

Revelio HoldCo ApS

c/o MyDefence A/S
Bouet Møllevvej 5
DK-9400 Nørresundby

CVR no. 43 75 72 37

Annual report 2024

The annual report was presented and adopted at the
Company's annual general meeting

on _____ 20 ____

Chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Revelio HoldCo ApS for the financial year 1 January – 31 December 2024.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2024.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's activities and financial matters, of the results for the year and of the Group's and the Parent Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Nørresundby, 24 June 2025
Executive Board:

Oliver Krogh Hallin

Johan Erik Dahlfors

Johan Gustafsson

Board of Directors:

Claus Christensen
Chairman

Tina Cecilia Bonefeld Dahl

Helle Specht

Oliver Krogh Hallin

Johan Gustafsson

Johan Erik Dahlfors

Michael Wigston

Christopher Linley Tickell

Independent auditor's report

To the shareholders of Revelio HoldCo ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Revelio HoldCo ApS for the financial year 1 January – 31 December 2024 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 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 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 consolidated financial statements and the parent company financial statements" section of our report.

We are independent of the Group 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 responsibility for the consolidated financial statements and the parent company financial statements

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

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these consolidated financial statements and parent company 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

- identify and assess the risks of material misstatement of the consolidated financial statements and the parent company 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 Group's and the Parent 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 consolidated financial statements and the parent company 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 Group's and the Parent 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 consolidated financial statements and the parent company 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 Group and the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements and the Parent Company financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company 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 consolidated financial statements or the parent company financial statements or our knowledge obtained during the audit, 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 consolidated financial statements and the parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aalborg, 24 June 2025

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Steffen S. Hansen
State Authorised
Public Accountant
mne32737

Management's review

Company details

Revelio HoldCo ApS
c/o MyDefence A/S
Bouet Møllevvej 5
DK-9400 Nørresundby

Telephone: 70 25 12 52
E-mail: info@mydefence.dk

CVR no. CVR no. 43 75 72 37
Established: 1 January 2023
Registered office: Aalborg
Financial year: 1 January – 31 December

Board of Directors

Claus Christensen, Chairman
Tina Cecilia Bonefeld Dahl
Helle Specht
Oliver Krogh Hallin
Johan Gustafsson
Johan Erik Dahlfors
Michael Wigston
Christopher Linley Tickell

Executive Board

Oliver Krogh Hallin
Johan Erik Dahlfors
Johan Gustafsson

Auditor

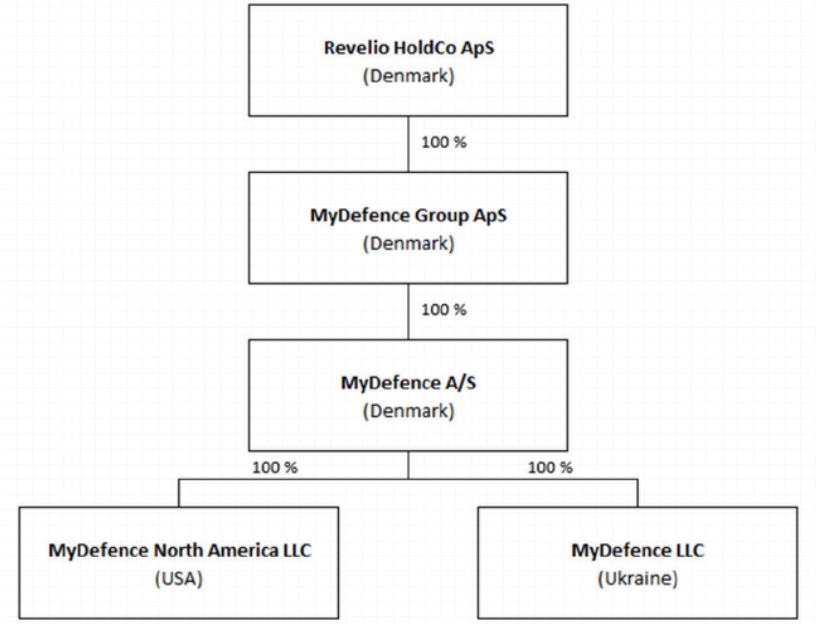
KPMG
Statsautoriseret Revisionspartnerselskab
Østre Havnegade 22D
DK-9000 Aalborg
CVR no. 25 57 81 98

Annual general meeting

The annual general meeting will be held on 27 June 2025.

