

Milestone Systems A/S
CVR 20 34 11 30

Annual Report 2024

The annual report 2024 was presented and adopted at the
company's Annual General Meeting on 25 March 2025

Dorthe Rosenkilde Saunders
Chairman of the meeting

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Milestone Systems Annual Report 2024



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Management's review

In Brief	
Highlights	6
Letter from our Executive Directors	8
Company profile	12
Value Creation	
Five-year summary	20
Financial review and outlook	22
Our Business	
Business model and strategy	30
Innovation and technology	34
Responsible technology	39
People and culture	43
Governance and risks	44
BriefCam	50
Arcules	51

Markets and Partners	
Market initiatives	54
Focus on industry	59
Sustainability Statement	
General disclosures	66
Environment and climate	70
People and society	72
Governance and integrity	77

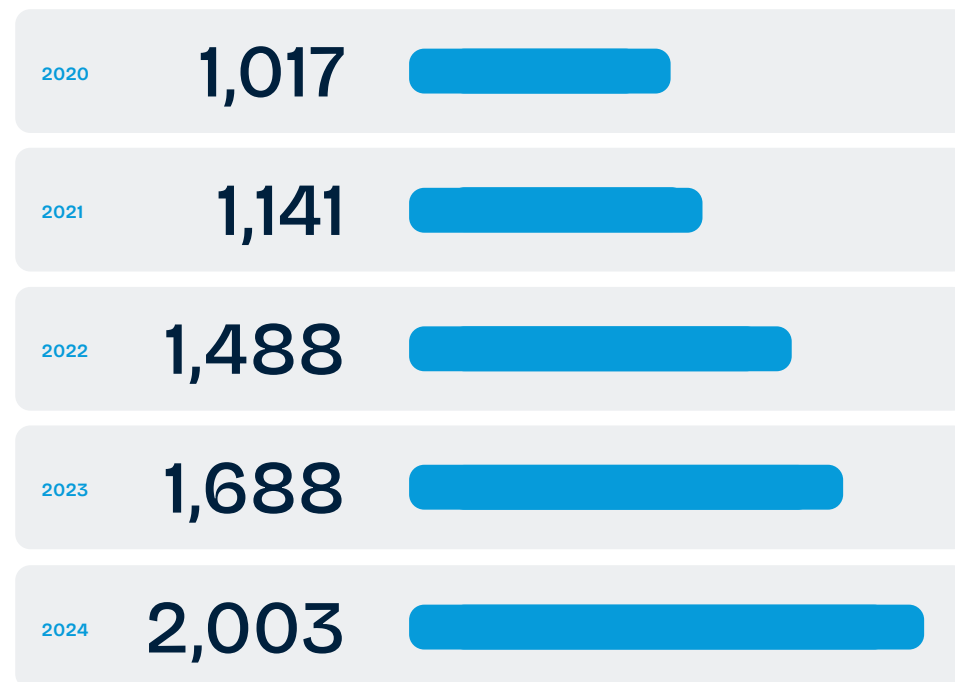
Financial statement

Accounting policies	82
Income statement	87
Balance sheet	88
Statement of changes in equity	90
Cash flow statement	92
Notes	93
Statement by management	99
Independent auditor's report	100
Milestone presence	102

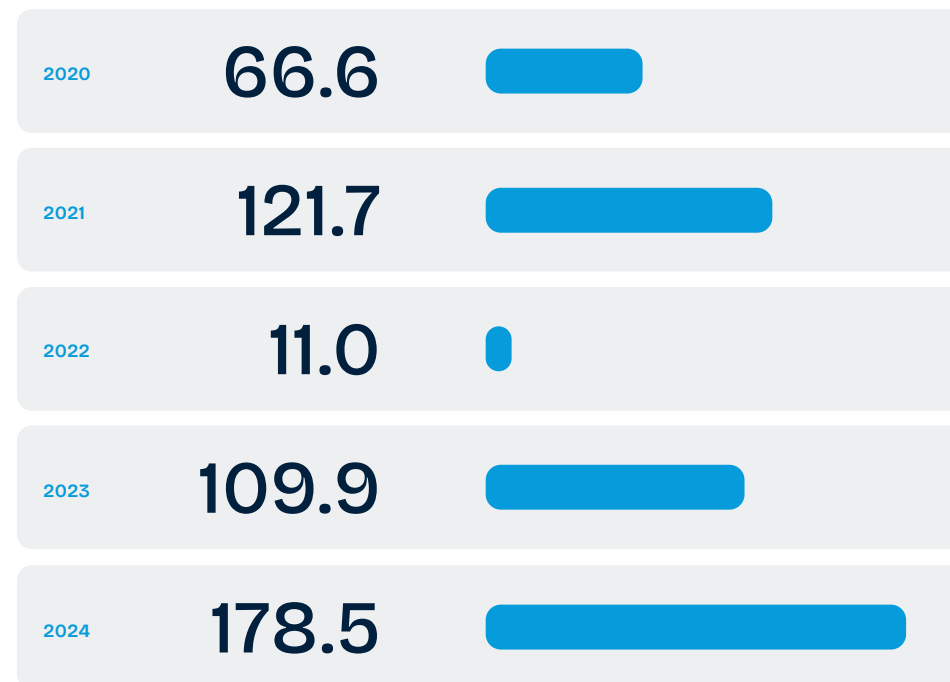
Highlights

Performance over the years

Net revenue
(DKK million)



Profit before tax
(DKK million)



Highlights

The year in numbers

132,201,000

DKK in development projects

Milestone has invested 132 million DKK in 2024 in development projects.

Milestone history

26 years

In 1998, Milestone was founded by John Blem and Henrik Friberg Jacobsen. The company was incorporated in 2000 with a Board of Directors. In 2014, Milestone was acquired by the Canon Group. In 2024, Milestone acquired BriefCam and Arcules.

Employees in Milestone

1,471

Milestone has grown from a total number of employees at year-end of 934 in 2020 to 1,471 in 2024.

Number of locations

26

Milestone is present in 26 countries in 8 regions: 1) North America, 2) Central & South America, 3) Western Europe, 4) Central & Eastern Europe + Israel, 5) Middle East, Africa & Turkey, 6) India, 7) Asia, and 8) South Pacific.

Nationalities

70+

Represented in Milestone offices globally. 45+ nationalities are represented at our HQ in Denmark.

Letter from our Executive Directors

New beginnings for Milestone

2024 saw remarkable transformation and success for Milestone.

We broke new ground through the strategic acquisition of BriefCam and Arcules, developed our product offerings, and strengthened our partnerships.

In a time of significant global change, we are well positioned to lead the next wave of technological innovation.

The past year was defined by global geopolitical challenges and growing pressure on democratic values, affecting people, societies, and businesses.

Amidst these changes, Milestone and our colleagues have shown great resilience and achieved impressive outcomes under difficult business conditions.

Milestone has delivered exceptional results in 2024, marked by significant growth in both revenue and earnings. Our net revenue rose to DKK 2 billion from DKK 1.7 billion in 2023. This reflects a robust 18.7% increase YOY and a doubling of our revenue from 2020. Earnings (EBIT) reached DKK 106,8 million. These outstanding cumulative results reaffirm the resilience and strength of our business.

Solidifying our place in the market

The acquisition of BriefCam and Arcules mark a significant milestone for us. Our newly unified company has a formidable market offering in video management software (VMS), video analytics, and video surveillance-as-a-service (VSaaS). Together, these capabilities enable us to offer a powerful, open platform to meet market needs.

The integration with BriefCam and Arcules is well underway, and we are already gaining synergies from working together. Milestone is now ready to capitalize on new strategic and technological opportunities that were once beyond reach.

Leading global AI responsibility efforts

Responsibility remains at the heart of Milestone's approach, and we have sought to lead by example.

This year, we were among the first companies to sign and adopt the G7 Leaders' Hiroshima Process International Code of Conduct, and Milestone worked with the European Commission to

develop and implement the EU's AI Pact, a flagship initiative to deliver safe and ethical AI ahead of the implementation of the AI Act.

