
Front-Safe A/S (under tvangsopløsning)

Spotorno Alle 10, DK-2630 Taastrup

Annual Report for 2022

CVR No. 29 63 11 23

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 17/11 2023

Bret Lock Piatt
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company information	
Company information	4
Financial Statements	
Income Statement 1 January - 31 December	5
Balance sheet 31 December	6
Statement of changes in equity	8
Notes to the Financial Statements	9

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Front-Safe A/S (under tvangsopløsning) for the financial year 1 January - 31 December 2022.

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 financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Taastrup, 17 November 2023

Executive Board

Bret Lock Piatt
Director

Board of Directors

Seema Elizabeth Chacko
Chairman

Bret Lock Piatt

Alton William Alberts

Independent Auditor's report

To the shareholder of Front-Safe A/S (under tvangsopløsning)

Report on the Financial Statements

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Front-Safe A/S (under tvangsopløsning) for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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.

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 a 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 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.

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:

Independent Auditor's report

- 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.

Reporting obligations under section 7(2) of the Danish Executive Order on Approved Auditors' Reports

Non-compliance with the Danish accounting legislation

Contrary to the Danish Financial Statements Act, the Company has not filed the Annual Report for 2022 to the Danish Business Authority within the required deadlines by which Management may incur liability.

Hellerup, 17 November 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Bo Schou-Jacobsen

State Authorised Public Accountant

mne28703

Anders Røjleskov

State Authorised Public Accountant

mne28699

Company information

The Company	Front-Safe A/S (under tvangsopløsning) Spotorno Alle 10 DK-2630 Taastrup CVR No: 29 63 11 23 Financial period: 1 January - 31 December Incorporated: 29 June 2006 Financial year: 16th financial year Municipality of reg. office: Høje-Taastrup
Board of Directors	Seema Elizabeth Chacko, chairman Bret Lock Piatt Alton William Alberts
Executive Board	Bret Lock Piatt
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Income statement 1 January - 31 December

	Note	2022 DKK	2021 DKK
Gross profit		3,356,367	8,045,984
Staff expenses	3	-6,806,388	-7,493,800
Earnings Before Interest Taxes Depreciation and Amortization		-3,450,021	552,184
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	4	-3,910,328	-3,899,527
Profit/loss before financial income and expenses		-7,360,349	-3,347,343
Financial expenses		-31,414	-48,144
Profit/loss before tax		-7,391,763	-3,395,487
Tax on profit/loss for the year	5	1,093,472	536,378
Net profit/loss for the year		-6,298,291	-2,859,109

Distribution of profit

	2022 DKK	2021 DKK
Proposed distribution of profit		
Retained earnings	-6,298,291	-2,859,109
	-6,298,291	-2,859,109

Balance sheet 31 December

Assets

	Note	2022 DKK	2021 DKK
Acquired licenses		1,488	2,538
Intangible assets	6	1,488	2,538
Other fixtures and fittings, tools and equipment		3,813,183	7,386,571
Property, plant and equipment	7	3,813,183	7,386,571
Fixed assets		3,814,671	7,389,109
Trade receivables		2,432,388	2,961,556
Receivables from group enterprises		830,503	0
Other receivables		840,594	69,450
Prepayments		1,549,465	3,290,913
Receivables		5,652,950	6,321,919
Cash at bank and in hand		178,214	1,939,512
Current assets		5,831,164	8,261,431
Assets		9,645,835	15,650,540

Balance sheet 31 December

Liabilities and equity

	Note	2022 DKK	2021 DKK
Share capital	8	544,086	544,086
Retained earnings		806,991	7,105,282
Equity		1,351,077	7,649,368
Provision for deferred tax		0	1,093,472
Provisions		0	1,093,472
Lease obligations		0	183,919
Long-term debt	9	0	183,919
Lease obligations	9	183,915	721,495
Prepayments received from customers		734,991	760,838
Trade payables		3,265,049	4,440,964
Payables to group enterprises		3,701,880	114,649
Other payables		408,923	685,835
Short-term debt		8,294,758	6,723,781
Debt		8,294,758	6,907,700
Liabilities and equity		9,645,835	15,650,540
Going concern	1		
Key activities	2		
Contingent assets, liabilities and other financial obligations	10		
Related parties	11		
Accounting Policies	12		

Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	544,086	7,105,282	7,649,368
Net profit/loss for the year	0	-6,298,291	-6,298,291
Equity at 31 December	544,086	806,991	1,351,077

Notes to the Financial Statements

1. Going concern

Capital resources and subsequent events

Due to late submission of the Annual Report for 2022, the Danish Business Authority sent the Company to the Sø- og Handelsrettens Skifteretsafdeling for a compulsory dissolution. With the submission of this Annual Report, the process to terminate the compulsory dissolution will be initiated and it is expected that the Company soon will resume normal operations.

