

MyDefence A/S

Bouet Møllevej 5
DK-9400 Nørresundby

CVR no. 35 53 08 43

Annual report 2024

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

27 June 2025

Claus Christensen

Chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report for MyDefence A/S for the financial year 1 January - 31 December 2024.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

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

Nørresundby, 31 March 2025
Executive Board:

Dan Dejgård Sommerlund
Hermansen
CEO

Board of Directors:

Claus Christensen
Chairman

Christopher Linley Tickell

Helle Specht

Johan Erik Dahlfors

Johan Gustafsson

Michael Wigston

Oliver Krogh Hallin

Tina Cecilia Bonefeld Dahl

Independent auditor's report

To the shareholder of MyDefence A/S

Opinion

We have audited the financial statements of MyDefence A/S for the financial year 1 January - 31 December 2024, comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 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' 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.

Management's responsibility 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 that 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 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company 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.

Independent auditor's report

- 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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aalborg, 31 March 2025

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Steffen S. Hansen
State Authorised Public Accountant
mne32737

MyDefence A/S
Annual report 2024
CVR no. 35 53 08 43

Management's review

Company details

MyDefence A/S
Bouet Møllevej 5
DK-9400 Nørresundby

Telephone: 70 25 12 52
E-mail: info@mydefence.dk

CVR no.: 35 53 08 43
Established: 14 November 2013
Registered office: Aalborg
Financial year: 1 January - 31 December

Board of Directors

Claus Christensen, Chairman
Christopher Linley Tickell
Helle Specht
Johan Erik Dahlfors
Johan Gustafsson
Michael Wigston
Oliver Krogh Hallin
Tina Cecilia Bonefeld Dahl

Executive Board

Dan Dejgård Sommerlund Hermansen, CEO

Audit

KPMG
Statsautoriseret Revisionspartnerselskab
Østre Havnegade 22D
DK-9000 Aalborg
CVR no. 25 57 81 98

Management's review

Financial highlights

DKK'000	2024	2023	2022	2021	2020
Gross profit	206,484	103,477	43,941	13,283	12,061
Profit before financial income and expenses	153,298	74,819	23,647	1,113	768
Profit/loss from financial income and expenses	2,548	-1,016	-818	-769	-1,067
Profit for the year	120,628	58,106	17,729	789	7
Total assets	305,199	158,845	93,334	66,229	57,593
Investments in property, plant and equipment	12,452	960	204	538	32
Equity	217,752	97,124	39,018	21,289	11,784
Current ratio	302.7%	201.5%	132.6%	95.7%	80.5%
Return on equity	76.6%	85.4%	58.8%	4.8%	0.1%
Solvency ratio	71.3%	61.1%	41.8%	32.1%	20.5%
Average number of full-time employees	52	32	29	23	17

The financial ratios have been calculated as follows:

Current ratio	$\text{Current assets} \times 100 / \text{Current liabilities}$
Return on equity	$\text{Profit/loss after tax} \times 100 / \text{Average equity}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total equity and liabilities at year end}$

Management's review

Operating review

Principal activities

The Company's principal activity is to research in the field of wireless communication as well as to develop, produce and sell electronic equipment. MyDefence is specialised in providing equipment for drone surveillance and protection, also called anti-drone or C-UAS equipment.

Development in activities and financial position

Profit for the year (including comparison with forecasts previously announced)

On 31 May 2024, MyDefence A/S was sold to MyDefence Group ApS whose ultimate majority shareholder is Bridgepoint Group. The income statement for 2024 shows a profit of DKK 120.6 million against a profit of DKK 58.1 million last year, and the balance sheet at 31 December 2024 shows equity of DKK 217.8 million compared to DKK 97.1 million last year. Results exceed budget with more deliveries than anticipated. In the financial year 2024, the Company realised a profit before tax of DKK 155.8 million, which was significantly up on 2023 and exceeds Management's expectations. Due to increased sales, cash resources in 2024 have been more than adequate to carry through operations and planned activities in 2024. On 31 December 2024, cash at bank and in hand totalled DKK 120.6 million, and with major deliveries in November and December receivables reached DKK 78.0 million including group entities. With the current cash at bank and in hand and the inflow of cash from deliveries in the order book, cash resources for the year are considered adequate.

