

**FRONT-SAFE A/S**  
Spotorno Alle 10  
2630 Høje Taastrup

Annual report for 2023

Adopted at the annual general meeting on  
27 June 2024



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chairman

CVR-nr. 29 63 11 23

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## STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The supervisory board and executive board have today discussed and approved the annual report of FRONT-SAFE A/S for the financial year 1 January - 31 December 2023.

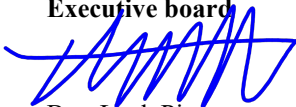
The annual report is prepared in accordance with the Danish Financial Statements Act.

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

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

Copenhagen, 27 June 2024

### Executive board



Bret Lock Piatt  
Director

### Supervisory board



Chairman Seema Elizabeth Chacko



Bret Lock Piatt



Alton William Alberts

# INDEPENDENT AUDITOR'S REPORT

*To the shareholder of FRONT-SAFE A/S*

## **Opinion**

We have audited the financial statements of FRONT-SAFE A/S for the financial year 1 January - 31 December 2023, 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 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023 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.

## **Material uncertainty related to going concern**

We draw the attention to Note 1 in the Financial Statements stating that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as going concern.

Our opinion is not modified in respect of this matter.

## **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.

Copenhagen, 27 June 2024

### **MAZARS**

Statsautoriseret Revisionspartnerselskab  
CVR no. 31 06 17 41

Monica Häckert Raavig  
State authorized Public Accountant  
mne48484

## COMPANY DETAILS

The company	FRONT-SAFE A/S Spotorno Alle 10 2630 Høje Taastrup
	Telephone: 87 43 40 90
	Website: <a href="https://front-safe.dk/">https://front-safe.dk/</a>
	CVR no.: 29 63 11 23
	Reporting period: 1 January - 31 December 2023
	Domicile: Høje Taastrup
Supervisory board	Seema Elizabeth Chacko Bret Lock Piatt Alton William Alberts
Executive board	Bret Lock Piatt, director
Auditors	Mazars Statsautoriseret Revisionspartnerselskab Midtermolen 1, 2.tv. 2100 København Ø

# ACCOUNTING POLICIES

The annual report of FRONT-SAFE A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities.

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

The annual report for 2023 is presented in DKK

## **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 revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

### **Revenue**

Income from the sale of goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue from subscriptions and other services is recognised on a straight-line basis over the period in which the service is delivered.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

# ACCOUNTING POLICIES

## **Raw materials and consumables**

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

## **Other external expenses**

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

## **Staff costs**

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

## **Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment comprise the year's depreciation, amortisation and impairment of intangible assets and property, plant and equipment.

## **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, financial expenses relating to realised and unrealised capital/exchange gains or loss.

## **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**

### **Intangible assets**

#### *Patents and licences*

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the term of the licence, however not more than 10 years.

### **Tangible assets**

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

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	<b>Useful life</b>
Other fixtures and fittings, tools and equipment	3-5 years



## ACCOUNTING POLICIES

Assets costing less than DKK 32.000 are expensed in the year of acquisition.

### **Impairment of fixed assets**

The carrying amount of intangible assets, items of property, plant and equipment and investments in subsidiaries, associates and participating interests is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

### **Receivables**

Receivables are measured at amortised cost.

### **Contract work in progress**

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

Where the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

### **Equity**

#### **Dividends**

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

#### **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.

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.

#### **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.

## ACCOUNTING POLICIES

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

## INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK
<b>Gross profit</b>		<b>6.837.266</b>	<b>3.356.368</b>
Staff costs	3	-6.304.525	-6.806.388
<b>Profit/loss before amortisation/depreciation and impairment losses</b>		<b>532.741</b>	<b>-3.450.020</b>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	4	-3.469.812	-3.910.328
<b>Profit/loss before net financials</b>		<b>-2.937.071</b>	<b>-7.360.348</b>
Financial costs		-39.466	-31.417
<b>Profit/loss before tax</b>		<b>-2.976.537</b>	<b>-7.391.765</b>
Tax on profit/loss for the year	5	0	1.093.472
<b>Profit/loss for the year</b>		<b>-2.976.537</b>	<b>-6.298.293</b>
 <b>Recommended appropriation of profit/loss</b>			
Retained earnings		-2.976.537	-6.298.293
		<b>-2.976.537</b>	<b>-6.298.293</b>

## BALANCE SHEET 31 DECEMBER

	Note	2023 DKK	2022 DKK
<b>ASSETS</b>			
Completed development projects		0	1.488
<b>Intangible assets</b>	6	<b>0</b>	<b>1.488</b>
Other fixtures and fittings, tools and equipment	7	344.859	3.813.183
<b>Tangible assets</b>		<b>344.859</b>	<b>3.813.183</b>
<b>Total non-current assets</b>		<b>344.859</b>	<b>3.814.671</b>
Trade receivables		2.293.051	2.432.388
Receivables from subsidiaries		7.390.279	830.503
Other receivables		0	840.593
Prepayments		406.255	1.549.465
<b>Receivables</b>		<b>10.089.585</b>	<b>5.652.949</b>
<b>Cash at bank and in hand</b>		<b>80.066</b>	<b>178.214</b>
<b>Total current assets</b>		<b>10.169.651</b>	<b>5.831.163</b>
<b>Total assets</b>		<b>10.514.510</b>	<b>9.645.834</b>