As a large, global company, we have a responsibility to ensure that our technology is used effectively and responsibly.

By instilling principles of responsible innovation, we aim not only to uphold our values but also to influence partners and stakeholders across the value chain to adopt responsible practices.

Preparing for compliance with EU-directive

In this year's report, we demonstrate significant steps toward compliance with the Corporate Sustainability Reporting Directive (CSRD).

A Double Materiality Assessment has guided us in identifying ESG impacts, risks, and opportunities that are material to us and our stakeholders, and in addressing gaps in reporting and communication.

Milestone is its people, and they are the source of our strength

In a period of transformation, we have benefitted from the unwavering commitment and adaptability of our colleagues. The many changes we implemented—from new job roles to strategic adjustments—have challenged us all, but the resilience and engagement of our teams have been truly admirable.

To all our colleagues, we thank you for your efforts. They are deeply appreciated and have been pivotal in enabling Milestone to embrace new opportunities and strengthen our position in the market.

Looking ahead with optimism

We see a lot of political and economic changes around us, but Milestone is prepared to navigate in these challenging and uncertain times.

We look ahead at the coming years with excitement. Building on the transformative achievements made in 2024, our focus now shifts to taking advantage of our strategic investments in technology, expertise, and talent. Our priorities are clear: integrate BriefCam and Arcules seamlessly into our operations and culture, expand our market presence with a strong and cohesive product offering, and continue pushing the boundaries of responsible innovation in technology and AI.

Together with our network of colleagues, partners, and customers, we are poised to seize these opportunities and shape a stronger, more dynamic future for Milestone.

Thank you for your continued partnership and belief in our vision. We are excited to embark on a bright future with you.



Thomas Jensen
CEO,
Milestone Systems



Lars Larsen
CFO,
Milestone Systems



New Chief people and culture officer

Focus on diversity and inclusion is key to success

Hardip Sohi-Bains joined Milestone in June 2024. After a period of organisational changes, her focus is on creating stability and on continuing our focus on diversity and inclusion.

“We need to focus on people and culture after a period of many changes,” she says. “Change can lead to opportunities, but it comes with responsibility. By bringing together diverse talent pools, colleagues from different backgrounds, cultures, and experiences can offer fresh perspectives.”

Hardip firmly believes that diversity and inclusion is a key value at Milestone. “It is not only a moral imperative but also a cornerstone of our innovative culture.

Innovation thrives in environments where diverse perspectives are valued, and collaboration is encouraged. By fostering an inclusive workplace, we enable creativity and out-of-the-box thinking, which are critical for driving our company’s success.”

Hardip is looking forward to reinforcing the strong people culture.

“I am very excited about our People First strategy, the strong focus on Responsible Technology, the level of innovation and the growth ambition.

People must be at the core of everything we do, creating opportunities to grow professionally and personally. We are a company that in everyday thinks and works with People First in mind,” says Hardip Sohi-Bains.

With Hardip Sohi-Bains at the helm of People & Culture, Milestone is well-positioned to continue its journey of growth, underpinned by a robust, diverse and inclusive culture.

The Executive Leadership Team



Thomas Jensen
Chief Executive Officer

Experience:

Executive Vice President at Bechtle AG. Head of Worldwide Channel Sales & Strategy, Vice President Head of Channel Separation, Vice President WW Channel Sales & Strategy at HP. Director & General Manager, Denmark, at HP EMEA.

Employed at Milestone since 2020



Lars Larsen
Chief Financial Officer

Experience:

Vice President, Group Finance at Carlsberg Breweries; Business Manager at Microsoft Business Solutions; Executive Vice President & Chief Financial Officer at Navision; Executive Vice President & Chief Financial Officer at Olicom; Director Finance & IT at Novo Nordisk.

Employed at Milestone since 2010



Rahul Yadav
Chief Technology Officer

Experience:

Chief Technology and Digital Officer at TV 2, Vice President and Chief R&D officer at KMD, and Director, Head of Software, Platforms and Ecosystems at B&O.

Employed at Milestone since 2023



Martin Stockfleth
Interim Chief Marketing Officer

Experience:

Chief Marketing Officer at Adform; Senior Manager at Immeo; Chief Experience Officer at Airtame; Chief Marketing Officer at Saxo; Chief Executive Officer at Traceworks; Senior Digital Marketing Consultant at WPP; Solution Sales Director at Dell.

Employed at Milestone since 2022



Morten Illum
Chief Revenue Officer

Experience:

Vice President EMEA at Aruba; Vice President, General Manager at HPE Networking APAC; Managing Director at HP Denmark & Director HPE General Western Europe; General Manager at HP Central East Europe.

Employed at Milestone since 2023



Hardip Sohi-Bains
Chief People & Culture Officer

Experience:

Corporate Vice president at P&O Business Partnering and Head of P&O R&D at Novo Nordisk, Global Head Human Resource at Ramboll.

Employed at Milestone since 2024

Company Profile > Make the World See

Make the World See

We create data-driven video technology that helps people, businesses, and societies learn from the past ◀◀ understand the present ▶ and predict the future ▶▶



We make city planners see how to improve urban safety.



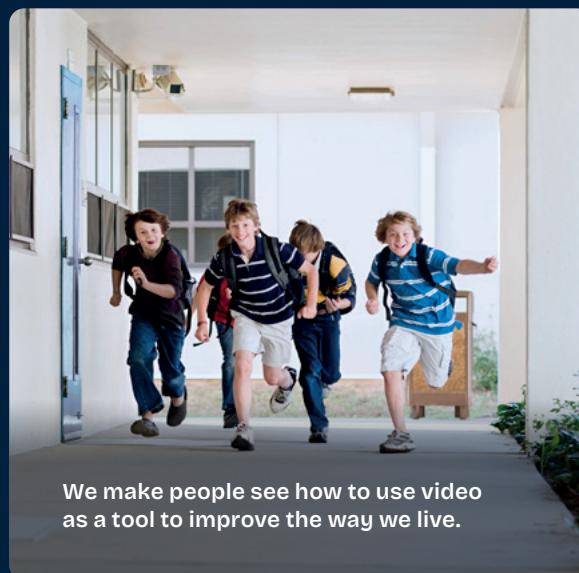
We make schools see how to ensure student safety.



We make hospitals see how to keep patients safe.



We make businesses see how to prevent unauthorized access to intruders.



We make people see how to use video as a tool to improve the way we live.

We make organizations across every imaginable sector see how to protect what matters most—whatever it may be.

We provide them the vision and solutions that safeguard their future.

[Company Profile](#) > [United Product Portfolio](#)

Welcoming a united Milestone Product Portfolio

In 2024, Milestone's acquisition of BriefCam and Arcules culminated in Q4 with a united product portfolio, marking a transformative moment for Milestone Systems.

This portfolio includes three world-class products that redefine what is possible with video technology, offering unprecedented flexibility, insights, and value to our customers. We have not only expanded our capabilities beyond Video Management Software but also significantly enhanced our product offerings. This evolution has strengthened our market position and laid an even stronger foundation for future growth.

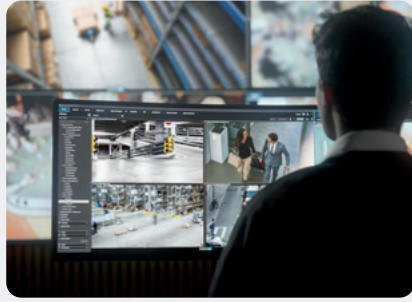
Our portfolio now features industry-leading solutions: a global top-two Video Management System, top-three Video Analytics, and top-three Video Surveillance as a Service (VSaaS) platform.

This is a game-changer that underscores our commitment to becoming the global leader in data-driven video technology software. We are excited to share even more about this transformation in 2025 as we continue to shape the future of video technology together.

XProtect

BriefCam

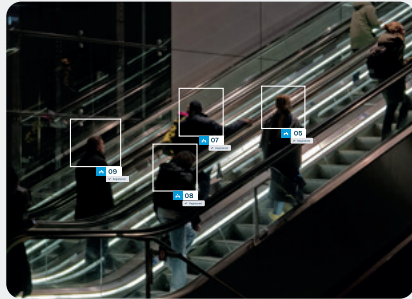
Arcules



VMS

Create safer spaces with XProtect

Manage all your security in one place. Build a security zone that keeps your business protected and ever-ready.