Management's review

Group chart



Management's review

Financial highlights for the Group

DKKm	2024	2023
Gross profit	111.5	0.0
EBITDA	19.3	0.0
Profit/loss from financial income and expenses	-28.9	0.0
Profit/loss for the year	-51.8	0.0
Total assets	1,143.1	0.1
Equity	422.9	0.1
Cash flows from operating activities	11.7	0.0
Cash flows from investing activities	-901.2	0.0
Hereof investments in property, plant and equipment	-9.6	0.0
Cash flows from financing activities	-994.0	0.1
Total cash flows	104.5	0.1
Solvency ratio	36.9	-
Average number of full-time employees	32	0

The financial ratios have been calculated as follows:

Solvency ratio
$$\frac{\text{Equity ex. non-controlling interests at year end} \times 100}{\text{Total equity and liabilities at year end}}$$

Management's review

Operating review

The Group's principal activities

The Group's principal activity is to research in the field of wireless communication as well as to develop, produce and sell electronic equipment. MyDefence is specialised in providing equipment for drone surveillance and protection, also called anti-drone or C-UAS equipment.

Development in activities and financial position

On 31 May 2024, MyDefence A/S was acquired by MyDefence Group ApS whose ultimate majority shareholder is Bridgepoint Group.

The consolidated income statement for 2024 (seven months) shows EBITDA of DKK 111.7 million adjusted for one-off transaction costs and a total loss of DKK 51.8 million due to significant amortisation.

Realised EBITDA matches Management's expectations driven by higher activity.

The consolidated balance sheet at 31 December 2024 shows equity of DKK 422.9 million.

On 31 December 2024, cash at bank and in hand totalled DKK 163.4 million, and with major deliveries in November and December receivables reached DKK 56.9 million.

With the current cash at bank and in hand, shareholder loan and the inflow of cash from deliveries in the order book, cash resources for the year are considered adequate.

Shareholder loan is planned to be partly repaid in 2025 through received repayment from subsidiary.

Outlook

Budget for 2025 shows a stable level in revenue and EBITDA excluding one-off costs for the acquisition of MyDefence A/S in 2024.

The Group has several orders for delivery during the first six months. Management assesses that it is likely that a considerable portion of the existing sales pipeline will materialise into orders and thereby match budget expectations, which is in line with results for 2024.

Research and development activities

Completed development projects are included in the products for detection, mitigation and C2 systems and comprise solutions for dismounted soldiers, armoured vehicles, UAS and critical assets.

Development projects in progress include development of new features, new capabilities and new products.

Development activities are expected to carry on in 2025, and subsequently, the Company will engage in marketing and sales. Development of new activities are expected to result in competitive advantages in the level of activity and results of operations from 2025.

Events after the balance sheet date

No events have occurred after the balance sheet date that would influence the assessment and evaluation of this annual report in any material way.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Income statement

DKK'000	Note	Group		Parent Company	
		2024	2023	2024	2023
Gross profit/loss	2	111,453	0	-263	0
Staff costs	3	-32,265	0	0	0
Depreciation/amortisation of property, plant and equipment and intangible assets		-98,484	0	0	0
Profit/loss before financial income and expenses		-19,296	0	-263	0
Financial income	4	4,368	0	33,368	0
Financial expenses	4	-33,241	0	-32,437	0
Profit/loss before tax		-48,169	0	668	0
Tax on profit/loss for the year	5	-3,649	0	0	0
Profit/loss for the year	6	-51,818	0	668	0