## BALANCE SHEET 31 DECEMBER

	Note	2023 DKK	2022 DKK
<b>EQUITY AND LIABILITIES</b>			
Share capital		544.086	544.086
Retained earnings		-2.169.546	806.991
<b>Equity</b>	8	<b>-1.625.460</b>	<b>1.351.077</b>
Short-term part of long-term debet		0	183.915
Prepayments received from customers		415.367	734.991
Trade payables		1.179.609	3.265.049
Payables to subsidiaries		10.069.123	3.701.880
Other payables		475.871	408.922
<b>Total current liabilities</b>		<b>12.139.970</b>	<b>8.294.757</b>
<b>Total liabilities</b>		<b>12.139.970</b>	<b>8.294.757</b>
<b>Total equity and liabilities</b>		<b>10.514.510</b>	<b>9.645.834</b>
Uncertainty about the continued operation (going concern)	1		
Main activity	2		
Contingent liabilities	9		
Related parties and ownership structure	10		

## STATEMENT OF CHANGES IN EQUITY

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2023	544.086	806.991	1.351.077
Net profit/loss for the year	<u>0</u>	<u>-2.976.537</u>	<u>-2.976.537</u>
Equity at 31 December 2023	<u><u>544.086</u></u>	<u><u>-2.169.546</u></u>	<u><u>-1.625.460</u></u>

## NOTES

### 1 UNCERTAINTY ABOUT THE CONTINUED OPERATION (GOING CONCERN)

The Company has realized a loss in the financial year ending 31 December 2023 and the Company's current liabilities at this date exceeds its current assets.

The Company is dependent on the parent company Jungle Disk LLC regularly provide sufficient and necessary liquidity to ensure that the company is able to fulfill its obligations and liabilities as they fall due.

Furthermore, Management has obtained a letter of support from the ultimate parent company Jungle Disk LLC to support and ensure that sufficient capital resources are available to cover the Company's obligations until 31 December 2024. In addition, in case of intercompany receivables from the ultimate parent Jungle Disk LLC is not settled, then other group enterprises have confirmed that they will not call repayment of their intercompany debt and in case of loss on the receivable from the ultimate parent, furthermore subordinated their debt in favor of other creditors.

It is Management's expectation that the measures to be taken will ensure that the Company has sufficient capital resources to continue their operations until 31 December 2024.

However, additional capital resources will be necessary and the group is at current time negotiating re-financing with their credit institutions. The parent company Jungle Disk LLC is not able to support Front-Safe A/S if the re-financing is not obtained. Because this is not settled at the time of approval of the Annual Report there is an uncertainty about the continued operations of Front-Safe A/S.

Management submits the Annual Report on the assumption of going concern. However, the above also by nature indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

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

### 2 MAIN ACTIVITY

The Company's main activity is to deliver backup- and archiving solutions.

### 3 STAFF COSTS

	<u>2023</u>	<u>2022</u>
	DKK	DKK
Wages and salaries	5.945.944	6.443.240
Pensions	249.638	327.928
Other social security costs	11.598	10.104
Other staff costs	97.345	25.116
	<u>6.304.525</u>	<u>6.806.388</u>
Number of fulltime employees on average	<u>8</u>	<u>9</u>

## NOTES

	2023	2022
	DKK	DKK
<b>4 DEPRECIATION, AMORTISATION AND IMPAIRMENT OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT</b>		
Depreciation intangible assets	1.488	1.050
Depreciation tangible assets	3.468.324	3.909.278
	3.469.812	3.910.328
<b>5 TAX ON PROFIT/LOSS FOR THE YEAR</b>		
Current tax for the year	0	-1.093.472
	0	-1.093.472
<b>6 INTANGIBLE ASSETS</b>		Completed development projects
Cost at 1 January 2023		9.188.116
Cost at 31 December 2023		9.188.116
Impairment losses and amortisation at 1 January 2023		9.186.628
Amortisation for the year		1.488
Impairment losses and amortisation at 31 December 2023		9.188.116
Carrying amount at 31 December 2023		0



## NOTES

### 7 TANGIBLE ASSETS

	<u>Other fixtures and fittings, tools and equipment</u>
Cost at 1 January 2023	21.814.227
Cost at 31 December 2023	<u>21.814.227</u>
Impairment losses and depreciation at 1 January 2023	18.001.044
Depreciation for the year	<u>3.468.324</u>
Impairment losses and depreciation at 31 December 2023	<u>21.469.368</u>
Carrying amount at 31 December 2023	<u><u>344.859</u></u>

### 8 EQUITY

The share capital consists of:

	Book value	Nominal value
506.000 A shares of DKK 1	506.000	506.000
38.086 B shares of DKK 1	<u>38.086</u>	<u>38.086</u>
	<u><u>544.086</u></u>	<u><u>544.086</u></u>

### 9 CONTINGENT LIABILITIES

The company has a rent liability that amount to TDKK 28 as of 31st December 2023, related to offices.

The Company was until September 2021, jointly taxed with J2 Global Denmark A/S. Entities subject to mandatory joint taxation have unlimited, joint and several liability for Danish corporation taxes.

### 10 RELATED PARTIES AND OWNERSHIP STRUCTURE

#### Ownership structure

The Company's immediate parent company is KeepItSafe (Ireland) Limited and the ultimate parent company is Jungle Disk LLC, USA.

#### Consolidated financial statements

The company is reflected in the group report as the parent company Jungle Disk LLC, San Antonio, Texas, USA