Analytics

Turn video into insights with BriefCam

Make your video searchable, actionable, and quantifiable. Powered by Artificial Intelligence (AI) and deep learning, BriefCam lets you derive more value from your video investments.



VSaaS

Video surveillance as a service with Arcules

Get hassle-free and scalable cloud security software. With Arcules you can manage and analyze your video security from anywhere in the world with minimum investment.

[Company Profile](#) > [Our purpose](#)

We want to provide a clear picture of how to create a safer, better, and more prosperous world

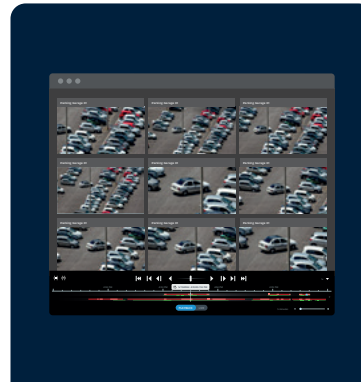
Global video technology software company



Established in 1998 and pioneered IP video surveillance technology.



Born in Denmark and built on a Scandinavian leadership model.



Provides software supported by hardware and services.



Global technology partners drive innovation and develop the best solutions for our customers.



Independent company within the Canon Group, the global leader in imaging technologies

[Company Profile](#) > [Our purpose](#)

Using data-driven video technology, we can empower people, businesses, and societies



Empower people to get more from life

From providing safer and more livable city environments to easing people's workloads, video technology helps improve well-being.



Empower businesses to embrace opportunities

Video technology enables all types of businesses to enhance safety and customer experiences while improving processes and driving growth.



Empower societies to evolve responsibly

With analytics and alerts, video technology can help optimize traffic flows, monitor environmental dangers, and operate smarter cities.



Five-year summary

Consolidated key figures

HÄNDVERK
CHAMPAGNE
GREAT VILLAGES ITALY

DKK'000	2024	2023	2022	2021	2020
Profit & Loss					
Net revenue	2,003,056	1,687,851	1,488,148	1,140,912	1,016,793
Gross margin	1,822,399	1,529,394	1,322,798	1,087,170	968,315
Operating income (EBIT)	106,759	104,905	-21,343	92,515	111,891
Net financials	71,745	5,000	32,386	29,152	-45,244
Profit before corporate tax	178,504	109,905	11,043	121,667	66,647
Net income	262,080	76,592	9,233	97,454	53,631
Balance Sheet					
Balance sheet total	3,222,562	2,078,127	1,857,670	1,635,983	1,545,951
Investment in other fixtures and fittings, tools and equipment excluding lease assets	42,499	37,015	41,475	22,903	30,403
Receivables from group enterprises	629,565	630,078	613,610	665,850	497,056
Cash at bank and in hand	948,605	292,377	193,889	155,271	312,697
Equity	1,543,871	896,361	799,249	788,382	749,623
Cash Flow Statement					
Cash Flow operating activities	500,329	305,944	262,623	27,875	181,832
Cash Flow investing activities	-228,162	-164,098	-193,233	-123,211	-123,818
Cash Flow financing activities	400,593	-42,342	-31,904	-64,174	-89,899
Change in cash and cash equivalents	672,760	99,504	37,486	-159,510	-31,885
Employees					
Average no. of full-time employees	1,431	1,256	1,148	956	866
Number of employees at year-end	1,471	1,294	1,281	1,088	934
Key figures					
Invoiced revenue	2,095,736	1,880,855	1,731,580	1,243,974	1,113,885
Gross margin	91.0%	90.6%	88.9%	95.3%	95.2%
EBIT margin	5.3%	6.2%	-1.4%	8.1%	11.0%
Financial solidity	2.1	2.3	2.3	2.1	2.1
Return on Equity	21.5%	9.0%	1.2%	12.7%	7.3%

The key figures and financial ratios above are not fully comparable throughout the 5 years due to the acquisitions of Briefcam and Arcules in 2024. No comparative information has been restated as the acquisitions was done by applying the Book-Value method.



Financial review and outlook

Securing strong results in a year of growth

2024 was a transformative year for Milestone, marked by the strategic acquisitions of Arcules and BriefCam. We are enthusiastic about integrating the talented employees and leveraging their expertise to further enhance our business capabilities. These acquisitions not only expand our portfolio but also fortify Milestone's market position.

In addition to our growth through acquisitions, we achieved robust revenue and profitability increases, despite the challenges posed by geopolitical risks in the Middle East and Ukraine.

Invoiced revenue amounted to DKK 2.1 billion, corresponding to an increase of 10.5 percent. After adjustments for revenue deferrals and the impact of cash flow hedging and sales incentives net revenue was DKK 2.0 billion. This is an increase of 18.7 percent compared with 2023. Corporate tax is impacted by an internal transfer of commercial activities. Net income amounted to DKK 262 million, an increase of 242%. Milestone considers this satisfactory

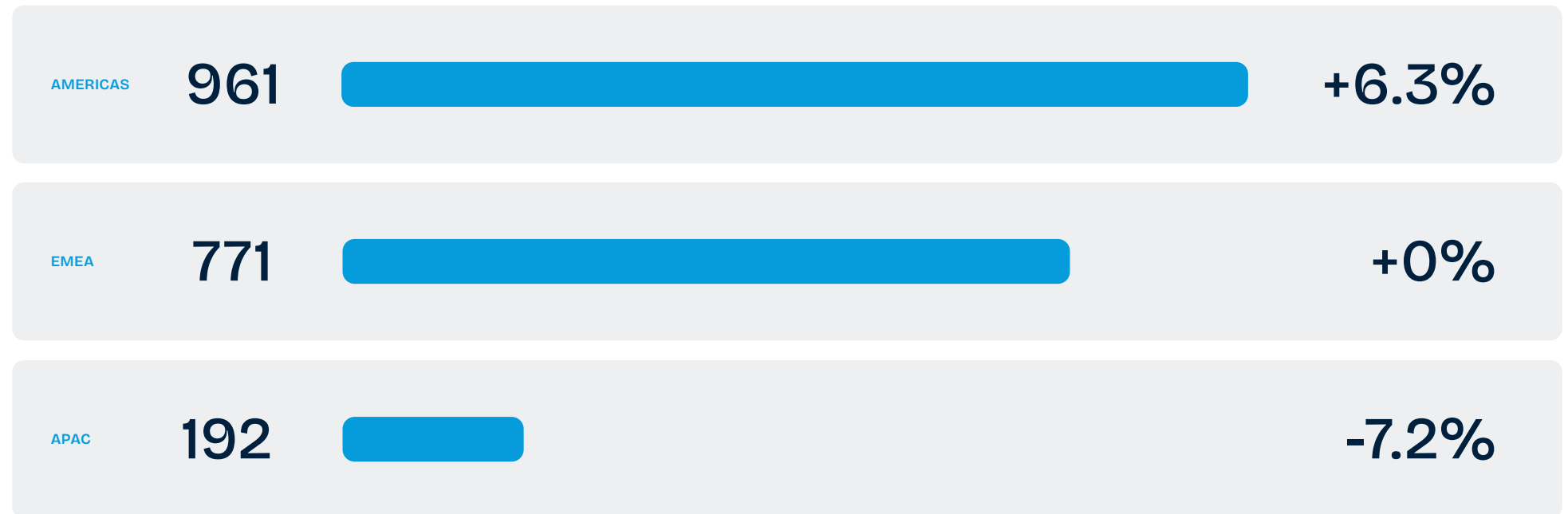
considering the business impact of the challenging macroeconomic factors globally.

Results in our markets

The 2024 world economy had a more positive outcome than 2023 in terms of decreasing interest-and-inflation rates, however, the security situation in the Middle East region and Ukraine continues to cause uncertainties in markets. Despite these uncertainties, we had a continuous revenue growth reflecting that there's a strong demand for our products.