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	Group		Parent Company	
		31/12 2024	31/12 2023	31/12 2024	31/12 2023
ASSETS					
Non-current assets					
Intangible assets					
	7				
Completed development projects		37,347	0	0	0
Patents, licences and trademarks		0	0	0	0
Brand		38,086	0	0	0
Technology		107,931	0	0	0
Customer relationships		76,899	0	0	0
Order backlog		0	0	0	0
Goodwill		589,355	0	0	0
Development projects in progress		8,413	0	0	0
		<u>858,031</u>	<u>0</u>	<u>0</u>	<u>0</u>
Property, plant and equipment					
	8				
Fixtures and fittings, tools and equipment		1,293	0	0	0
Leasehold improvements		11,351	0	0	0
		<u>12,644</u>	<u>0</u>	<u>0</u>	<u>0</u>
Financial assets					
	9				
Equity investments in group entities		0	0	399,555	0
Total non-current assets		<u>870,675</u>	<u>0</u>	<u>399,555</u>	<u>0</u>
Current assets					
Inventories					
Raw materials and consumables		27,091	0	0	0
Finished goods and goods for resale		18,522	0	0	0
		<u>45,613</u>	<u>0</u>	<u>0</u>	<u>0</u>
Receivables					
Trade receivables		56,880	0	0	0
Receivables from group entities		0	0	621,143	0
Deferred tax asset		1,300	0	0	0
Other receivables		4,301	0	0	0
Prepayments	10	926	0	0	0
		<u>63,407</u>	<u>0</u>	<u>621,143</u>	<u>0</u>
Cash at bank and in hand		<u>163,445</u>	<u>40</u>	<u>42,156</u>	<u>40</u>
Total current assets		<u>272,465</u>	<u>40</u>	<u>663,299</u>	<u>40</u>
TOTAL ASSETS		<u>1,143,140</u>	<u>40</u>	<u>1,062,854</u>	<u>40</u>

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	Group		Parent Company	
		31/12 2024	31/12 2023	31/12 2024	31/12 2023
EQUITY AND LIABILITIES					
Equity					
Contributed capital	11	46,970	40	46,970	40
Retained earnings		375,905	0	427,382	0
Proposed dividends for the financial year		0	0	0	0
Total equity		422,875	40	474,352	40
Provisions					
Provisions for deferred tax	12	54,158	0	0	0
Total provisions		54,158	0	0	0
Liabilities other than provisions					
Non-current liabilities other than provisions					
Shareholder loan	13	588,502		588,502	
Other payables, including taxes payable		1,000	0	0	0
		589,502	0	588,502	0
Current liabilities other than provisions					
Prepayments received from customers		921	0	0	0
Trade payables		12,422	0	0	0
Payables to shareholder, group entities		0	0	0	0
Other payables, including taxes payable		38,938	0	0	0
Deferred income	14	24,324	0	0	0
		76,605	0	0	0
Total liabilities other than provisions		666,107	0	588,502	0
TOTAL EQUITY AND LIABILITIES		1,143,140	40	1,062,854	40

Consolidated financial statements and parent company financial statements 1 January – 31 December

Statement of changes in equity

	Group		
	Contributed capital	Retained earnings	Total equity
DKK'000			
Equity at 1 January 2024	40	0	40
Capital increases	46,930	426,742	473,672
Transferred over the distribution of loss	0	-51,818	-51,818
Exchange rate adjustments and other adjustments, foreign subsidiary	0	981	981
Equity at 31 December 2024	<u>46,970</u>	<u>375,905</u>	<u>422,875</u>

	Parent Company		
	Contributed capital	Retained earnings	Total equity
DKK'000			
Equity at 1 January 2024	40	0	40
Capital increases	46,930	426,714	473,644
Transferred over the profit appropriation	0	668	668
Equity at 31 December 2024	<u>46,970</u>	<u>427,382</u>	<u>474,352</u>

