
Front-Safe A/S

Spotorno Alle 12, 2., DK-2630 Taastrup

Annual Report for 1 January - 31 December 2021

CVR No 29 63 11 23

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
19/8 2022

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 Annual Report of Front-Safe A/S for the financial year 1 January - 31 December 2021.

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 2021 of the Company and of the results of the Company operations for 2021.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Taastrup, 19 August 2022

Executive Board

Einar Boije

Board of Directors

Bret Lock Piatt
Chairman

Einar Boije

Alton William Alberts

Seema Elizabeth Chacko

Independent Auditor's Report

To the Shareholder of Front-Safe A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Front-Safe A/S for the financial year 1 January - 31 December 2021, 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.

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.

Hellerup, 19 August 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Bo Schou-Jacobsen
State Authorized Public Accountant
mne28703

Anders Røjleskov
State Authorized Public Accountant
mne28699

Company Information

The Company

Front-Safe A/S
Spotorno Alle 12, 2.
DK-2630 Taastrup

CVR No: 29 63 11 23
Financial period: 1 January - 31 December
Municipality of reg. office: Høje-Taastrup

Board of Directors

Bret Lock Piatt, Chairman
Einar Boije
Alton William Alberts
Seema Elizabeth Chacko

Executive Board

Einar Boije

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Income Statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
Gross profit/loss		8,045,984	7,189,893
Staff expenses	2	-7,493,800	-7,275,844
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-3,899,527	-3,899,869
Profit/loss before financial income and expenses		-3,347,343	-3,985,820
Financial expenses		-48,144	-370,900
Profit/loss before tax		-3,395,487	-4,356,720
Tax on profit/loss for the year	4	536,378	949,626
Net profit/loss for the year		-2,859,109	-3,407,094

Distribution of profit

Proposed distribution of profit

Retained earnings		-2,859,109	-3,407,094
		-2,859,109	-3,407,094

Balance Sheet 31 December

Assets

	Note	2021 DKK	2020 DKK
Acquired licenses		2,538	28,588
Intangible assets	5	2,538	28,588
Other fixtures and fittings, tools and equipment		7,386,571	11,260,049
Property, plant and equipment	6	7,386,571	11,260,049
Fixed assets		7,389,109	11,288,637
Trade receivables		2,961,556	2,238,689
Receivables from group enterprises		0	291,624
Other receivables		69,450	507,788
Corporation tax receivable from group enterprises		0	3,053,091
Prepayments		3,290,913	3,265,633
Receivables		6,321,919	9,356,825
Cash at bank and in hand		1,939,512	4,442,950
Currents assets		8,261,431	13,799,775
Assets		15,650,540	25,088,412

Balance Sheet 31 December

Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital	7	544,086	544,086
Retained earnings		7,105,282	4,664,392
Equity		7,649,368	5,208,478
Provision for deferred tax		1,093,472	1,629,850
Provisions		1,093,472	1,629,850
Lease obligations		183,919	905,414
Long-term debt	8	183,919	905,414
Lease obligations	8	721,495	699,364
Prepayments received from customers		760,838	898,349
Trade payables		4,440,964	1,148,844
Payables to group enterprises		114,649	14,595,903
Other payables		685,835	2,210
Short-term debt		6,723,781	17,344,670
Debt		6,907,700	18,250,084
Liabilities and equity		15,650,540	25,088,412
Main activity	1		
Contingent assets, liabilities and other financial obligations	9		
Related parties	10		
Subsequent events	11		
Accounting Policies	12		

Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	544,086	4,664,391	5,208,477
Group contribution	0	5,300,000	5,300,000
Net profit/loss for the year	0	-2,859,109	-2,859,109
Equity at 31 December	<u>544,086</u>	<u>7,105,282</u>	<u>7,649,368</u>

Notes to the Financial Statements

1 Main activity

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

	<u>2021</u>	<u>2020</u>
	DKK	DKK
2 Staff expenses		
Wages and salaries	7,169,150	6,943,047
Pensions	302,306	308,624
Other social security expenses	22,344	24,173
	<u>7,493,800</u>	<u>7,275,844</u>
Average number of employees	<u>7</u>	<u>7</u>
3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Amortisation of intangible assets	2,106,842	274,229
Depreciation of property, plant and equipment	1,792,685	3,625,640
	<u>3,899,527</u>	<u>3,899,869</u>
4 Tax on profit/loss for the year		
Current tax for the year	0	-1,659,159
Deferred tax for the year	-566,004	709,533
Adjustment of deferred tax concerning previous years	29,626	0
	<u>-536,378</u>	<u>-949,626</u>

Notes to the Financial Statements

5 Intangible assets

	Acquired licenses <u>DKK</u>
Cost at 1 January	<u>9,188,116</u>
Cost at 31 December	<u>9,188,116</u>
Impairment losses and amortisation at 1 January	9,159,528
Amortisation for the year	<u>26,050</u>
Impairment losses and amortisation at 31 December	<u>9,185,578</u>
Carrying amount at 31 December	<u>2,538</u>
Amortised over	<u>3-10 years</u>

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment <u>DKK</u>
Cost at 1 January	<u>21,478,337</u>
Cost at 31 December	<u>21,478,337</u>
Impairment losses and depreciation at 1 January	10,218,288
Depreciation for the year	<u>3,873,478</u>
Impairment losses and depreciation at 31 December	<u>14,091,766</u>
Carrying amount at 31 December	<u>7,386,571</u>
Depreciated over	<u>3-5 years</u>
Including assets under finance leases amounting to	<u>1,006,649</u>

Notes to the Financial Statements

7 Equity

The share capital is broken down as follow:

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

8 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>2021</u> DKK	<u>2020</u> DKK
Lease obligations		
Between 1 and 5 years	183,919	905,414
Long-term part	<u>183,919</u>	<u>905,414</u>
Within 1 year	<u>721,495</u>	<u>699,364</u>
	<u>905,414</u>	<u>1,604,778</u>

9 Contingent assets, liabilities and other financial obligations

The Company is for part of the income year jointly taxed with J2 Global Denmark A/S. Entities subject to mandatory joint taxation have unlimited, joint and several liability for Danish corporation taxes. As of September 2021, the Company is no longer part of mandatory joint taxation.

There are no other security and contingent liabilities at 31 December 2021.

Notes to the Financial Statements

10 Related parties

	<u>Basis</u>
Controlling interest	
KeepItSafe (Ireland) Limited)	Parent company
Jungle Disk LLC, USA	Ultimate parent company

Consolidated Financial Statements

The Company's immediate Parent Company is KeepItSafe (Ireland) Limited and the Ultimate Parent Company, which the Company is a subsidiary of 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

11 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

12 Accounting Policies

The Annual Report of Front-Safe A/S for 2021 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 2021 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.

Notes to the Financial Statements

12 Accounting Policies (continued)

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.

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

Revenue

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.

Cost of goods sold

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

Notes to the Financial Statements

12 Accounting Policies (continued)

Other external expenses

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

Gross profit/loss

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.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale 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.

The Company is jointly taxed with J2 Global Denmark A/S. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

12 Accounting Policies (continued)

Balance Sheet

Intangible 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 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.

Notes to the Financial Statements

12 Accounting Policies (continued)

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

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.

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.

Prepayments received from customers

Prepayments received from customers comprise payments received in respect of income in subsequent years.