AMERICAS invoiced revenue amounted to DKK 961 million, corresponding to a 6.3 percent increase compared with 2023. The increase happened primarily in the

Invoiced revenue (DKK million)



US, which contributed significantly with an 11 percent YoY increase. The Key Account Team had a significant role to play in 2024 with several Enterprise Software deals that propelled the US forward and brought in 11 percent of valuable software growth in the region.

Care renewals grew 18 percent in 2024, obtaining 33 percent of our total product mix.

LATAM business continue to grow and in 2024 invoiced revenue represented DKK 73

million corresponding to a 5.4 percent YoY increase. Most of the growth came in the last quarter of 2024, driven by the completion of a substantial number of previously stalled projects. Software grew by 17 percent YoY with Mexico Center leading the charge with a stellar software performance.

APAC invoiced revenue decreased 7.2 percent in 2024 to DKK 192 million. Key projects were won within smart cities, airports, and other critical infrastructure.

India experienced significant impact from 2024 elections and project delays. South Pacific declined on license sales amongst strong competition but grew on Care sales. Asia continues to see strong growth with both new and existing customers, with over 25 percent YoY growth in software licenses.

EMEA region experienced flat growth in 2024 with an invoiced amount of 771 million in line with 2023, primarily due to a decline in hardware sales on large orders. We

successfully mitigated its impact through growth in our license and care products. Despite facing a historic large license order in 2023, our strategic focus on expanding these segments allowed us to offset the downturn in hardware sales. This balanced approach underscores our resilience and adaptability in a dynamic market environment. The acquisitions of Briefcam and Arcules have contributed DKK 168 million to our invoiced revenue.



Operating expenses

Operating expenses totaled DKK 1,716 million compared with DKK 1,424 million in 2023, representing an increase of 20.4 percent.

The increase is primarily driven by the expansion of our workforce following the acquisition of BriefCam and Arcules as part of our growth strategy. Despite having increased our headcounts, operating expenses measured in percentage of revenue only increased to 85.7 percent in 2024 compared with 84.4 percent in 2023, which is due to increased efficiency in the delivery model. Another reason for this is that Milestone has made some organizational adjustments in 2024 to be fit for the future.



Research and development

Research and development expenses amounted to DKK 496 million compared with DKK 356 million in 2023.

Total research and development expenses correspond to 23.9 percent of net revenue in 2024, an increase of 21.1 percent compared to 2023. The increase mainly relates to the acquisitions of BriefCam and Arcules, which resulted in a total increase of salary on DKK 104 million, and roughly DKK 20 million in related cost and investments in line with our new Tech Strategy.



Distribution and sales costs

Distribution and sales costs amounted to DKK 998 million, compared to DKK 915 million in 2023, which represents an increase of 9.1 percent.

The cost increase is primarily explained by added headcounts from BriefCam and Arcules and increased travel activities. Total distribution and sales costs corresponded to 49.8 percent of net revenue, a decrease from 54.2 percent in 2023.



Administrative expenses

Administrative expenses amounted to DKK 221 million compared with DKK 153 million in 2023, which corresponds to an increase of 43.9 percent.

Total administrative expenses correspond to 11.9 percent of net revenue, an increase from 9.7 percent in 2023. The increase is explained by added headcounts, provision of bad debt, increased software/license costs and one off transaction costs related to the two acquisitions.

Operating expenses

20.4% increase

2023

1,424



Million DKK

2024

1,716



Million DKK

Distribution and sales

9.1% increase

2023

915



Million DKK

2024

998



Million DKK

Research and Development

34.4% increase

2023

356



Million DKK

2024

496



Million DKK

Administrative expenses

43.9% increase

2023

153



Million DKK

2024

221



Million DKK

Income and balance sheet

An operating income (EBIT) of DKK 107 million was recorded for the year, compared with DKK 105 million in 2023.

The acquisitions of BriefCam and Arcules expanded our business, contributing to both revenue growth and higher costs compared to 2023. Given this, the slight increase in EBIT is a positive and expected outcome. Profit before tax was DKK 179 million in 2024, compared to DKK 110 million in 2023, corresponding to an increase of 62.4 percent impacted by a favorable USD FX gain.

The total value on our balance sheet as of December 31, 2024, was DKK 3,223

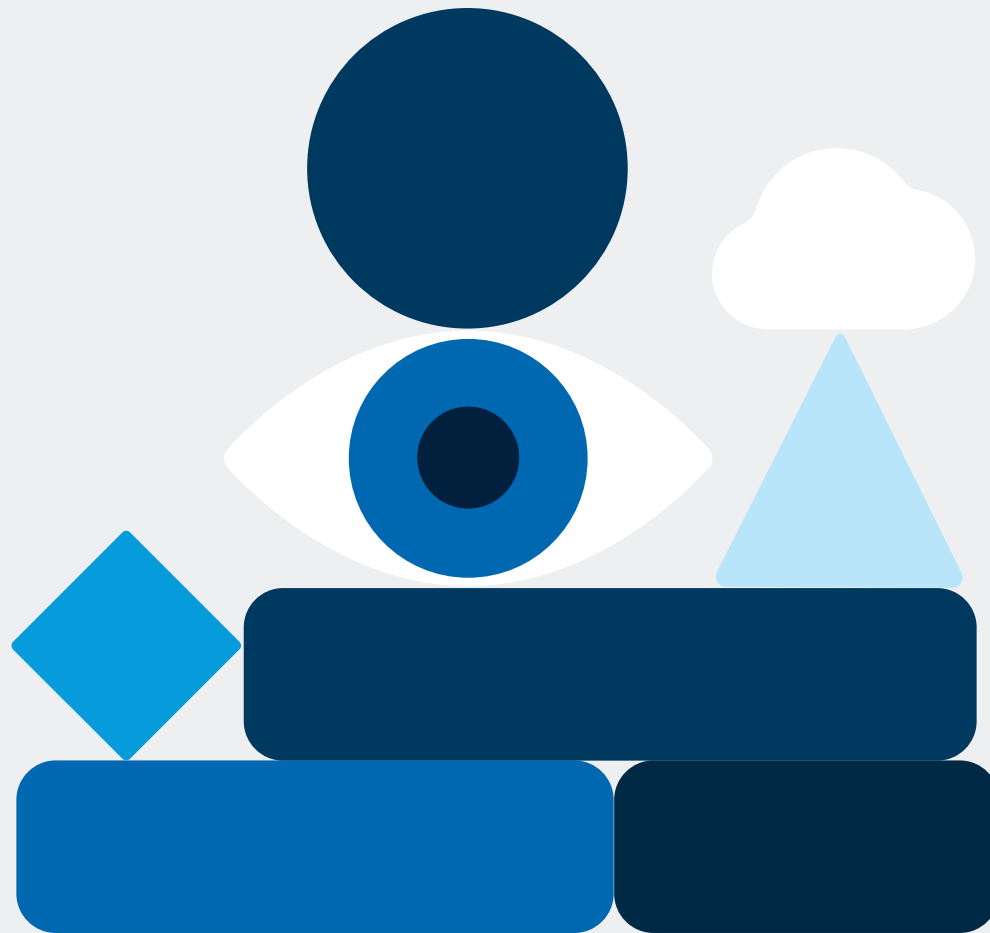
million, compared with DKK 2,078 million on December 31, 2023.

The total equity amounted to DKK 1,544 million at the end of 2024, compared with DKK 896 million at the end of 2023. Cash at bank and in hand as of December 31, 2024, was DKK 949 million, compared with DKK 292 million on December 31, 2023.

The primary reason for the balance sheet increases relates to the acquisitions of BriefCam and Arcules. Milestone's financial position is considered strong and healthy.

The total value on our balance sheet





Outlook

The Executive Leadership Team continues to believe that there are significant business opportunities for Milestone, particularly within cloud, video analytics data and artificial intelligence.

The strategic acquisitions of BriefCam and Arcules have been pivotal in driving our growth aspirations, significantly enhancing our market presence and capabilities. We have maintained strong market growth in our key markets.