The Company is part of the Jungle Disk LLC Group in Texas, USA (“the Group”). By the end of 2021, the Group acquired the Company and other group enterprises. During 2022 and 2023, the Group is ongoing a larger restructure, which is expected to be finalized during the first half of 2024.

Due to this, the Danish operations have been running with a deficit, and Management expects that the deficit for 2023 will be reduced to approx. DKK 1 million, however mainly due to invoicing for intercompany services of approx. DKK 10 million to the ultimate parent company Jungle Disk LLC. For 2024, Management expects a positive result.

The ultimate parent and other group enterprises have in 2023 supported the Company with financial resources and it is Management’s expectation that this will continue for the remaining part of 2023 and in 2024.

However, on 16 November 2023, the shareholder granted a cash group contribution of DKK 1,800k with the purpose of restoring positive equity.

Furthermore, Management has obtained a letter of support from the ultimate parent company Jungle Disk LLC and two other group enterprises to support and ensure that sufficient capital resources are available to cover the Company’s obligations until 31 December 2023. In addition, in case of that 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. The letter of subordination is valid until 30 June 2024.

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 2023. However, additional capital resources will be necessary in 2024. Management therefore 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. Key activities

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

Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	DKK	DKK
3. Staff Expenses		
Wages and salaries	6,435,573	7,169,150
Pensions	327,928	302,306
Other social security expenses	31,500	22,344
Other staff expenses	11,387	0
	<u>6,806,388</u>	<u>7,493,800</u>
 Average number of employees	 <u>9</u>	 <u>7</u>

	<u>2022</u>	<u>2021</u>
	DKK	DKK
4. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		
Amortisation of intangible assets	1,050	26,050
Depreciation of property, plant and equipment	3,909,278	3,873,477
	<u>3,910,328</u>	<u>3,899,527</u>

	<u>2022</u>	<u>2021</u>
	DKK	DKK
5. Income tax expense		
Deferred tax for the year	-1,093,472	-566,004
Adjustment of deferred tax concerning previous years	0	29,626
	<u>-1,093,472</u>	<u>-536,378</u>

Notes to the Financial Statements

6. Intangible fixed assets

	Acquired licenses
	DKK
Cost at 1 January	9,188,116
Cost at 31 December	<u>9,188,116</u>
Impairment losses and amortisation at 1 January	9,185,578
Amortisation for the year	1,050
Impairment losses and amortisation at 31 December	<u>9,186,628</u>
Carrying amount at 31 December	<u>1,488</u>
Amortised over	<u>3-10 years</u>

7. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	21,478,337
Additions for the year	335,890
Cost at 31 December	<u>21,814,227</u>
Impairment losses and depreciation at 1 January	14,091,766
Depreciation for the year	3,909,278
Impairment losses and depreciation at 31 December	<u>18,001,044</u>
Carrying amount at 31 December	<u>3,813,183</u>
Amortised over	<u>3-5 years</u>
Including assets under finance leases amounting to	<u>296,073</u>

Notes to the Financial Statements

8. Share capital

	<u>Number</u>	<u>Nominal value</u> DKK
A-shares	506,000	506,000
B-shares	38,086	38,086
		<u>544,086</u>

9. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2022</u> DKK	<u>2021</u> DKK
Lease obligations		
After 5 years	0	0
Between 1 and 5 years	0	183,919
Long-term part	0	183,919
Within 1 year	183,915	721,495
	<u>183,915</u>	<u>905,414</u>

<u>2022</u> DKK	<u>2021</u> DKK
--------------------	--------------------

10. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	73,874	0
	<u>73,874</u>	<u>0</u>

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.

Notes to the Financial Statements

11. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company's immediate Parent Company is KeepItSafe (Ireland) Limited and the Ultimate Parent Company is Jungle Disk LLC, USA

The Company is included in the Group Report of the Ultimate Parent Company:

<u>Name</u>	<u>Place of registered office</u>
Jungle Disk LLC	San Antonio, Texas, USA

Notes to the Financial Statements

12. Accounting policies

The Annual Report of Front-Safe A/S (under tvangsopløsning) for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in DKK.

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.

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

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Notes to the Financial Statements

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

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.

Expenses for raw materials and consumables

Cost of goods sold comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll related expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation 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 relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Acquired licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 10 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5 years
--	-----------

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.