Consolidated financial statements and parent company financial statements 1 January – 31 December

Cash flow statement

DKK'000	Note	Group 2024
Profit/loss for the year		-51,818
Depreciation and amortisation		98,484
Other adjustments of non-cash operating items	15	34,595
Cash generated from operations before changes in working capital		81,261
Changes in working capital	16	-40,734
Cash generated from operations		40,527
Interest income		4,368
Interest expense		-33,241
Corporation tax paid		0
Cash flows from operating activities		11,655
Acquisition of intangible assets	7	-5,663
Acquisition of property, plant and equipment	8	-9,633
Acquisition of subsidiaries	17	-885,885
Cash flows from investing activities		-901,181
Capital increase (cash)		404,535
Increase in payables to shareholder		589,502
Cash flows from financing activities		994,037
Cash flows for the year		104,511
Cash and cash equivalents at the beginning of the year		40
Acquisition	17	58,894
Cash and cash equivalents at year end		163,445

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Revelio HoldCo ApS for 2024 has been prepared in accordance with the provisions applying to reporting class C (medium-sized) under the Danish Financial Statements Act.

The accounting policies used in the preparation of the consolidated financial statements and the parent company financial statements are consistent with those of last year.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, MyDefence Group ApS, and subsidiaries in which MyDefence Group ApS directly or indirectly holds more than 50% of the votes or in some other way exercises control over. Entities in which the Group holds 20% or more of the votes and exercises significant influence but not control are considered associates. Entities for which the objective of the holding is to promote the Group's own activities through a permanent affiliation with the other entity and where the equity interest represents at least 20% of equity in the other entity are considered participating interests. A group chart is included on page 7.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains and losses on intra-group transactions are eliminated.

Equity investments in subsidiaries are set off against the proportionate share of subsidiaries' fair value of net assets and liabilities at the date of acquisition.

Business combinations

When new entities are acquired, the acquisition method is applied under which identifiable assets and liabilities are measured at fair value at the date of acquisition. Restructuring costs recognised in the acquiree at the acquisition date that are not initiated as a part of the acquisition are included in the pre-acquisition balance sheet and thus the calculation of goodwill. Restructuring that is initiated by the acquirer is recognised in the acquirer's income statement. Deferred tax is recognised to the extent that temporary differences arise from the revaluations.

Positive differences (goodwill) between cost and the fair value of identifiable assets and liabilities acquired, including restructuring provisions, are recognised as intangible assets and amortised systematically in the income statement based on an individual assessment of the useful life. Negative goodwill is recognised as income in the income statement at the acquisition date when the usual conditions for recognition of income are met.

Goodwill and negative goodwill from acquired entities may be adjusted until 12 months after the acquisition date.

Newly acquired or newly established entities are recognised in the consolidated financial statements at the date of acquisition or establishment. Divested or wound-up entities are recognised in the consolidated income statement up to the date of divestment or winding-up. Comparative figures are not restated to reflect acquisitions, divestments or windings-up.

Gains or losses on the divestment of subsidiaries and participating interests (including associates) are calculated as the difference between the sales amount and the carrying amount of net assets at the date of disposal, including non-amortised goodwill and projected costs of divestment or winding-up.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, 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.

Upon recognition of foreign subsidiaries and participating interests (including associates) which are independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with independent foreign subsidiaries considered part of the total investment in the subsidiary are recognised directly in equity. Similarly, foreign exchange gains and losses on loans and derivative financial instruments taken out for the purpose of hedging investments in foreign subsidiaries are recognised directly in equity.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised as other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments designated as or qualifying for recognition as a fair value hedge of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as or qualifying for recognition as a hedge of future transactions are recognised as other receivables or other payables and in equity until the realisation of the hedged transactions. If the future transaction results in the recognition of assets or liabilities, amounts that were previously recognised in equity are transferred to the cost of the assets or liabilities. If the future transaction results in income or costs, amounts that were previously recognised in equity are transferred to the income statement for the period when the hedged item affects the income statement.

