



DANMAGI GROUP ApS

Otto Busses Vej 7
2450 København SV
CVR No. 33885849

Annual report 2024

The Annual General Meeting adopted the
annual report on 07.07.2025

Keld Friis

Chairman of the General Meeting

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Entity details

Entity

DANMAGI GROUP ApS

Otto Busses Vej 7

2450 København SV

Business Registration No.: 33885849

Registered office: København

Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Alex Rodenberg

Keld Friis

David Martin Hollidge

Executive Board

Søren Hager

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Egtved Allé 4

6000 Kolding

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of DANMAGI GROUP ApS 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.

Copenhagen, 07.07.2025

Executive Board

Søren Hager

Board of Directors

Alex Rodenberg

Keld Friis

David Martin Hollidge

Independent auditor's report

To the shareholders of DANMAGI GROUP ApS

Opinion

We have audited the financial statements of DANMAGI GROUP ApS 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.

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 opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which states that it is a requirement for the Entity's availability to remain a going concern that the Entity realize the budgets, especially the budgets for revenue. Furthermore we draw attention that the budgets assume that interest and instalments for convertible loans can be postponed into 2026. As stated in note 1, this indicates material uncertainties in the availability to remain a going concern. Our conclusion is not modified regarding these matters.

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, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements 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 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.

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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

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 the management commentary

Management is responsible for the management commentary.

Our opinion 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 audit 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 audit 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 the 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.

Kolding, 07.07.2025

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Poul Skovgaard

State Authorised Public Accountant
Identification No (MNE) mne26777

Management commentary

Primary activities

DanMagi Group ApS is a holding company for DanMagi ApS and DanMagi Serviços de Informática Ltda. The primary purpose of is to invest in DanMagi companies in order to develop and sell DanMagi's cloud-based internet solution, which offers reliable Wi-Fi access to guests in hotels, restaurants, cafes, conference centers, and other relevant segments where guests require temporary internet access via Wi-Fi.

DanMagi has identified a gap in the market and offers the customer segments a high-quality solution at competitive prices. The reception of DanMagi as a leading provider of innovative guest internet services has been consistently positive. The Company has built a strong market platform, including partnerships with global customers. Therefore, the Company is in a strong position for future development and a significant increase in activities going forward.

The Company has a global focus with its headquarters in Copenhagen, covering the EMEA region, including a branch in the United Kingdom. Additionally, the Company has a subsidiary in India covering the APAC region. DanMagi Group also has a Brazilian company for the CALA region.

Development in activities and finances

The Company's Income Statement of the financial year 1 January 2024 - 31 December 2024 shows a result of DKK -11,014,795 and the Balance Sheet at 31 December 2024 a balance sheet total of DKK 7,546,336 and an equity of DKK -5,462,977.

Outlook

From January 2025 the Company has hired Dean Wilkinson as the new frontrunner of the company leadership. With an impressive 16-year track record in the technology and hospitality sectors, Dean brings unparalleled experience and leadership to his new role.

Dean Wilkinson's career includes serving as the CEO and investor of Airangel, where he played a transformative role in launching the first cloud-based High-Speed Internet Access (HSIA) platform. Under his leadership, Airangel evolved into a dominant player in the industry, ultimately being acquired in 2023, further cementing his reputation as a key influencer in the space.

With Dean Wilkinson's deep knowledge in the market, The Group will intensify the focus on the onboarding of customers as well as the up sales of the products and expanding into new verticals.

In 2024 the entire group of DanMagi companies, has focused the organization, including sale, financials, procedures and the management team. This has given the Group a stronger position in the market, including expansion of the collaboration with hotel groups in the existing frame agreements, and further expanding with new hotel groups, bringing the companies in a position, where there are very positive expectations to the sale in 2025 and onwards.

These efforts are expected to strengthen the Group's revenue and results in 2025 and forward, expecting in a positive result from the beginning of 2026

Events after the balance sheet date

After the end of the financial year, there has been a positive development in the customer base, with both new frame agreements and new hotels on board, as well as a strengthened pipeline of hotels and strategic partners.

Income statement for 2024

	Notes	2024 DKK	2023 DKK
Gross profit/loss		(205,814)	(519,531)
Staff costs	4	(2,044,071)	(1,937,612)
Operating profit/loss		(2,249,885)	(2,457,143)
Income from investments in group enterprises		(8,533,808)	(15,556,858)
Other financial income from group enterprises		0	1,343,492
Other financial income		42,748	5,116
Other financial expenses	5	(273,850)	(2,003,233)
Profit/loss for the year		(11,014,795)	(18,668,626)
Proposed distribution of profit and loss			
Retained earnings		(11,014,795)	(18,668,626)
Proposed distribution of profit and loss		(11,014,795)	(18,668,626)

Balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Investments in group enterprises		2,342,226	166,957
Financial assets	6	2,342,226	166,957
Fixed assets		2,342,226	166,957
Trade receivables		14,105	0
Receivables from group enterprises		1,492,372	0
Other receivables		137,821	50,136
Receivables		1,644,298	50,136
Cash		3,559,813	39,675
Current assets		5,204,111	89,811
Assets		7,546,337	256,768

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital		83,169,570	64,813,931
Share premium		57,483,094	48,226,538
Retained earnings		(146,115,641)	(135,073,100)
Equity		(5,462,977)	(22,032,631)
Provisions for investments in group enterprises		0	5,860,032
Provisions		0	5,860,032
Convertible and dividend-yielding debt instruments	7	12,949,104	0
Prepayments received from customers		0	339,801
Trade payables		57,553	425,639
Other payables	8	2,657	15,663,927
Current liabilities other than provisions		13,009,314	16,429,367
Liabilities other than provisions		13,009,314	16,429,367
Equity and liabilities		7,546,337	256,768
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Contingent liabilities	9		
Assets charged and collateral	10		

Statement of changes in equity for 2024

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Equity beginning of year	64,813,931	48,226,538	(135,073,100)	(22,032,631)
Increase of capital	7,989,639	5,752,543	0	13,742,182
Capital increase by debt conversion	10,366,000	5,038,879	0	15,404,879
Costs related to equity transactions	0	(1,534,866)	0	(1,534,866)
Exchange rate adjustments	0	0	(27,746)	(27,746)
Profit/loss for the year	0	0	(11,014,795)	(11,014,795)
Equity end of year	83,169,570	57,483,094	(146,115,641)	(5,462,977)

Notes

1 Material uncertainty related to going concern

For the year 2024, the Company has suffered a significant loss and has a material negative equity, not least as a result of loss and support to Danmagi ApS. Despite this, the Company unchanged intent to stand behind Group companies, including Danmagi ApS.

Agreements have been made with lenders in the Company for convertible loans of approx. DKK 13 million. The loans are set to be repaid as soon as possible, but the lenders has confirmed that interest and loan only should be repaid before 31.12.2025, if there is free and sufficient cash flow to do so.

One of the lenders, who also provides management services to the Group, has, in addition to the above-mentioned waiver of instalments, made a commitment to provide management services to the Group for the coming 12 months from the signing date for the annual report and will only receive payment for those services every month when all other creditors and tax claims have been paid.

These commitments are made based on a strong belief from Management, Board of Directors, owners, and lenders that the Group will have a significant improvement in 2025 and 2026 in earnings. The Group has prepared a budget for the rest of 2025 and 2026, which shows the numbers below.

Please note that the budget is made on a consolidated level for Danmagi Group ApS and therefore also includes the earnings from Danmagi ApS and the subsidiaries in India and Brazil as well.

- A loss before tax for the financial year 2025 in the range of DKK 7-8 million and a profit before tax for the financial year 2026 in the range off DKK 7 million.
- An increase in revenue from DKK 13 million in 2024 to DKK 17-18 million in 2025 and DKK 30-35 million in 2026 based on significant wins of new luxury hotel chains in 2025 and 2026. Included in the revenue budgets are revenue from hard-ware sales. We expects 5-8 contracts of min. DKK 1,0 million to be executed in the rest of the year 2025.
- A positive bank balance in Group's bank accounts at approximately DKK 0.25 million at the time for signing the annual report and a budget estimate for positive bank balance at approximately DKK 0.30 million at end of 2025 before instalments and interests of convertible loans in Danmagi Group ApS.
- Due to the nature of the business as a software service business, the increase in revenue from SAAS services will only result in limited increases in costs related to the services and similar, and therefore it will create a significant improvement to the performance.

More wins has been secured in 2025, latest with 12 hotels being onboarded on SAAS agreements over the next 12 months, with an ARR of approximately TDK 300. To secure the Groups SAAS activities, we have growth in selling modern hard-ware to more and more hotels. This is an important part of comforting the hotels in their goal of getting a good costumer experience on all aspects of their use of the hotels Wi-Fi.

Based on the above-mentioned initiatives, the realization of the budgets, and the commitments made by the lenders, the Company's management considers that the Financial statements can be prepared with a going concern in mind but wants to highlight that there are material uncertainties related to the assumption.

2 Events after the balance sheet date

After the end of the financial year, Dean Wilkinson has joined the management team, and he has reviewed the business-plan. This has focused the company, with a closing of the Brazilian entity, a new task for the Indian entity, and a focus on the rest of the company, leaving a leaner company, but also a slower growth than earlier expected.

The current expected growth is now based on a better market situation and understanding, and with the new management team's joint effort.