Expectations for 2025 include growth in net revenue at least on par with market growth and maintaining our EBIT margins compared to 2024. Our financial targets reflect our ambition to secure profitable growth while reinforcing our market leadership by investing in key strategic and operational areas including product development within both VMS, Cloud and Analytics. Focus areas for 2025 include sales efficiency, business transformation, and structural optimization across our value chain.

However, some uncertainty remains due to the geopolitical situation globally and specifically the security situation in the Middle East and Ukraine. Additionally, global trade dynamics and overall global economic conditions continue to present uncertainties that could impact our business environment.

Business model and strategy

New opportunities in our business model

The DNA of Milestone is unchanged. We are a leading provider of open platform video technology software.

Our software enables integration with the industry's widest choice of cameras, devices, and best-in-class business solutions. Our open platform makes it possible for our hardware and software partners to grow their businesses and integrate their video solutions for security and beyond security purposes.

With BriefCam and Arcules, we now have the strength and position to exploit new combined business opportunities and target the market in new ways.

New opportunities

We are meeting our customers through two-tier channels: distributors and resellers. With our broad,

diversified product offering, we make it possible for customers to buy our video software as a cloud solution on subscription. In this way, we are paving the way for greater scalability and flexibility.

We continuously adapt our business approach to align with market conditions

and customer needs, ensuring it benefits our company, partners, and customers alike. Our focus on open-platform video technology software connects our channel and technology partners, enabling them to collaborate and create best-in-class video solutions.



Business model and strategy



A year of strategic execution

The corporate strategy of Milestone was accelerated in 2024.

Following the strategic acquisitions of BriefCam and Arcules, we now have 20 percent more people in a united company with a stronger position than ever.

A lot has happened since we launched the strategy. We believe 2024 has been a game changer for Milestone and that it has sped up our journey towards being the global leader in data-driven video technology software.

Combining BriefCam, Arcules, and Milestone is making it possible to expedite our ambitions and accelerate our strategy.

Become a global leader in data-driven Video Technology Software in and beyond security

Culture

- Empowered & accountable teams
- Physical & mental well-being
- Shared culture and values to unify our growing company
- Employer of choice

Video Technology

- Open platform with modernized architecture
- Offerings beyond VMS e.g. with analytics and cloud
- Frictionless integrations & User Experience

Partners

- Two-tier channel for on-prem & one-tier for subscription
- Tech partners & manufacturers to grow business
- Working with the right partners, incl. dedicated IT channel focus

Customers

- Strengthened focus in 8 sales regions
- Subscription-based offering
- Beyond security to four key verticals through positioning
- Mid-market focus

People First

People First in everything we do; towards employees, partners, and customers

Responsibility

Responsibility for keeping people and assets safe, and for how our software is developed, sold, and used

Business model and strategy



The building blocks of the strategy

In Milestone, we have four strategic objectives outlining what we focus on and invest in to achieve our strategy.



Culture

Fostering our unique and business critical culture to attract and maintain valued talent and create the best solutions.

The combination of three cultures is a unique opportunity to reinforce our promise to continuously improve our working conditions, empower employees and teams, and create flexible, digital and hybrid working environments. Sustaining a strong and healthy culture is crucial to attract and retain the best talent. At Milestone, culture is and must remain a differentiator.



Video Technology

Enhancing our video technology software with people and responsibility at the center to meet our customers' demands sustainably.

We will invest in our open platform with a modernized architecture while also seizing new opportunities in offerings that support our video technology software. This includes areas such as video analytics, cloud, and subscription services. In the years ahead we will develop our technology platform in brand new ways. We constantly ensure that our technology is geared for growth and that we get even closer to the customers' needs and help solve their challenges.



Partners

Working closely together with our partners to create value for all.

Our partners play a vital role in our business model and strategy. We work closely with our technology partners to create the best solutions and with distributors and resellers to enable the best customer experience in a scalable way.

We will continue to explore new partner and channel models to service our customers in the best possible way. This is the key to creating value for all parties.



Customers

Understanding our customers and their needs to develop future-proof solutions.

First, we must understand our customers' unique needs to develop solutions for today and tomorrow. Therefore, we are strengthening our market and sales focus in eight defined regions, and we have added a subscription-based offering to our product portfolio.

Our customers have different needs, and we want to focus on selling business outcomes both in and beyond security.



Responsibility & People First

Responsibility is our license to operate. It's our basis for developing and integrating technology and it's a driver for choosing partners and business focus. We want to be a beacon for responsible technology in our industry. Over the last year we have significantly matured our responsible technology program, which is a tangible expression of our commitment to ensuring our technology is developed, sold, and used responsibly. Technology should serve humanity – not the other way around.

Similarly, People First is at the core of everything we do. We have built a culture focused on engagement and well-being in the way we develop, market, and sell our products and when we collaborate with partners – both inside of Milestone and in the industry.

Innovation and technology

Modernizing video software by transforming our product strategy

In 2023, Milestone developed a new strategic vision for product and technology, focusing on modernizing XProtect software platform and establishing key priorities for future product development.

The video surveillance and security industry is evolving rapidly, as is the field of video management software (VMS). New regulations and principles for the development, sale, and use of our technology have been approved and our customers and partners are meeting us with advanced demands. This is a challenge for innovation, technological development, and new products and services, that we have happily taken on.

New opportunities

With the new product & tech strategy, systems architecture for XProtect, and a new product development unit to focus on emerging technologies and products, Milestone set a clear course for the future.

And thanks to the acquisitions of BriefCam and Arcules, the product & technology strategy gained even more power, making

it possible to expand into new technologies and product offerings.

By integrating the technology and product offerings from the three companies, we are now able to deliver 3 products with possibility of integration between them for the most demanding setup.

Milestone is leveraging emerging technologies like generative AI to drive industry innovation. As a result, we have established a new Emerging Products Group to systematically innovate new ways of incorporating technological breakthroughs into our product offering.

Open and responsible is our DNA

We believe in freedom of choice for our partners and customers, and our technology development is focused on this need for flexibility and scalability.

Building on this commitment, our acquisitions and technological advancements further strengthen our dedication to delivering an open-platform solution. It is both in the DNA of Milestone – and crucial for our development and our ability to satisfy the very diverse needs of our customers.

Likewise, our principles for responsible technology are also built directly into our development at an early stage, starting with the prototyping process and in the use cases we create for technological development. This also means that specific technologies and partners can be ruled out if they do not apply our principles for responsible technology.

Responsibility and common values are also a factor in our efforts to streamline our Technology Partner Program.

This is achieved by evaluating specific customer needs, the quality of a partners' solutions, and the partners' ability to scale and deliver solutions to customers globally. So, in 2024, to better support our customers' needs, we introduced a new Technology Partner strategy focused on delivering "more for less." By reducing the number of top partners, we can allocate more resources to managing key partnerships, ultimately maximizing value for our customers.

Hardware is part of solution

The Milestone solutions are not just software solutions. We are investing in our hardware platform, Husky IVO, to be able to deliver an integrated solution to customers that need an easy-to-integrate and easy-to-setup video solution. This year, Husky IVO celebrated its 10-year anniversary.

The road ahead

Looking forward, we have new opportunities for innovation and advancement within the industry.

The strategic acquisitions of Arcules and BriefCam have given Milestone new technological capabilities that will allow us to scale our video analytics offering and our VSaaS offering. The XProtect modernization is progressing well. Its modernized architecture, updated tech stack, and hybrid deployment options enhance flexibility and performance. Renewed APIs enable technology partners to seamlessly develop and integrate with the XProtect open platform, helping customers achieve their business outcomes.

We are now well-positioned to develop hybrid technologies that combine the best of our innovations and seamlessly integrate into our offering, adding new value for our customers.





Humans and responsibility must shape AI

Artificial intelligence (AI) plays a major role in technology, and is already an essential part of our operations and development.

However, there is still a lot of ground to cover. The convergence of advanced AI capabilities with practical applications is creating unprecedented opportunities for innovation and efficiency.

