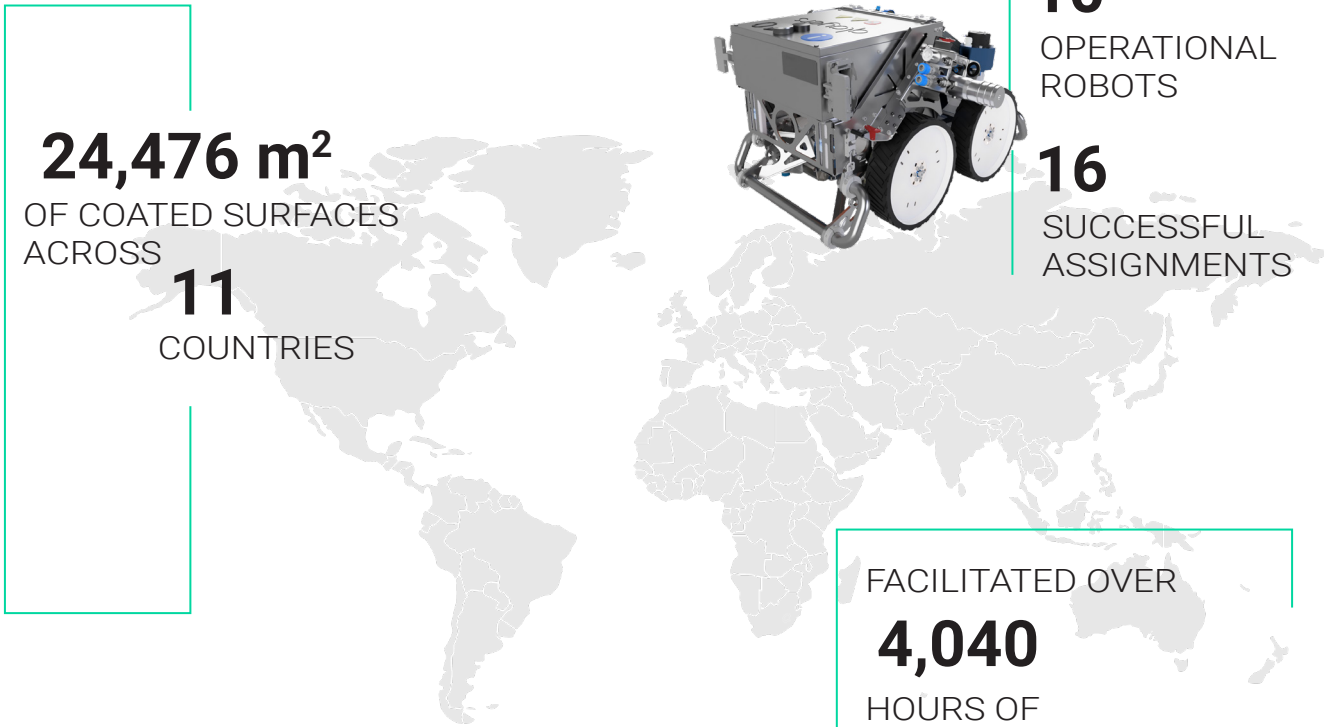


Flexibility



Achievements

When numbers do tell a story





Looking back at 2023



In 2023, our focus was on further commercializing our innovative technology. Following the tremendous revenue growth from 2021 to 2022, it became a primary objective to sustain this growth in 2023. With the presented revenue figures, we can proudly affirm that this goal has been achieved.

Throughout 2023, we strengthened our international presence by establishing distribution partnerships in the United States of America and the Middle East, along with acquiring new customers in Canada, the United Kingdom, Singapore, and the Netherlands.

We are excited to announce the successful formation of two important distribution partnerships, strengthening our global network. BlastOne and Kanoo Group will lead the way in introducing our advanced coating robots to the USA and Middle East, respectively. Their extensive experience, professionalism, proactive approach, and strong local presence assure customer satisfaction and wide accessibility to our

robots worldwide. With the combined efforts of these valued partners, we are ready to transform industrial coating practices, making them smarter, safer, and more sustainable than ever before.