Outlook

The budget for 2025 shows a stable level in revenue and profit before tax. The Company has several orders for delivery during the first six months. Management assesses that it is likely that a considerable portion of the existing sales pipeline will materialise into orders and thereby match budget expectations, which is in line with results for 2024.

Research and development activities

Completed development projects are included in the products for detection, mitigation and C2-systems. The carrying amount was DKK 34.6 million by 31 December 2024 and comprises solutions for dismounted soldiers, armoured vehicles, UAS and critical assets that are depreciated over 10 years. Management has high expectations for the future sales of the solutions and has not identified any indication of impairment in relation to carrying amount. Development projects in progress include development of new features, new capabilities and new products. The relating expenses primarily consist of internal expenses, which are recorded through the Company's internal project module. The carrying amount totalled DKK 11.2 million at 31 December 2024. Development activities are expected to carry on in 2025 after which time marketing and selling efforts will be made. The new development activities are expected to result in competitive advantages in the level of activity and results of operations from 2025.

Events after the balance sheet date

No significant events have occurred after the end of the financial year that have an impact on the assessment of the Company.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2024	2023
Gross profit		206,484	103,477
Staff costs	2	-45,303	-22,636
Depreciation of property, plant and equipment and amortisation of intangible assets		-7,883	-6,022
Profit before financial income and expenses		153,298	74,819
Other financial income		2,716	753
Other financial expenses		-168	-1,769
Profit before tax		155,846	73,803
Tax on profit for the year	3	-35,218	-15,697
Profit for the year	4	120,628	58,106

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2024	31/12 2023
ASSETS			
Fixed assets			
Intangible assets	5		
Completed development projects		37,347	39,556
Development projects in progress		8,413	2,750
		<u>45,760</u>	<u>42,306</u>
Property, plant and equipment	6		
Fixtures and fittings, tools and equipment		1,243	1,559
Leasehold improvements		11,351	0
		<u>12,594</u>	<u>1,559</u>
Financial assets			
Equity investments in group entities	7	643	643
Total fixed assets		<u>58,997</u>	<u>44,508</u>
Current assets			
Inventories			
Raw materials and consumables		27,092	8,661
Finished goods and goods for resale		18,123	6,047
		<u>45,215</u>	<u>14,708</u>
Receivables			
Trade receivables		56,879	21,326
Receivables from group entities		21,071	39,633
Receivables from participating interests		12	0
Receivables from associates		0	166
Other receivables		1,503	8,877
Prepayments	8	926	3,093
		<u>80,391</u>	<u>73,095</u>
Cash at bank and in hand		120,596	26,534
Total current assets		<u>246,202</u>	<u>114,337</u>
TOTAL ASSETS		<u>305,199</u>	<u>158,845</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2024	31/12 2023
EQUITY AND LIABILITIES			
Equity			
Contributed capital		400	400
Reserve for development costs		20,192	15,378
Retained earnings		197,160	81,346
Total equity		217,752	97,124
Provisions			
Provisions for deferred tax		5,116	4,003
Total provisions		5,116	4,003
Liabilities other than provisions			
Non-current liabilities other than provisions			
Other payables, including taxes payable	9	1,000	973
Current liabilities other than provisions			
Prepayments received from customers		921	3,525
Trade payables		12,422	9,285
Other payables, including taxes payable	9	43,664	19,447
Deferred income	10	24,324	24,488
		81,331	56,745
Total liabilities other than provisions		82,331	57,718
TOTAL EQUITY AND LIABILITIES		305,199	158,845

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2024	400	15,378	81,346	97,124
Transferred over the profit appropriation	0	4,814	115,814	120,628
Equity at 31 December 2024	400	20,192	197,160	217,752

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of MyDefence A/S for 2024 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

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

Change of reporting class

The annual report of MyDefence A/S for 1 January - 31 December 2024 has been prepared in accordance with the provisions applying to reporting class C entities under the Danish Financial Statements Act. The transition compared to the previous financial year from the provisions applying to reporting class B entities under the Danish Financial Statements Act has not resulted in changes to recognition and measurement.

Reclassifications

Referring to the true and fair view set out in the Danish Financial Statements Act, the Company has reclassified individual items in the income statement and balance sheet. The reclassifications have not affected results before tax, results for the year or equity. Comparative figures have been restated accordingly.

Omission of presentation of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of MyDefence A/S and group entities are included in the consolidated financial statements of MyDefence Group ApS, Aalborg, CVR no. 43757288.

