

Annual report for 2024

Smarter Airports A/S
c/o Netcompany A/S, Strandgade 3, 1401 Copenhagen
CVR no. 41 74 67 50

Adopted at the annual general meeting on 19 May
2025

Mikael Bruhn Sjørsløv
chairman

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Statement by management on the annual report

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

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 2024 and of the results of the company's operations for the financial year 1 January - 31 December 2024.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

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

Copenhagen, 19 May 2025

Executive board

Mehdi Motaghiani
CEO

Mikael Bruhn Sjørslev
CFO

Board of Directors

André Rafal Rogaczewski
Chairman

Christian Poulsen
Vice Chairman

Rasmus Hagstad Lund

Thomas Cordth

Independent Auditor's Report

To the shareholders of Smarter Airports A/S

Opinion

We have audited the financial statements of Smarter Airports A/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

Independent Auditor's Report

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 19 May 2025

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56

Martin Pieper
State Authorised Public Accountant
mne44063

Company details

The company

Smarter Airports A/S
c/o Netcompany A/S
Strandgade 3
1401 Copenhagen

CVR no.: 41 74 67 50

Reporting period: 1 January - 31 December 2024

Established: 9 October 2020

Financial year: 4th financial year

Domicile: Copenhagen

Main activities

The Company's objective is to engage in IT business including development and sale of software, as well as other related business.

Board of Directors

André Rafal Rogaczewski, Chairman
Christian Poulsen, Vice Chairman
Rasmus Hagstad Lund
Thomas Cordth

Executive board

Mehdi Motaghiani, CEO
Mikael Bruhn Sjørslev, CFO

Shareholders

The Company is owned through a Joint Venture, by:
50% ownership by Copenhagen Airports A/S, Lufthavnsboulevarden 6,
DK-2770 Kastrup
50% ownership Netcompany A/S, Strandgade 3, DK-1401 Copenhagen

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Københavns S

Management's review

Business review

In Q4 2024, Netcompany signed an agreement with Munich Airport in respect of the implementation and operation of AIRHART as the strategic development platform for operational IT, and a framework agreement in respect of wider IT consultancy services. Smarter Airports acts as subcontractor to Netcompany, providing license and operation of the AIRHART platform. The agreement represents a milestone in the efforts to validate AIRHART's commercial potential and position Smarter Airports as a recognized supplier in the airport IT market. The agreement will generate revenue from Q2 2025.

In addition to the activities with Munich Airport, sales activities continued in 2024 and at year end 2024, Smarter Airports was engaged in tenders in respect of the potential agreements to implement AIRHART at large airports. In addition a promising pipeline of potential new customers is being maintained and expanded.

During Q2 2024 development of a new AIRHART module, AIRHART Aerodrome Event Orchestrator (AEO) was initiated. AEO is based on a prototype (based on Microsoft Power Apps) developed and in operation at Copenhagen Airports. AEO enables airports to manage and improve activities in relation to safety, compliance and similar operational tasks. AEO is expected ready and implemented at Copenhagen Airports during Q3 2025.

As per December 2024 the company had no employees. All services are delivered by the joint venture partners on a consultancy basis.

Financial review

The company's income statement for the year ended 31 December 2024 shows a loss of TDKK 29.743, and the balance sheet at 31 December 2024 shows an equity of TDKK 208.848.

2024 was the first full year of operation of AIRHART at Copenhagen Airports. This increased operational cost compared to 2023.

Majority of expenses during 2024 is:

- Operational cost in respect of the operation and maintenance of AIRHART at Copenhagen Airports, in the form of cloud hosting costs, subcontracted services in respect of AMS and project deliveries
- Cost in respect of sales and business development activities

Loss after taxes 2024 is TDKK 29.743 (2023: TDKK 17.899). The negative result was driven by amortization of the IT software developed and higher external costs. Management is satisfied with the result of the year.

In 2025 management expects total operating result similar to 2024.

Financing

The company took out additional TDKK 20.000 loans with the owners during 2024. The debt to the owners amounted to TDKK 48.744 by the end of 2024.

Accounting policies

The annual report of Smarter Airports A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class B.

Furthermore, the company has decided to implement the recommendations made in the Danish accounting standards pertaining to reporting class B and C entities.

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

The annual report for 2024 is presented in TDKK.

Basis of recognition and measurement

Income is recognised in the income statement as earned. All expenses, including amortisation 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.

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.

Revenue

The company develops and sells IT software to airports. Revenue from subscription fees, implementation fees and maintenance fees is recognised on a fixed straight-line basis. Revenue from development of customized software is recognised when the services are provided.

External expenses

External expenses include, but are not limited to, costs related to distribution, administration, sales, operation and product maintenance.

Amortisation

Amortisation comprise the year's amortisation of intangible assets.

Financial income and expenses

Net financials include interest income and expenses, realised and unrealised exchange gains and losses on foreign currency transactions, etc.

Accounting policies

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.

Intangible assets

Software and software under development

Software under development comprise costs that are directly attributable to the company's development activities, and is recognized at cost less impairment losses (if any).