We successfully completed several projects and demonstrations with all of our valued partners, resulting in an impressive number of successful assignments. This achievement has officially qualified us as a technology provider for many prominent asset owners. Our aim was – and still is - to ensure high customer satisfaction. A significant challenge was maintaining this satisfaction with an ever-expanding fleet of robots. Therefore, providing comprehensive training, remote support, and top-notch service & maintenance were paramount for these new customers. Consequently, we made substantial investments in our sales and operations division, while also continuing to develop our overall structure. This ensures that our team is equipped to meet growing capacity expectations while consistently delivering a high level of satisfaction to our customers, which is crucial for the widespread acceptance of our technology. To meet the targeted production volumes, we have scaled up our manufacturing operations, collaborating with a reliable Dutch production partner. As a result, we have tailored our organization to meet these capacity expectations effectively.

To serve more customers, we explored the feasibility of introducing a rental-earning model, weighing cash flow and profitability from Qlayers against customer preferences and industry practices. This exploration concluded positively, leading to the planned





introduction of this business model in Europe from 2024. This initiative aims to reduce financial barriers to entry, enabling European contractors and assets owners to leverage our innovative technology for smarter, safer, and more sustainable coating of assets.

The year began with our official relocation to our new office at Ampèreweg 2 in Delft, marking the start of building our own headquarters. One of the first successes we could celebrate in our new office was the successful listing on NPEX stock exchange. This successful listing allowed us to secure a new investment, which enabled us to further expand our business.

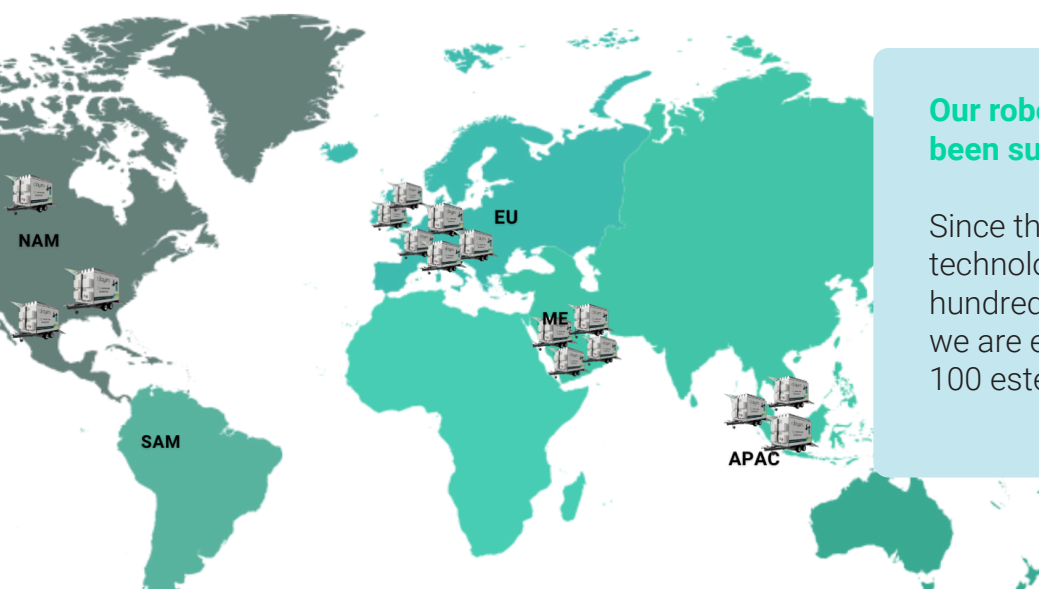
In the first half of 2023, Qlayers was awarded the NXTGEN subsidy (Dutch Groeifonds), which we will participate in over the coming years. This program aims to establish a coherent, agile, and internationally leading HIGHTECH equipment ecosystem, utilizing the knowledge and expertise of this ecosystem in new applications aligned with current and future market opportunities and societal challenges. Under this subsidy, Qlayers will develop new technologies to make coating application processes more automated and to ensure defect-free coatings. Furthermore, Qlayers is striving to stay at the forefront of the market through continuous improvements to our systems

and by means of building a strong IP portfolio.

In terms of Research & Development, our focus in 2023 was primarily on enhancing our current coating robot. Incremental developments were made, particularly in terms of usability and functionality. Our patented hood underwent improvements, resulting in increased transfer efficiency and less harmful overspray in the environment.