As AI plays an increasing role in our technology development, we anticipate significant changes impacting Milestone, our partners, customers, and society:

The Era of Agentics

The most significant shift ahead is what's becoming known as the Era of Agentics. Unlike traditional AI systems that follow prescribed steps, AI agents are autonomous systems capable of understanding contexts, making decisions, and taking actions independently. These agents — similar to but far more sophisticated than today's chatbots — use generative, training-based approaches rather than deterministic programming. We expect to see these agents emerging across different products and services, from video analytics to automated security responses.

AI that acts

In the evolution of artificial intelligence, we're witnessing a pivotal shift from systems that merely analyze to those that take decisive action. While traditional metrics like IQ measure cognitive ability and EQ gauges emotional awareness, a new capability is emerging: the power to act intelligently and autonomously — AQ (Action Quotient).

This shift toward action intelligence is particularly relevant in security operations. Traditional monitoring systems alert operators to potential issues, requiring human intervention for every response. In contrast, high-AQ systems can assess situations, initiate appropriate responses, and adjust their actions based on changing conditions.

This capability will transform how we approach security management, making systems more proactive and less dependent on constant human oversight.

The human element

Despite these technological advances, human roles aren't disappearing, they're evolving.

Success in 2025 and beyond will depend on how effectively we learn to work alongside these AI systems, using them to augment our capabilities rather than replace them entirely. Security professionals will need to develop new skills focused on managing and directing AI systems rather than performing routine monitoring tasks.

Success will depend on redefining our relationship with AI—from a tool to a collaborative partner that enhances our strengths and optimizes our work.

Humans excel at understanding context, making nuanced judgments, and handling unexpected situations — skills that will become even more valuable as routine tasks become automated.

Responsible innovation

Looking ahead, responsible technology development will be a competitive advantage. We must focus on staying ahead of innovation curves while building trust with users and stakeholders. Just as consumers choose trusted brands for their smartphones and personal devices,

organizations will increasingly select security technology partners based on their track record of responsible innovation and ethical AI deployment.

The challenge lies in maintaining this balance while keeping pace with rapid technological advancement. Ask yourself: Would you trust a self-driving car from a company with a questionable reputation?

The same principle applies to security tech — ethics and trust aren't just nice-to-haves; they're deal breakers. This requires developing clear frameworks for AI governance while maintaining flexibility to adapt to new technologies and use cases.

The security industry stands at a pivotal moment. The technologies we're developing today will shape not just how we approach security challenges, but how we think about the relationship between human operators and AI systems. By embracing these changes while maintaining our commitment to responsible innovation, we can create security solutions that are more effective, more intelligent, and more responsive to the complex challenges of tomorrow.



Video technology can save lives

In April 2024, researcher Neelu Madan received the Spar Nord Foundation's esteemed Research award for her PhD project that explored the use of artificial intelligence (AI) and video surveillance. Neelu was part of Milestone's PhD program based at Aalborg University and her work was carried out in collaboration with Milestone's own research team.

AI solutions are the key.

Denmark's city harbors have unfortunately witnessed numerous drowning incidents over the years.



From 2001 to 2015, a staggering 1,647 lives were lost in Danish waters, with a quarter of these tragedies occurring in harbors.

Neelu's research demonstrates how potentially fatal accidents can be detected using AI-trained models on thermal camera footage fed into Milestone's video management software (VMS). Her research team developed a model that can train itself ('self-supervise') to monitor and assess abnormal behaviour and prevent accidents, for example near water.

Other PhD candidates who are currently part of the program are researching topics including the legal and ethical aspects of development of AI solutions,

interaction detection, utilizing vision-language models and the up-and-coming topic of machine 'unlearning'.

Benefits for universities and Milestone

The program was originally launched with Aalborg University (AAU) in Denmark and is in the process of expanding to other universities with new research collaborations. The partnership with AAU dates back to 2014 — with the official partnership launching in 2019.

Of course, collaboration with industry-leading labs and universities has many benefits for Milestone. We get better access to top talent, new ways of scouting for novel directions of interest for the

business, and opportunities to push the boundaries when it comes to technologies like AI and computer vision.

The program has been involved in the supervision of nearly 50 different undergraduate students, three defended PhD theses, two ongoing PhD studies, and four postdoctoral studies, working on topics of interest to Milestone including image enhancement, object detection, tracking, and anomaly detection.

Responsible technology

Responsible technology in practice

We are committed to setting the standard for responsible, data-driven video technology – advancing beyond security to support businesses and society.

Responsibility is our license to operate and is embedded in our partnerships, products, and impact.

Our Responsible Technology program, aligned with the United Nations Guiding Principles (UNGP) on Business and Human Rights, is led by our executive leadership and integrates efforts across all functions. This program ensures that our technology is developed, sold, and used in a manner that upholds ethical standards and human rights.

Five principles

To guide our efforts, we have established five Responsible Technology Principles that influence product development, partnerships, and engagements across our value chain. They help us identify ethical and human rights implications of our work and enable us to adequately address them from the outset.

Our five Responsible Technology principles are:



1. Accountability:

We conduct risk-based human rights due diligence in line with the UNGPs and the upcoming EU Corporate Sustainability Due Diligence Directive. This also ensures compliance with new regulations like the AI Act and NIS2.



3. Fairness & Inclusion:

We have established clear processes to evaluate and mitigate potential biases in our products and their integrations.



4. Privacy:

We embed Privacy by Design and Default principles into our products and integrations to safeguard individual and community privacy rights.



2. Transparency:

We explain our technologies and provide an understanding of their intended use.

We are committed to product security vulnerability disclosures in alignment with the U.S. Executive Order 14028, and we enforce our Data Ethics Policy to guide ethical data practices and decision-making within Milestone.



5. Security:

We have formalized our secure software development lifecycle and enhanced our IT security posture in accordance with the U.S. Executive Order 14028 to protect the confidentiality, integrity, and availability of our technologies.

By continuously improving these principles across the organization, we aim to make responsible technology a global trademark of Milestone and a core part of our operating model. To ensure successful implementation we focus on five key areas:

1. Governance

2. Training and Awareness

3. Sales (Due Diligence)

4. Research and Development

5. Public Engagement

Insights from these areas guide how we apply and advance our principles.

The work ahead

Despite significant progress, our industry remains challenged in ensuring the responsible development, sale, and use of video technology. Existing regulations do not fully address the ethical complexities of our industry. Therefore, Milestone is dedicated to evolving our practices and advocating for new standards that balance social responsibility with business objectives.

Public engagement

Milestone aspires to lead the industry in responsible technology

We actively engage with partners, peers, political and industry stakeholders to establish common responsibility standards for technological development and growth. We believe that comprehensive legislation is essential for fostering public trust in technology and ensuring its responsible development and deployment.

Throughout 2024, Milestone engaged in conversations and live debates about AI regulation, emphasizing the importance of proper regulations and sharing own experiences with our Responsible Technology Program.

We emphasized how early adoption of responsible practices can enhance a company's trustworthiness in the market.

Additionally, we provided input and feedback on flagship AI and technology legislation, specifically to the EU's AI Act and its implementation in several member states, such as Germany, France, Czech Republic, and Denmark. We also engaged with authorities in the United Kingdom to discuss responsible use of video technology in society.

Our commitments

At Milestone, our dedication to responsible technology is reflected in our active engagement with global and regional initiatives that guide our priorities and commitments.

These partnerships and frameworks are essential to fostering innovation while upholding ethical standards.

One of our key contributions in 2024 was to the development of the EU AI Act, a groundbreaking regulation that establishes clear standards for the ethical use of artificial intelligence.

Moreover, in 2024, we started a pilot on human rights due diligence within certain customer industries and countries to identify, prevent, and mitigate any negative human rights impacts related to Milestone product use.

These strategic engagements and initiatives directly influence how we approach research, development, marketing, and sales, while also strengthening due diligence throughout our supply and value chains.

At Milestone, responsibility is more than a guiding principle—it is the foundation upon which we build sustainable growth and drive meaningful innovation.





People and Culture

Strengthening our culture in times of growth and change

With over 250 new colleagues and additional organizational changes, 2024 was a litmus test for Milestone's People First approach.