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of MyDefence Group ApS.

Summary of executive remuneration on management categories

In accordance with section 98b(3)(l) of the Danish Financial Statements Act, remuneration of the Executive Board and the Board of Directors is presented as an aggregate single amount.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Financial statements 1 January – 31 December

Notes

1 Accounting policies

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

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.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised as other receivables and other payables, respectively.

Fair value adjustments of derivative financial instruments that do not qualify for the hedge accounting are recognised in the income statement as net financials.

Certain combined contracts contain elements and characteristics of derivative financial instruments.

If the principal contract is a financial liability or a non-financial contract, the embedded derivative financial instruments are recognised and is measured at fair value on an ongoing basis.

Government grants

Government grants are recognised when it is fairly certain that the grant conditions will be complied with, and the grant will be received.

Grants compensating for costs incurred are recognised directly as operating income in the income statement as costs eligible for grants are incurred. If the conditions for receiving the grant are not complied until after related costs have been recognised, the grant is to be recognised in the income statement when the conditions have been complied with and it is fairly certain that the grant will be awarded.

Grants to acquire/capitalise assets are recognised in the balance sheet as deferred income/prepayments and transferred to other operating income in the income statement line with depreciation/amortisation of the assets covered by the grant.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as the basis of interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods 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. The point of revenue recognition is when the agreed delivery obligations are met.

Financial statements 1 January – 31 December

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1 Accounting policies

Income from the rendering of services is recognised as revenue as revenue as the services are rendered. Accordingly, revenue corresponds to market value of the services rendered during the year (percentage-of-completion method).

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

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets and amortisation of grants.

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, etc., to the Company's employees, excluding reimbursements from public authorities.

Income from equity investments in subsidiaries and participating interests (including associates)

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the Parent Company's income statement after full elimination of intra-group gains/losses and amortisation of goodwill.

The proportionate share of the individual participating interests' profit/loss after tax is recognised in the Parent Company's income statement after elimination of a proportionate share of intra-group gains/losses and amortisation of goodwill.

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.

Dividends from equity investments measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared.

In case of indication of impairment of investments, an impairment test is conducted. Indication of impairment exists if distributed dividend exceeds profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of the net assets in subsidiaries.

Financial statements 1 January – 31 December

Notes

1 Accounting policies

Tax on profit 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

Intangible assets

Development projects

Development costs comprise costs, wages, salaries and amortisation directly and indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses as well development costs. Other development costs are recognised in the income statement as incurred.

Development costs recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Upon completion of development work, development costs are amortised on a straight-line basis over the estimated useful lives. The amortisation period is usually 10 years.

Acquired intangible assets

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Patents, licences and trademarks

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining life of the patent, and licences are amortised over the contract period, however, not exceeding 3 years.

Property, plant and equipment

Items of property, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Financial statements 1 January – 31 December

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1 Accounting policies

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	2-10 years
Leasehold improvements	5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

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.

Financial assets

Equity investments in subsidiaries are measured at cost. Dividends received that exceed accumulated earnings in the subsidiary during the period of ownership are accounted for as a reduction in the cost of acquisition.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities 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.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists.

Financial statements 1 January – 31 December

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1 Accounting policies

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Borrowing costs are not recognised in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as the basis for interpretation of impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable is impaired.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

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

Equity

Reserve for development costs

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividends, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the development costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

Financial statements 1 January – 31 December

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1 Accounting policies

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.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

The liability in relation to frozen holiday funds is measured at net realisable value, including indexation. Indexation adjustments are recognised as interest expense in the income statement.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years, primarily grants for projects.

2 Staff costs

DKK'000	2024	2023
Wages and salaries	39,229	18,350
Pensions	5,689	4,073
Other social security costs	385	213
	<u>45,303</u>	<u>22,636</u>
Average number of full-time employees	<u>52</u>	<u>32</u>

Financial statements 1 January – 31 December

Notes

3 Tax on profit for the year

DKK'000	2024	2023
Current tax for the year	33,805	15,200
Deferred tax adjustment for the year	1,113	857
Adjustment of tax concerning previous years	300	-360
	<u>35,218</u>	<u>15,697</u>

4 Proposed profit appropriation

DKK'000	2024	2023
Reserve for development costs	4,814	-809
Retained earnings	115,814	58,915
	<u>120,628</u>	<u>58,106</u>