3 Uncertainty relating to recognition and measurement

Investment in Group Entreprises

The main subsidiary Danmagi ApS has recognized significant assets, DKK 2,5 million, related to development projects. In general, the recognition and measurement of the development projects are based on several assumptions, the most material of which are that the entity is considered to be a going concern (please see note 1 for further description) and that the entity is able to realize more revenue in the future based on the projects developed in the past. If those assumptions fail, there could be a need for an impairment of the assets related to development projects in the subsidiary which could cause an impairment of investment in group enterprises and the loans provided to the Danmagi Group ApS.

The Group has been selected for inspection by the Danish Tax Agency with a primary focus on the Group's historical use of the rules of the Tax Credit Scheme (LL\$8X). The Group has received approximately DKK 0.8 million in the Tax Credit Scheme (LL\$8X) for the year 2022, which the The Danish Tax Agency has challenged. Years before 2022 has not been challenged.

The Tax Credit Scheme has been used in 7 well-defined projects, and the Group disagree with The Danish Tax Agency, why their conclusion has been challenged to be evaluated by Skatteankestyrelsen. Their conclusion is expected in 2-3 years. Until then, the claim doesn't have to paid.

Due to the fact that Management expects the authorities to accept the use of the scheme, no provision has been made for a potential requirement from the authorities regarding payback of the tax credit received.

4 Staff costs

	2024 DKK	2023 DKK
Wages and salaries	1,947,602	1,903,629
Pension costs	96,469	33,983
	2,044,071	1,937,612
Average number of full-time employees	3	3

5 Other financial expenses

	2024 DKK	2023 DKK
Other interest expenses	220,456	1,982,673
Exchange rate adjustments	27,017	2,820
Other financial expenses	26,377	17,740
	273,850	2,003,233

6 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	359,171
Exchange rate adjustments	(27,746)
Additions	17,334,245
Cost end of year	17,665,670
Impairment losses beginning of year	(192,214)
Share of profit/loss for the year	(8,533,808)
Investments with negative equity value transferred to provisions	(6,597,422)
Impairment losses end of year	(15,323,444)
Carrying amount end of year	2,342,226

Investments in subsidiaries	Registered in	Equity interest %
DanMagi ApS	Denmark	100.00
DanMagi Serviços de Informática Ltda.	Brazil	100.00
DanMagi India Private Limited	India	99.99

7 Convertible and dividend-yielding debt instruments

The convertible loans are set to be repaid as soon as possible, but the lenders has confirmed that interest and loan only should be repaid before 31.12.2025, if there is free and sufficient cash flow to do so. Please see note 1.

The Company is not able to require the loans converted into equity.

8 Other payables

	2024 DKK	2023 DKK
VAT and duties	0	41,795
Wages and salaries, personal income taxes, social security costs, etc. payable	2,657	383,416
Other costs payable	0	15,238,716
	2,657	15,663,927

Other cost payable at 31. December 2023 included loans, DKK 15 million, that has been converted to shares in Danmagi Group ApS in 2024.

9 Contingent liabilities

The Group has been selected for inspection by the Danish Tax Authorities related to the use of the Tax Credit Scheme (LL\$8X) in 2022, for an amount of 0.8 million. Please see note 2 for further description. Management expects that the Tax Authorities will accept the use of the Tax Credit Scheme, and therefore no provision has been made to cover a potential repayment.

The Entity serves as the administration company in a Danish joint taxation arrangement. 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, Danmagi ApS and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

10 Assets charged and collateral

The Company has issued a support declaration to its subsidiary, Danmagi ApS. The company has expressed its intention to support the future operations and investments and provide the necessary liquidity to ensure that Danmagi can meet its obligations as they fall due. The support is valid until the regular general meeting in 2026.

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.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognized 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 recognized 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 recognized in the income statement when earned, whereas costs are recognized by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalized, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of services is recognized in the income statement when delivery is made to the buyer. Revenue is recognized 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.

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 recognized in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc. for entity staff.

Income from investments in group enterprises

Income from equity investments comprises the proportionate share of profit/loss after tax and any adjustment of internal profit/loss and less amortization of consolidated goodwill.

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc. on receivables from group enterprises.

Other financial income

Other financial income comprises interest income.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on payables and transactions in foreign currencies etc.

Balance sheet**Investments in group enterprises**

Investments in group enterprises are recognized and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortized goodwill and plus or minus unrealized intra-group profits or losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realizable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognized that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Receivables

Receivables are measured at amortized cost, usually equaling nominal value less writedowns for bad and doubtful debts.

Cash

Cash comprises bank deposits.

Other provisions

Other provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Other provisions are recognized when the Company has a legal or actual obligation as a result of a past event,

and it is likely that settlement will result in the Company spending financial resources.

Other provisions are measured at capital value.

Other financial liabilities

Other financial liabilities are measured at amortized cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.