Milestone now boasts a global team of close to 1,500 employees, representing over 70 nationalities across various countries. This diversity is a cornerstone of our success, and we remain steadfast in our mission to create an environment where every individual can thrive and realize their full potential.

Unwavering focus on People First

Despite the changing world and our efforts to reshape our business to become more agile, focused, and impactful, our People First approach remains unchanged. We are committed to building a supportive, inclusive, and growth-oriented workplace.

In 2024, we enhanced and implemented initiatives to strengthen our work

environments. We will continue improving communication, offering career development opportunities, and fostering a supportive culture.

Key initiatives supporting our people and culture

To better understand and shape our shared culture, we have initiated a comprehensive culture assessment, guided by feedback from all our people across the Milestone organization.

To respond quickly and strategically to market changes, Milestone has adopted Agile Performance Management (APM). This approach allows us to continuously adapt while keeping our long-term objectives in sight. APM is crucial for our strategic execution, enabling swift

adaptation amid complex conditions while maintaining core strengths.

Aligned with Milestone's People First mindset, APM focuses on team success, collective accountability, and continuous learning through regular feedback. It places a strong emphasis on growth, empowerment, and responsibility, fostering a culture of development and shared success. As we continue to focus on strategic execution, APM remains a vital tool for adapting to market fluctuations and fostering an agile, proactive business environment.

At Milestone, individual development is fundamental to our company's growth and long-term success. To ensure we have

the right capabilities to deliver now and in the future, we prioritize not only the development of skills and expertise within current roles but also encourage and support colleagues to grow. The Individual Development Plan at Milestone empowers individuals to discover and pursue goals that resonate with their personal mission, fostering both personal and professional development.

We have new initiatives lined up to support our people and culture. These include elevating leadership capabilities to foster a high-performance culture, aligning training initiatives for effective skill integration, and implementing a career visualization tool to help colleagues navigate and plan their career paths.

Governance and risks

Good governance and responsibility go hand in hand

Good governance is foundational to our leadership and integrity.

Governance and management systems are key in addressing challenges and opportunities as a global technology company.

At Milestone, we approach governance and risk management with the objective of creating value for people, businesses, and societies, while minimizing the risk of causing or contributing to harm. We are a global company, experiencing growth in various regions around the world, and we want to implement our responsible standards and actions throughout our value chain.

This calls for strong frameworks and processes, consistent implementation, and clear values. It all starts in our own organization.

The Board of Directors

Milestone is a Danish company governed by a Board of Directors in collaboration with a team of Executive Directors.

Our board has four shareholder-elected members and two employee-elected representatives.

Milestone's overall objectives and policies are mandated by our Board of Directors. The board approves targets and strategies and ensures that the appropriate structures are in place to ensure good corporate governance.

Topics and policies are presented at board meetings. The Board of Directors discusses and approves our strategy outlook, budget, financial results, and annual reports. In addition, it reviews material policies, accounting procedures, internal controls, information technology, ESG-related issues, treasury, and risk management.

The Board of Directors also makes a yearly self-assessment of its own performance in accordance with good governance practises.

The role of management

The Executive Directors are responsible for the day-to-day management and compliance within the overall guidelines and policies approved by the Board of Directors. In this role, they present, submit, and recommend proposals for the company's overall strategy and objectives to the Board of Directors.

The Executive Directors are our Chief Executive Officer and Chief Financial Officer. Together with our Chief Technology Officer, Chief Revenue Officer, Chief Marketing Officer and Chief People & Culture Officer, they constitute the Executive Leadership Team (ELT).

The six members of the ELT collectively represent and govern the business divisions of Milestone. The ELT forms the strategies and drives the business operations, supported by a group of leaders in the Senior Leadership Team.

Anchoring the strategy

To convey its strategy and objectives to Milestone employees, the ELT has a keen focus on communication and visibility through regular presentations in the organization.

We are with the basis of an agile mindset continuously adapting our strategy to the market, technology and competitive situation.

Due to changing market conditions, new technological opportunities and our strategic acquisitions of BriefCam and Arcules, the strategy has also been exposed to adaptations in 2024.

Strengthening organization and competencies

Responsibility and ESG is at the core of Milestone's business model and strategy. It is embedded in the way we do business, in our relations to partners and end-customers, and in the way we market our products and services. Accordingly, we are allocating increasing resources to compliance, risk management, and partnering with NGOs and industry organizations.

Policy making

We are a global company with offices all over the world and many relationships with technology partners, distributors, resellers, and end-customers in our supply chain. Therefore, it is vital that we regulate conduct through international and national laws and standards as well as Milestone policies and principles.

Rules of Procedure – Annual Wheel

Q1

Annual report and
annual general meeting
Board self-assessment

Q2

Strategy outlook
Review and status of
Milestone's policies
and risk management

Q4

Budget status and
business plan

Q3

Approval of budget
for the coming year





Governance and risks

Focus on responsible growth defines our risk management

Milestone is assessing and managing risks as an important tool in delivering on our strategy.

Successfully executing our business strategy and achieving sustainable growth require a shared commitment to governance and risk management. At Milestone, our management prioritizes integrating risk management into decision-making processes to ensure long-term resilience.

Risk management system

Risk assessment is an ongoing process at Milestone, conducted at all levels of management and key personnel.

We are continuously monitoring changes in business conditions, objectives, and compliance requirements to assess the impact on exposures, emerging risks, and current plans. We are updating our

risk reports on a quarterly basis, and our risks and control function involves the senior leadership team and subject matter experts as risk owners in a comprehensive risk assessment process annually.

Our risk management system is part of planning and decision-making to improve the performance of business plans and choosing the best alternatives and controls. Our approach to risk management is set out in our Enterprise Risk Management Policy.

Reporting on risks

Milestone is following the same framework for internal reporting on risks as Canon.

Therefore, we are defining our risks within three categories:

1. Compliance risks related to internal and external obligations.

2. Financial reporting risks related to accounting fraud and error.

3. Business risks related to operations usually in software development, cyber security, and sales performance.

In our risk assessment we have identified four enterprise risks that are primarily business and compliance risks.

These risks are communicated to our leadership team and included on the Board of Directors' agenda, where action plans are discussed and revised.



1. AI governance

We are affected by risks that may arise due to requirements aimed at regulating software using artificial intelligence models.

Uncertainty on the technological and compliance implications, as well as media attention on flaws in AI-based applications, are some of the factors that can contribute to this risk.

New regulatory requirements and standards are being created, which may affect the use of some AI solutions in certain segments and business cases. The potential consequences of such risks include loss of opportunities to develop advanced and predictive solutions in computer vision and analytics, as well as conformity assessment and regulatory costs.



2. Cyber attacks

We are exposed to cyber risks that may compromise products, services, data, and supporting systems. These risks, such as misconfiguration of systems and services or vulnerabilities in managing user identities, can be caused by hackers, employees, or contractors with malicious intent.

The potential consequences of such risks include loss of customer trust and future revenue, partial or complete outages of business systems and IT services, and financial losses due to downtime, remediation costs, and compensations.



3. Market disruption

The video management market may be disrupted by the entry of new players offering business-to-business solutions. This risk can be caused by the entrance of new competitors to the market.

In addition, the market offering advanced technologies and solutions for smart cameras, IoT sensors, analytics, and big data is developing rapidly.

The potential consequences of this risk include loss of margins, growth, and business opportunities, as well as the commoditization of video management solutions.



4. External dependency

The risk of a few technology partners becoming exclusive for a competitor could lead to revenue losses, delays in installations, and commercial issues with vendors and distributors.

This risk may be caused by tight market conditions and supply shortages, which could require a technology partner to prioritize a particular segment of customers and solutions.

The consequences of this risk include logistic issues, losses of revenue, growth, and business opportunities, as well as limitations in the solution.



Mitigating risks

We mitigate risk by determining and applying appropriate risk responses and actions. Identified risks are assessed for their relative importance in terms of impact drivers and the likelihood that an impact occurs.

With these processes, we identify and manage potential events that may affect Milestone's ability to meet strategic objectives. The risk response activities are monitored and reported to leadership for an ongoing evaluation and update of processes.