Financial statements 1 January – 31 December

Notes

5 Intangible assets

DKK'000	Completed development projects	Development projects in progress	Total
Cost at 1 January 2024	62,464	2,750	65,214
Additions	1,507	8,413	9,920
Transferred	2,750	-2,750	0
Cost at 31 December 2024	66,721	8,413	75,134
Amortisation and impairment losses at 1 January 2024	-22,908	0	-22,908
Amortisation	-6,466	0	-6,466
Amortisation and impairment losses at 31 December 2024	-29,374	0	-29,374
Carrying amount at 31 December 2024	37,347	8,413	45,760

The development projects are partly funded through grants. Grants are awarded for part of development costs as part of different grant programmes. The Company has the right to developed products and software. Grants are presented as deferred income in the financial statements totalling DKK 19,873 thousand as of 31 December 2024 (2023: DKK 22,588 thousand). The net value of the development projects amounted to DKK 25,887 thousand at 31 December 2024 (2023: DKK 19,716 thousand).

Completed development projects

Completed development projects include the following anti-drone equipment/solutions: • Wearable products "Wingman" (Advanced detection technology for real-time, precise awareness of drone activity) and "Pitbull" (specialised jammer that neutralizes drone threats with minimal unintended disruption) • Vehicle products "Watchdog" (RF sensors that enable precise drone detection) and "Dobberman" (Jammers for effective threat neutralisation) • Software solutions "Iris" (real-time situational awareness with a focus on counter-UAS operation).

Development projects in progress

Continued development of products are capitalised, and annual amortisation is carried out. Development project in progress in 2024 is mainly related to a confidential agreement on development of software and products. The value of in-process development projects are evaluated annually for impairment based on business cases.

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6 Property, plant and equipment

DKK'000	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2024	3,075	0	3,075
Additions	968	11,484	12,452
Transferred	-1,257	1,257	0
Cost at 31 December 2024	2,786	12,741	15,527
Depreciation and impairment losses at 1 January 2024	-1,516	0	-1,516
Depreciation for the year	-322	-1,095	-1,417
Transfers for the year	295	-295	0
Depreciation and impairment losses at 31 December 2024	-1,543	-1,390	-2,933
Carrying amount at 31 December 2024	1,243	11,351	12,594

7 Financial assets

Name/legal form	Registered office	Equity interest
Equity investments in group entities:		
MyDefence North America LLC	USA	100%
MyDefence LLC	Ukraine	100%

8 Prepayments

Prepayments comprise prepaid expenses concerning leasing and insurance, etc.

9 Non-current liabilities other than provisions

Liabilities other than provisions can be specified as follows:

DKK'000	31/12 2024
Other payables, including taxes payable:	
0-1 year	43,664
>5 years	1,000
	44,664

10 Deferred income

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11 Contractual obligations, contingencies, etc.

Contingent liabilities

From 1 June 2024, the Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc. may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

Operating lease obligations

DKK'000	31/12 2024
Operating leasing obligation for properties until 30 September 2027 (30 March 2027)	<u>6,012</u>

12 Mortgages and collateral

Negative pledge has been agreed with credit institute. Security pledge for at total amount of DKK 1.306 thousand was cancelled during 2024.

13 Related parties disclosure

Control

Through MyDefence Group ApS, Bouet Møllevej 5, 9400 Nørresundby, Revelio HoldCo ApS has held the majority of the contributed capital in the Company since 1 June 2024. Until 1 June 2024, MyDefence A/S was part of the consolidated financial statements of Skylock Systems Ltd, Tsvi Bergman 20, Petah Tikva, Israel, which is the smallest group in which the Company is included as a subsidiary.

MyDefence A/S is part of the consolidated financial statements of MyDefence Group ApS, Denmark, and the consolidated financial statements of Revelio HoldCo ApS, Denmark, which are the smallest and largest groups, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements of MyDefence Group ApS and the consolidated financial statements of Revelio HoldCo ApS can be obtained by contacting the companies at the above address.

Related party transactions

DKK'000	2024
Sale of goods to the Parent Company	<u>3,618</u>
Sale of goods to subsidiaries	410
Purchase of intangible asset	1,507

Receivables from group entities and participating interests are disclosed in the balance sheet.

Management remuneration is disclosed in note 2.