For derivative financial instruments not qualifying for treatment as hedging instruments, changes in fair value are recognised in the income statement on an ongoing basis.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Government grants

Government grants are recognised when it is fairly certain that the grant conditions will be complied with, and the grant will be received.

Grants compensating for costs incurred are recognised directly as operating income in the income statement as costs eligible for grant are incurred. If the conditions for receiving the grant are not complied until after related costs have been recognised, the grant is to be recognised in the income statement when the conditions have been complied with and it is fairly certain that the grant will be awarded.

Grants to acquire/capitalise assets are recognised in the balance sheet as deferred income/prepayments and transferred to other operating income in the income statement line with depreciation/amortisation of the assets covered by the grant.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as the basis of interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms @2020. The point of revenue recognition is when the agreed delivery obligations are met.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to market value of the services rendered during the year (percentage-of-completion-method).

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year.

Other operating income

Other operating income comprises items of a secondary nature relative to the Company's principal activities, including gains or losses on the sale of fixed assets and amortisation of grants.

Other external costs

Other external costs comprise costs of distribution, sales and advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared.

In case of indication of impairment of equity investments, an impairment test is conducted. Indication of impairment exists if distributed dividends exceed profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of net assets in the subsidiary.

Tax on profit/loss for the year

The Parent Company is comprised by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Intangible assets

Development projects

Development costs comprise costs, wages, salaries and amortisation directly and indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the product, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that the future earnings can cover production costs, selling costs and administrative expenses as well development costs. Other development costs are recognised in the income statement as incurred.

Development costs recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Upon completion of development work, development costs are amortised on a straight-line basis over the estimated useful lives. The amortisation period is usually 10 years.

Patents, licences and trademarks

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining life of the patent, and licences are amortised over the contract period, however, not exceeding 3 years.

Acquired intangible assets

Other intangible assets including assets from business combinations are measured at cost less accumulated amortisation and impairment losses. The assets are amortised on a straight-line basis over the estimated useful lives between 1-15 years.

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience within the individual business areas. The maximum amortisation period is 20 years and longest for strategically acquired entities with a strong market position and long-term earnings profile.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	2-10 years
Leasehold improvements	5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Leases

On initial recognition, leases for fixed assets that transfer substantially all risks and rewards incident to ownership to the Company (finance leases) are recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. When the net present value is calculated, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other fixed assets.

The capitalised lease obligation is recognised in the balance sheet as a liability at amortised cost, allowing the interest element of the lease payment to be recognised in the income statement over the term of the lease.

All other leases are accounted for as operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

Financial assets

Equity investments in subsidiaries are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Other receivables and deposits are recognised at amortised cost.

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Notes

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in subsidiaries and participating interests (including associates) is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists. Write-down of goodwill is not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries as well as indirect production costs. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

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Notes

1 Accounting policies (continued)

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Equity

Reserve for development costs

The reserve for development costs comprises capitalised development costs.

The reserve cannot be used for dividends, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the reserve corresponding to the write-down of the development costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences that arise at the date of acquisition without affecting either profit/loss or taxable income.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

The liability in relation to frozen holiday funds is measured at net realisable value, including indexation. Indexation adjustments are recognised as interest expense in the income statement.

Other liabilities are measured at amortised cost.

Deferred income

Deferred income comprises payments received regarding income in subsequent years.

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Notes

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and divestment of entities is shown separately in cash flows from investing activities. Cash flows relating to acquired entities are recognised in the cash flow statement from the date of acquisition, and cash flows relating to divested entities are recognised up to the date of divestment.

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in size or composition of the Company's contributed capital and costs in this respect as well as raising of loans, instalments on interest-bearing debt and distribution of dividends to owners.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

2 Special items

Acquisition costs related to business combination were recognised in gross profit at an amount of DKK 32.2 million (other external costs).

