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Grit42 A/S

Trekronergade 126 F, 3 tv., 2500 Valby

Company reg. no. 35 63 81 80

Annual report

1 January - 31 December 2024

The annual report was submitted and approved by the general meeting on the 29 January 2025.

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Henrik Frimodt Christensen
Chairman of the meeting

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Contents

	Page
Reports	
Management's statement	1
The independent practitioner’s report	2
Management's review	
Company information	4
Management´s review	5
Financial statements 1 January - 31 December 2024	
Accounting policies	6
Income statement	11
Balance sheet	12
Notes	14

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Grit42 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.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company 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 true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Valby, 29 January 2025

Managing Director

Claus Stie Kallesøe

Board of directors

Henrik Frimodt Christensen   Jacob Flemming Hansen   Claus Stie Kallesøe

The independent practitioner’s report

To the Shareholders of Grit42 A/S

Conclusion

We have performed an extended review of the financial statements of Grit42 A/S for the financial year 1 January - 31 December 2024, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, 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 accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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.

Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

The independent practitioner's report

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Statement on the Management's Review

Management is responsible for the Management's Review.

Our conclusion 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 extended review 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 extended review, 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 Statements Act. We did not identify any material misstatement in the Management's Review.

Hillerød, 29 January 2025

Grant Thornton
Certified Public Accountants
Company reg. no. 34 20 99 36

Claus Koskelin
State Authorised Public Accountant
mne30140

Company information

The company	Grit42 A/S Trekronergade 126 F, 3 tv. 2500 Valby	
	Company reg. no.	35 63 81 80
	Domicile:	Denmark
	Financial year:	1 January - 31 December
Board of directors	Henrik Frimodt Christensen Jacob Flemming Hansen Claus Stie Kallesøe	
Managing Director	Claus Stie Kallesøe	
Auditors	Grant Thornton, Godkendt Revisionspartnerselskab Hostrupsvej 26 3400 Hillerød	

Management´s review

Description of key activities of the company

The company's main activity is to conduct software development and service as well as related business.

Uncertainties about recognition or measurement

There have been no significant uncertainties or unusual circumstances that have affected the recognition or measurement.

Significant changes in the company's activities and financial matters

There have been no significant changes in activities and financial matters.

The company's results and financial development are considered satisfactory.

Expected developments

The company expects a positive result for the coming year.

Events occurring after the end of the financial year

No significant events have occurred after the balance sheet date, which are considered to have a material impact on the assessment of the annual report.

Accounting policies

The annual report for Grit42 A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Accounting policies

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists
- The sales price has been determined
- Payment has been received, or is anticipated with a reasonable degree of certainty.

This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Accounting policies

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 5 years.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Accounting policies

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Accounting policies

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2024	2023
	Gross profit	**3.943.727**	**4.421.642**
1	Staff costs	-2.710.873	-3.250.348
	Depreciation and impairment of non-current assets	-198.000	-396.000
	Operating profit	**1.034.854**	**775.294**
	Other financial income	92.163	21.429
	Other financial expenses	-4.613	-4.247
	Pre-tax net profit or loss	**1.122.404**	**792.476**
	Tax on net profit or loss for the year	-251.829	-177.927
	Net profit or loss for the year	**870.575**	**614.549**
	Proposed distribution of net profit:		
	Dividend for the financial year	900.000	800.000
	Transferred to retained earnings	0	123.429
	Transferred to other statutory reserves	0	-308.880
	Allocated from retained earnings	-29.425	0
	Total allocations and transfers	**870.575**	**614.549**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2024	2023
	Non-current assets		
2	Completed development projects, including patents and similar rights arising from development projects	0	198.000
	Total intangible assets	0	198.000
	Total non-current assets	**0**	**198.000**
	Current assets		
	Trade receivables	110.663	63.844
	Other receivables	39.560	105.627
	Total receivables	150.223	169.471
	Cash and cash equivalents	8.945.493	3.717.473
	Total current assets	**9.095.716**	**3.886.944**
	Total assets	**9.095.716**	**4.084.944**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2024	2023
	Equity		
	Contributed capital	500.000	500.000
	Reserve for development costs	0	154.440
	Retained earnings	2.054.770	1.929.756
	Proposed dividend for the financial year	900.000	800.000
	Total equity	**3.454.770**	**3.384.196**
	Provisions		
	Provisions for deferred tax	0	43.560
	Total provisions	**0**	**43.560**
	Liabilities other than provisions		
	Bank loans	12.922	13.374
	Prepayments received from customers	5.472.201	405.091
	Income tax payable	63.412	68.090
	Other payables	92.411	170.633
	Total short term liabilities other than provisions	5.640.946	657.188
	Total liabilities other than provisions	**5.640.946**	**657.188**
	Total equity and liabilities	**9.095.716**	**4.084.944**

Notes

All amounts in DKK.

		2024	2023
1.	**Staff costs**		
	Salaries and wages	2.335.271	2.805.118
	Pension costs	340.020	406.349
	Other costs for social security	35.582	38.881
		2.710.873	**3.250.348**
	Average number of employees	4	5
2.	**Completed development projects, including patents and similar rights arising from development projects**		
	Cost 1 January 2024	1.980.000	1.980.000
	Cost 31 December 2024	**1.980.000**	**1.980.000**
	Amortisation and write-down 1 January 2024	-1.782.000	0
	Amortisation for the year	-198.000	-1.782.000
	Amortisation and write-down 31 December 2024	**-1.980.000**	**-1.782.000**
	Carrying amount, 31 December 2024	**0**	**198.000**