SITS Denmark ApS

Gladsaxevej 384D, 2860 Søborg

CVR no. 43 63 76 73

Annual report for the period

1 June to 31 December 2024

Adopted at the annual general meeting on 24 March 2025

Heiner Jürgen Hermann Luntz
Chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of SITS Denmark ApS for the financial year 1 June - 31 December 2024.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In my 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 June - 31 December 2024.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Søborg, 24 March 2025

Executive board

Heiner Jürgen Hermann Luntz

Independent auditor's report

To the shareholder of SITS Denmark ApS

Opinion

We have audited the financial statements of SITS Denmark ApS for the financial year 1 June - 31 December 2024, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

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 June - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 the 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 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.

Independent auditor's report

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 company'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 company'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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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 management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review 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 of management's review.

Copenhagen, 24 March 2025

Baker Tilly Denmark
Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Henrik Ulvsgaard
statsautoriseret revisor
mne21318

Company details

The company	SITS Denmark ApS Gladsaxevej 384D 2860 Søborg	
	CVR no.:	43 63 76 73
	Reporting period:	1 June - 31 December 2024
	Incorporated:	10 November 2022
	Domicile:	Gladsaxe
Executive board	Heiner Jürgen Hermann Luntz	
Auditors	Baker Tilly Denmark Godkendt Revisionspartnerselskab Poul Bundgaards Vej 1, 1. 2500 Valby	

Management's review

Business review

The company´s primary activity is to act as a holding company.

Recognition and measurement uncertainties

Deferred tax asset has been recognized based on expectations of future earnings in the company and the joint taxation group.

Reference is also made to the discussion in note 1.

Financial review

The company's income statement for the year ended 31 December 2024 shows a loss of DKK 3.617.560, and the balance sheet at 31 December 2024 shows equity of DKK 20.829.981.

In 2024 the company decided to change its financial year to the calendar year to align their financial year to the one of the SITS Group. Therefore, the period from 1 June – 31 December 2024 is a short financial year of just 7 months and comparability with the previous year may be limited.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 June - 31 December

	Note	2024 DKK (7 mth)	23/24 DKK (12 mth)
Gross profit		**-261.064**	**-136.991**
Financial costs	2	-4.376.852	-4.856.180
Profit/loss before tax		**-4.637.916**	**-4.993.171**
Tax on profit/loss for the year	3	1.020.356	1.098.498
Profit/loss for the year		**-3.617.560**	**-3.894.673**
Recommended appropriation of profit/loss			
Retained earnings		-3.617.560	-3.894.673
		-3.617.560	**-3.894.673**

Balance sheet 31 December

	Note	31.12.24 DKK	31.05.24 DKK
Assets			
Investments in subsidiaries	4	176.962.563	168.462.563
Fixed asset investments		**176.962.563**	**168.462.563**
Total non-current assets		**176.962.563**	**168.462.563**
Receivables from subsidiaries		1.223.767	0
Other receivables		40.000	40.000
Deferred tax asset		2.118.839	1.098.498
Joint taxation contributions receivable		0	1.561.604
Receivables		**3.382.606**	**2.700.102**
Total current assets		**3.382.606**	**2.700.102**
Total assets		**180.345.169**	**171.162.665**

Balance sheet 31 December

	Note	31.12.24	31.05.24
		DKK	DKK
Equity and liabilities			
Share capital		6.654.743	6.654.743
Retained earnings		14.175.238	17.792.798
Equity		**20.829.981**	**24.447.541**
Payables to subsidiaries		155.106.107	123.789.192
Total non-current liabilities	5	**155.106.107**	**123.789.192**
Payables to subsidiaries		0	178.492
Payables to group enterprises		4.350.019	8.569.061
Corporation tax		0	23.379
Other payables		59.062	14.155.000
Total current liabilities		**4.409.081**	**22.925.932**
Total liabilities		**159.515.188**	**146.715.124**
Total equity and liabilities		**180.345.169**	**171.162.665**
Uncertainty in the recognition and measurement	1		
Contingent liabilities	6		

Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 June	6.654.743	17.792.798	24.447.541
Net profit/loss for the year	0	-3.617.560	-3.617.560
Equity at 31 December	**6.654.743**	**14.175.238**	**20.829.981**

Notes

1 Uncertainty in the recognition and measurement

The management has recognized a deferred tax asset consisting of tax losses carried forward. This is based on the company's budget and mid-term plan for the coming years. It is assessed that there is uncertainty related to the estimation of future earnings, and therefore there is also uncertainty associated with the valuation of the deferred tax asset.

	2024 DKK (7 mth)	23/24 DKK (12 mth)
2 Financial costs		
Financial expenses, group entities	4.352.822	4.355.642
Other financial costs	1.825	0
Exchange loss	22.205	500.538
	4.376.852	**4.856.180**
3 Tax on profit/loss for the year		
Current tax for the year	-341	0
Deferred tax for the year	-1.020.015	-1.098.498
	-1.020.356	**-1.098.498**

Notes

		31.12.24	31.05.24
		DKK	DKK
4	**Investments in subsidiaries**		
	Cost at 1 June	168.462.563	190.400.821
	Additions for the year	8.500.000	0
	Disposals for the year	0	-21.938.258
	Cost at 31 December	176.962.563	168.462.563
	Carrying amount at 31 December	**176.962.563**	**168.462.563**

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
SecureDevice A/S	Søborg	100%	5.096.570	-5.541.451

5 Long term debt

	Debt at 1 June	Debt at 31 December	Instalment next year	Debt outstanding after 5 years
	DKK	DKK	DKK	DKK
Payables to subsidiaries	123.789.192	155.106.107	0	0
	123.789.192	**155.106.107**	**0**	**0**

6 Contingent liabilities

As management company, the company is jointly taxed with other danish related parties and jointly and severally liable with other jointly taxed entities for payment of income taxes as well as for payment of withholding taxes on dividends, interest and royalties.

Accounting policies

The annual report of SITS Denmark ApS for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of other external expenses.

Other external expenses

Other external expenses include expenses related to administration.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, fees, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Investments in subsidiary

Investment in subsidiary is measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Accounting policies

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.