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Notes

3 Staff costs

DKK'000	Group		Parent Company	
	2024	2023	2024	2023
Wages and salaries	28,078	0	0	0
Pensions	3,730	0	0	0
Other social security costs	457	0	0	0
	<u>32,265</u>	<u>0</u>	<u>0</u>	<u>0</u>
Average number of full-time employees	52	0	3	0

Staff costs of the Group include remuneration of the Company's Executive Board and Board of Directors at an amount of DKK 2,587 thousand. Hereof pension accounted for DKK 747 thousand.

DKK'000	Group		Parent Company	
	2024	2023	2024	2023
4 Financial income and expenses				
Income:		0		
Interest income from group entities	0		32,158	0
Other interest income	4,368	0	1,210	0
	<u>4,368</u>	<u>0</u>	<u>33,368</u>	<u>0</u>
Expenses:		0		
Interest expense to group entities	32,437		32,437	0
Foreign exchange losses	0	0	0	0
Other interest expenses	804	0	0	0
	<u>33,241</u>	<u>0</u>	<u>32,437</u>	<u>0</u>
5 Tax on profit/loss for the year				
Current tax for the year	21,626	0	0	0
Deferred tax adjustment for the year	-17,977	0	0	0
	<u>3,649</u>	<u>0</u>	<u>0</u>	<u>0</u>
6 Proposed distribution of loss				
Retained earnings	<u>51,818</u>	<u>0</u>	<u>-668</u>	<u>0</u>

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7 Intangible assets

	Group								
	Completed development projects	Patents, licences and trade-marks	Brand	Technology	Customer Relationships	Order backlog	Goodwill	Development projects in progress	Total
DKK'000									
Cost at 1 January 2024	0	0	0	0	0	0	0	0	0
Additions from acquisition of subsidiary	41,119	0	39,627	114,617	82,947	61,529	607,092	2,750	949,681
Additions	0	0	0	0	0	0	0	5,663	5,663
Cost at 31 December 2024	41,119	0	39,627	114,617	82,947	61,529	607,092	8,413	955,344
Amortisation and impairment losses at 1 January 2024	0	0	0	0	0	0	0	0	0
Amortisation	-3,772	0	-1,541	-6,686	-6,048	-61,529	-17,737	0	-97,313
Amortisation and impairment losses at 31 December 2024	-3,772	0	-1,541	-6,686	-6,048	-61,529	-17,737	0	-97,313
Carrying amount at 31 December 2024	37,347	0	38,086	107,931	76,899	0	589,355	8,413	858,031

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7 Intangible assets (continued)

Development projects are partly funded through grants. Grants are awarded for part of development costs as part of different grant programmes. The Company has the right to developed products and software. Grants are presented as deferred income in the financial statements totalling DKK 19,873 thousand at 31 December 2024 (2023: DKK 22,588 thousand). The net value of the development projects amounted to DKK 25,887 thousand at 31 December 2024 (2023: DKK 19,716 thousand).

Completed development projects

Completed development projects include the following anti-drone equipment/solutions: • Wearable products "Wingman" (Advanced detection technology for real-time, precise awareness of drone activity) and "Pitbull" (specialised jammer that neutralises drone threats with minimal unintended disruption) • Vehicle products "Watchdog" (RF sensors that enable precise drone detection) and "Dobberman" (Jammers for effective threat neutralisation) • Software solutions "Iris" (real-time situational awareness with a focus on counter-UAS operation).

Development projects in progress

Continued development of products are capitalised, and annual amortisation is carried out. Development project in progress in 2024 was mainly related to a confidential agreement on development of software and products. The value of in-process development projects are evaluated annually for impairment based on business cases.