Following the completion of the development work, development costs are recognised as software and amortised on a straight-line basis over the estimated useful life. The amortisation period is 8-10 years for all software.

The carrying amount of intangible assets is tested annually for impairment, should there be any impairment indicators identified.

Receivables

Receivables are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise deposits at banks.

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 assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are 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.

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.

Accounting policies

Receivables and 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.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2024</u> TDKK	<u>2023</u> TDKK
Revenue		32.943	21.466
External expenses		<u>-35.104</u>	<u>-19.232</u>
Gross profit		-2.161	2.234
Amortisation of intangible assets		-28.925	-24.294
Financial income		144	95
Financial costs	2	<u>-1.763</u>	<u>-982</u>
Profit/loss before tax		-32.705	-22.947
Tax on profit/loss for the year		<u>2.962</u>	<u>5.048</u>
Profit/loss for the year		<u>-29.743</u>	<u>-17.899</u>
Retained earnings		<u>-29.743</u>	<u>-17.899</u>
		<u>-29.743</u>	<u>-17.899</u>

Balance sheet 31 December

	<u>Note</u>	<u>2024</u> TDKK	<u>2023</u> TDKK
Assets			
Software under development		7.477	209
Software		<u>234.325</u>	<u>260.059</u>
Intangible assets	3	<u>241.802</u>	<u>260.268</u>
Total non-current assets		<u>241.802</u>	<u>260.268</u>
Trade receivables		0	1.655
Receivables from participating interests		2.932	2.225
Other receivables		734	674
Deferred tax asset	4	<u>9.000</u>	<u>6.038</u>
Receivables		<u>12.666</u>	<u>10.592</u>
Cash		<u>8.633</u>	<u>2.267</u>
Total current assets		<u>21.299</u>	<u>12.859</u>
Total assets		<u><u>263.101</u></u>	<u><u>273.127</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2024</u> TDKK	<u>2023</u> TDKK
Equity and liabilities			
Share capital		260.000	260.000
Reserve for development costs		188.606	205.029
Retained earnings		<u>-239.758</u>	<u>-226.438</u>
Equity		<u>208.848</u>	<u>238.591</u>
Loan from participating interests		<u>48.744</u>	<u>26.980</u>
Total non-current liabilities		<u>48.744</u>	<u>26.980</u>
Payables to participating interests		5.490	7.495
Other payables		<u>19</u>	<u>61</u>
Total current liabilities		<u>5.509</u>	<u>7.556</u>
Total liabilities		<u>54.253</u>	<u>34.536</u>
Total equity and liabilities		<u><u>263.101</u></u>	<u><u>273.127</u></u>

Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2024	260.000	205.029	-226.438	238.591
Net profit/loss for the year	0	0	-29.743	-29.743
Additions to intangible assets	0	10.459	-10.459	0
Amortization on intangible assets	0	-28.925	28.925	0
Deferred tax on intangible assets movement	0	4.063	-4.063	0
Adjustment to prior year	0	-2.020	2.020	0
Equity at 31 December 2024	260.000	188.606	-239.758	208.848

The company's nominal share capital amounts to DKK 260m, divided into DKK 130m A shares of DKK 1 each or any multiples thereof and DKK 130m B shares of DKK 1 each or any multiples thereof.

Notes

	<u>2024</u> TDKK	<u>2023</u> TDKK
1 Staff costs		
Average number of employees	<u>0</u>	<u>0</u>
2 Financial costs		
Financial expenses, participating interests	1.763	981
Other financial costs	0	-1
Exchange loss	<u>0</u>	<u>2</u>
	<u>1.763</u>	<u>982</u>
3 Intangible assets		
	<u>Software under development</u>	<u>Software</u>
Cost at 1 January 2024	209	287.313
Additions for the year	10.459	0
Transfers for the year	<u>-3.191</u>	<u>3.191</u>
Cost at 31 December 2024	<u>7.477</u>	<u>290.504</u>
Amortisation at 1 January 2024	0	27.254
Amortisation for the year	<u>0</u>	<u>28.925</u>
Amortisation at 31 December 2024	<u>0</u>	<u>56.179</u>
Carrying amount at 31 December 2024	<u>7.477</u>	<u>234.325</u>

Notes

4 Information on assumptions for recognition of deferred tax asset

The Company has recognized a deferred tax asset at 31 December 2024 of DKK 9 million. The deferred tax asset is based on contracts won as at 31 December 2024, as well as expectations of successful outcome of ongoing and future tenders.

5 Subsequent events

After the balance sheet date, the owners have carried out a capital increase of TDKK 39.981 through conversion of debt, TDKK 33.981, and cash contributions, TDKK 6.000. A total of 27.500 new shares have been subscribed.

6 Related parties and ownership structure

Other related parties

Smarter Airports A/S is a joint venture owned by the following 2 companies:

50% ownership from Netcompany A/S, Strandgade 3, DK-1401 Copenhagen

50% ownership from Copenhagen Airports A/S, Lufthavnsboulevarden 6, DK-2770 Kastrup