In July 2023, Amel Vriesman joined the Qlayers team as Chief Operating Officer. Amel brings extensive experience as a Senior Executive in industrial maintenance, asset integrity, and access solutions across various industries, including offshore, maritime, renewable, and petrochemical. He has led several business units and served as a managing director for both corporate companies and SMEs. As an entrepreneur and investor, he has been directly involved in several startup ventures and acquisition processes. Over the past years, Amel has successfully led various corporate transformations and reorganizations. With his hands-on experience and strong commercial acumen, Amel quickly integrated into the organization, assuming various responsibilities from the existing management team.

In 2023, Qlayers ranked in the top 50 of the fastest-growing tech companies by Deloitte, achieving a remarkable 622% revenue growth in 2022, placing us 27th on the list of 50, with primarily software companies ranking higher.



Our robotic coating solutions have been successfully used worldwide.

Since the commercialization of our technology in 2022, we have received hundreds of qualified leads. Presently, we are engaged in negotiations with 100 esteemed customers globally.



We ended 2023 with exciting news: we secured an investment from Rotterdam Havendraken, which was formally closed in 2023 and made public early 2024. This investment initiates a new phase of global expansion in industrial coating technology. With this infusion of capital, our robots will further revolutionize the coatings industry, making coating application processes smarter, safer and more sustainable. This aligns perfectly with Rotterdam Havendraken's mission to promote environmentally friendly progress in port-related sectors. In addition, our ongoing collaboration with ECFG, a key investor, is still playing a crucial role in further enhancing our global presence and technological advancement.

Corporate Social Responsibility

We are proud to mention that our technology changes the heavy industry for the better. Our technology enables customers to use our robots for coating jobs that used to be harmful to the environment. For example, microplastics in the ocean pose a severe threat to marine ecosystems and biodiversity, with detrimental effects on aquatic life and ultimately, human health. A significant contributor to this problem is the dispersion of microplastic particles originating from overspray and surface treatment processes. At our company, we take pride in our commitment to minimizing overspray, thereby significantly reducing the release of microplastics into the ocean. By implementing our advanced technology, we strive to mitigate our environmental impact and safeguard marine environments, as

well as other environments, for future generations.

Moreover, our innovative technology not only addresses environmental concerns but also enhances workplace safety and efficiency. With our equipment, workers are required to work less at heights, thereby minimizing the risks associated with elevated tasks. This results in safer working conditions and reduces the likelihood of accidents or injuries. Additionally, our precision coating technology ensures superior paint quality and adherence, leading to longer-lasting coatings and possibly fewer maintenance requirements for coated assets. By optimizing coating processes, we not only improve efficiency but also contribute to resource conservation and sustainability efforts.



Financial

The revenue for the year 2023 increased by approximately €1 million (46%) compared to the previous year, reaching above €3,3 million. The increase in revenue is mainly attributed to the inclusion of new customers to our client base.

Expenses (expenses of employee benefits and other operating expenses) increased by nearly €0,6 million, reaching over €2,2 million. In 2023, generally all costs increased due to inflation, a trend evident worldwide and inevitable for Qlayers as well. This also affected the rise in the cost of goods sold. In addition, we experienced an increase in housing costs, with a rise of €100.000, reflecting investments made in the new HQ and the associated increase in monthly housing expenses. Furthermore, there is a visible increase in personnel costs of €0,5 million, partly as a result of the continued growth started in 2022. Over the course of the year, we downsized the team to free up financial resources for investments in areas of the organization (sales & operations) where it was most needed. Finally, there are cost increases due to an increase in commercial activities and their associated costs, naturally offset by the increase in revenue.

The above results in an operational result of €0,7 million negative.

The net result after taxes of €0,7 million negative brings the group equity as of December 31, 2023, to €0,4 million negative.

Qlayers' long-term debts increased by almost €1,7 million due to the acquisition of new debt in 2023. Starting from 2023, we began repaying the Rabobank loans we have had since 2022. Almost all other loans we will pay-off overtime as well based on the successful commercial traction.

In Conclusion

We owe a great deal of gratitude to our customers, business partners, and team members who continued to support us throughout the past year and kept believing in us. Without their enthusiasm, we would not have been able to achieve these impressive results.