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8 Property, plant and equipment

	Group		
	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
DKK'000			
Cost at 1 January 2024	0	0	0
Additions on acquisition of subsidiary	513	3,669	4,182
Additions	968	8,665	9,633
Cost at 31 December 2024	1,481	12,334	13,815
Depreciation and impairment losses at 1 January 2024	0	0	0
Depreciation	-188	-983	-1,171
Depreciation and impairment losses at 31 December 2024	-188	-983	-1,171
Carrying amount at 31 December 2024	1,293	11,351	12,644

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9 Financial assets

Equity investments in subsidiaries

	Parent Company 2024
DKK'000	
Cost at 1 January	0
Acquisition	399,555
Cost at 31 December	399,555
Value adjustments at 1 January	0
Amortisation	0
Value adjustments at 31 December	0
Carrying amount at 31 December	399,555

Name/legal form	Registered office	Equity interest	Equity DKK'000	Profit/loss for the year DKK'000
Subsidiaries:				
MyDefence Group ApS	Nørresundby	100%	341,672	-57,910

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10 Prepayments

Prepayments comprise prepaid expenses concerning leasing and insurance, etc.

11 Contributed capital

All shares rank equally.

12 Deferred tax

	Group	
	31/12 2024	31/12 2023
DKK'000		
Deferred tax at 1 January	0	0
Business combination	80,689	0
Adjustment	-26,531	0
	<u>54,158</u>	<u>0</u>

13 Non-current liabilities other than provisions

Liabilities other than provisions can be specified as follows:

	Group	Parent Company
	31/12 2024	31/12 2024
DKK'000		
Shareholder loan		
0-1 years	0	0
>5 years	588,502	588,502
	<u>588,502</u>	<u>588,502</u>
Other payables, including taxes payable:		
0-1 years	38,938	0
>5 years	1,000	0
	<u>44,738</u>	<u>0</u>
Total liabilities other than provisions	<u>633,240</u>	<u>588,502</u>

Shareholder loan is planned to be partly repaid in 2025 through received repayment from subsidiary.

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14 Deferred income

Deferred income comprise payments received from customers that cannot be recognized until the subsequent financial year, primarily grants for projects.

DKK'000	Group 2024
15 Other adjustments	
Financial income	-4,368
Financial expenses	33,240
Tax on profit/loss for the year	3,649
Sundries	2,074
	<u>34,595</u>
16 Changes in working capital	
Change in inventories	-21,032
Change in receivables	-21,591
Change in trade and other payables	1,889
	<u>-40,734</u>
17 Acquisition of subsidiaries and activities	
Intangible assets	298,720
Development projects	44,147
Property, plant and equipment	4,182
Inventories	25,342
Receivables	40,516
Cash at bank and in hand	58,894
Deferred tax	-69,689
Trade payables	-11,272
Other payables	-44,203
	<u>346,637</u>
Goodwill	607,092
Costs	953,729
Hereof funded through vendor note	-67,844
Cash costs	<u>885,885</u>

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18 Contractual obligations, contingencies, etc.

Contingent liabilities

From 1 June 2024, the Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc. may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

Operating lease obligations

The Company has entered into operating leases for properties with a remaining term until 30 September 2027, totalling DKK 6,012 thousand at 31 December 2024.

19 Mortgages and collateral

A negative pledge has been agreed with credit institution. Security pledge for a total amount of DKK 1,306 thousand was cancelled during 2024.

20 Related parties

MyDefence Group ApS' related parties comprise the following:

Control

BDC IV (2) S.à.r.l. Luxembourg, holds the majority of the contributed capital in the Company.

MyDefence Group ApS is part of the consolidated financial statements of Revelio HoldCo ApS, Denmark, which are the smallest and largest groups, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements of Revelio HoldCo ApS and the consolidated financial statements of # can be obtained by contacting the companies at the above addresses.

Related party transactions

Interest expense to the Parent Company is disclosed in note 4.

Remuneration to the Parent Company's Executive Board and Board of Directors is disclosed in note 3.

Payables to shareholder are presented in the balance sheet, and interest expense is disclosed in note 4.

21 Events after the balance sheet date

No events have occurred after the balance sheet date that would influence the assessment and evaluation of this annual report in any material way.