Yours sincerely,

**Josefien Groot
Ruben Geutjens**

Our Partners





Our First Commercial Success in the Middle East

On our first robotic coating project in the Middle East, we accomplished the following.

SUCCESS

SAFETY: We estimate that working hours at height were reduced by 70%, significantly improving the HSE profile of the project.

SUSTAINABILITY: A spray applied finish quality to improve tank aesthetics with virtually no overspray.

SPEED: Coverage rates with a top speed of 189 m²/h and average coating speed of 141 m²/h.

PRODUCTIVITY: The 10Q robot was able to continue operating during changing and extreme weather conditions.

UPTIME: Application of 3 layers of coating in 9 coating days which is estimated to be 5x faster than traditional application.



MAIN LEARNINGS

PROJECT MANAGEMENT: Lots of delays due to coordination issues. Effective communication and alignment in between all stakeholders will optimize productivity.

WEATHER CONDITIONS: Besides high temperatures, the work was impacted by thunder, lightning risk, and high winds. This project provided valuable insights into weather conditions in the Middle East region, enabling us to further enhance our systems to meet the unique demand of this region.

EQUIPMENT: A safety feature engaged during application when the crawler detached from the wall as it accidentally touched a welding seam. We are pleased that the fall arrestor was triggered, activating the correct safety mechanism.

Future Outlook

In the coming years, Qlayers is poised for significant expansion and innovation across various fronts, reflecting our steadfast commitment to revolutionizing the industrial coating sector. Here's an overview of our strategic outlook.

Distribution Partnerships

Our technology thrives with local support. Our distributor partners play a vital role in providing on-ground assistance to coating contractors and asset owners. Moving forward, we aim to strengthen our global presence by forming even more partnerships with local service providers or distributors, focusing on key regions like North America, Europe, Asia-Pacific, the Middle East, and South America.

Rental Services in Europe

Recognizing the market trend towards project-based investments, we have introduced rental options for our equipment. In Europe, our Netherlands-based operations allow us to offer rental services independently, catering to contractors' needs. This initiative has gained traction swiftly, signaling promising growth prospects for our rental business unit.

Expansion into New Industries

While our primary focus up to now has been on the storage tank industry, we see growing demand from the marine and wind turbine sectors due to overspray issues and environmental regulations. Our equipment presents a unique solution for these industries, addressing overspray challenges effectively. We anticipate launching new product-market combinations to cater to coating complex curved surfaces in the marine and wind industries.

Technology Provider Focus

Our core value lies in being a technology provider. Our proprietary spray hood and coating application control units set us apart, allowing us to eliminate overspray while ensuring coating quality, even in harsh outdoor environments. This technological advantage enables us to diversify and innovate further, particularly targeting the marine and wind industries, with a focus on enhancing safety, sustainability, and efficiency in industrial coating application.

Consolidated Balance Sheet

	2023	2022
Fixed assets		
Intangible assets	971.653	930.430
Property, plant and equipment	506.505	297.526
Financial assets	768.440	524.704
Current assets		
Inventories and work in progress	937.958	480.045
Receivables	763.278	173.798
Cash and cash equivalents	1.293.460	21.381
Total Assets	5.241.294	2.427.884
Group equity	(372.544)	(117.204)
Long-term liabilities	3.337.598	1.422.830
Current liabilities, accruals and deferred income	2.276.240	1.122.258
Total Equity & Liabilities	5.241.294	2.427.884

Consolidated Profit & Loss Statement

	2023	2022
Net turnover	3.093.138	2.021.358
Other operating income	228.836	254.301
Operating income	3.321.974	2.275.659
Cost of raw materials, consumables, subcontracted work and other external charges	(1.485.832)	(1.408.538)
Expenses of employee benefits	(1.430.801)	(895.217)
Amortisations and depreciations of fixed assets	(340.934)	(272.851)
Other operating expenses	(794.587)	(734.700)
Operating expenses	(4.052.154)	(3.311.306)
Operating result	(730.180)	(1.035.647)
Financial income and expense	(235.201)	(88.214)
Result of activities before tax	(965.381)	(1.123.861)
Income tax expense	243.454	524.704
Result after tax	(721.927)	(599.157)



Scan the QR code to see
our robots in action!





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