These risk response activities are integrated into the annual Board schedule.

The Board of Directors reviews the company's risk exposure, the system for risk monitoring and reporting, and the company's insurance coverage.

As part of being compliant with Danish law and European reporting standards, we are also complementing our external reporting with an assessment on risks related specifically to our financial statement and to our ESG impact.

Financial risks

Milestone is exposed to financial risks, and these risks cannot be eliminated entirely. However, we actively manage potential risks in a transparent and open way.

Our overall objectives and policies for financial risk management are outlined in an internal Treasury Policy which is approved by the Board of Directors.

Currency risk is the main risk factor. Milestone has currency exposure resulting from reporting in Danish kroner (DKK) while generating most revenue in euros (EUR) and U.S. dollars (USD).

Transactions denominated in foreign currencies other than EUR and USD are not material. When it comes to EUR, currency risk is limited due to the European Exchange Rate Mechanism II (ERMII) treaty between Denmark and the European Union (EU).

The risk of fluctuations in the DKK/ EUR rate is assumed to be insignificant. The currency risk related to generating revenue in USD is partly offset by maintaining a significant cost share in USD and partly by cash flow hedging.

Our USD cash flow hedging is based on a 24-month rolling forecast. The closer a forecast period is, the larger the portion of the forecast amount is hedged.



BriefCam

BriefCam strengthens Milestone's offering in video analytics

With the strategic acquisition of BriefCam, Milestone is securing a position as market leader in video analytics and video management. The strategic foundation will still be our open platform.

In the spring of 2024, Milestone acquired the video analytics software company BriefCam. At Milestone, we see this acquisition as a perfect match, as BriefCam is one of the market leading players in standalone video analytics and Milestone is a market leader in video management.

New business opportunities

Prior to the acquisition, Milestone and BriefCam were already close partners

and collaborators as sister companies in the Canon Group. The acquisition has opened numerous business opportunities and has brought a strong product offering into Milestone.

The acquisition provides Milestone with greater opportunities to address a wider range of use cases, benefitting from both companies' shared open-platform philosophy.

In this way, our customers can be assured that they can integrate with their vendor of choice.

Additionally, when it comes to responsible technology, Milestone and BriefCam have always been on the same page. BriefCam supports the need for regulation around the use of facial recognition capabilities, especially when it comes to public safety use cases, to protect the personal freedom of

individuals and ensure the technology is utilized responsibly and ethically.

About BriefCam

The company was founded in 2008 and has received awards for its innovation and technical capabilities in creating video software that summarizes hours of events into a "brief", to extract maximum value from video for safety, security and productivity.



Arcules

Strong position on VSaaS market with Arcules

Milestone is expecting exponential growth in the VSaaS market in the next few years.

By adding Arcules to our product line we are now optimally positioned in the video technology software industry.

Effective from 1 July 2024, Milestone and Arcules joined forces to bring together both companies' capabilities within video management software (VMS), video analytics, and video surveillance-as-a-service (VSaaS). With the expected growth in the market for video analytics and video

surveillance-as-a-service (VSaaS), as well as in Artificial Intelligence (AI), Milestone is capable of pursuing opportunities that seemed inconceivable just a few years ago.

With Arcules onboard, we are able to exploit the rapidly changing landscape from on-premises to edge computing and cloud solutions.

Part of the same family

Milestone and Arcules have been close partners for many years and are both part of the Canon Group. In fact, Arcules was initially spun out from Milestone in 2017 and the two have since shared a common DNA. The decision to reunite the companies was motivated by a shared vision to deliver intelligent, data-driven video technology that empowers

customers in decision-making and optimising their operations.

Through the acquisition, we aim to combine video management with the agility and scalability of the cloud. Taken together with the promise of leveraging AI, this represents a bold step forward in the VSaaS market.

Market initiatives



A broader offering for hybrid market needs

Milestone operates in a hybrid market for video solutions, with many different points of departure and many different needs for customization.

This calls for proactive and differentiated approaches to our market and partner relations.

Following the acquisitions of Arcules and BriefCam and the consolidation of our businesses into one, Milestone is now entering into a new phase of doing business, offering a more complete and competitive offering to the market.

Accelerating proactive video solutions

Last year we introduced Milestone Kite and took a strong step into the cloud-based Video Surveillance as a Service business. This year we have strengthened this position significantly, with Arcules technology now replacing Kite.

Taken together with our strengthened position in video analytics and progress of using AI to enhance the user experience and usability of our products, you gain the capability to offer hybrid solutions.

Analytics and AI are also key components in our efforts to provide more proactive surveillance solutions that prevent accidents and crime from happening.

To our customers, this will mean moving from analyzing recorded video to using AI-driven live video solutions that assist them in proactive and preventive action. In 2024, we have accelerated this focus and based on our principles for responsible technology we will continue to do so in the coming years.

From industry to customer focus

Milestone video management software is used in many industries; casinos, hospitals, law enforcement, education, airports, manufacturing, hotels, government, and transport to mention a few. Today, we can service specific customer needs with tailored solutions within all industries.

Some want an on-premises solution, some cloud, some need a simple solution, and some have more complex needs. No two customers are the same. This is also why in 2024, we have established 8 market regions that flatten our sales organization, making it more efficient and letting us get closer to our customers.

Our partners play a central role

Strong partnerships with distributors and resellers are still key to the Milestone offering and to our presence all around the world. Therefore, we spend a lot of time communicating insights and business opportunities to our partners, and in training partners in our broader product portfolio and in the many new features that are launched within a year.

We are aware that new distribution and sales channels are available, and that IT companies, consultancies and tech giants are seeing opportunities to market surveillance solutions to customers with different needs. We expect to launch new partnerships in this segment in the coming years.

Market initiatives



Experience Milestone

To fully grasp all of Milestone's offerings and features, first-hand experience whether in person or on screen is essential. Our Milestone XPerience Days, Experience Centers, and new release of XProtect offer just that.



Market initiatives

Experience the new XProtect

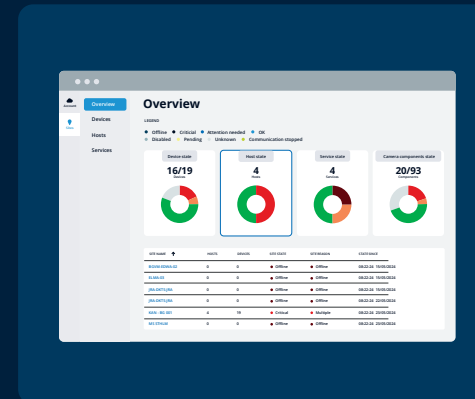
In 2024, we released two significant updates to our XProtect platform. The latest release introduced XProtect Remote Manager, a cloud-connected service that enhances the value of Care Plus subscriptions.

cloud strategy, laying the groundwork for future enhancements and capabilities. The latest XProtect release also includes updates that have improved user experience and have expanded global accessibility.

The new version of XProtect reflects Milestone's ongoing dedication to innovation and our responsiveness to customer needs. By continually refining its offerings and exploring new technologies, Milestone aims to provide video management software that not only meet current demands but is also adaptable to future challenges in the security industry.

The Milestone XProtect open platform video management software currently supports approximately 15,000 different security devices from more than 700 of the industry's leading manufacturers.

Technology Partners include providers of network video cameras, NVRs, cloud technologies, access control, alarm and detection systems, video analytics, GPS technology, laser scanners, emergency call boxes, and much more.



By introducing XProtect Remote Manager, a cloud-connected service, we now allow XProtect administrators to monitor the health and status of distributed XProtect installations in one view from anywhere through a browser. While XProtect Remote Manager is still in its early stages, it represents a significant step in Milestone's

Market initiatives

XPerience days for partners

In 2024, we hosted 19 Milestone XPerience Days (MXDs) around the world.

These events brought together over 3,000 participants for more than 150 hours of face-to-face interactions.



Held in diverse cities across different regions, the MXDs highlighted our global reach. From Cairo to Los Angeles, each event provided a unique backdrop for connecting with our valued partners and customers,



reinforcing our presence in key markets worldwide. With MXDs we engage with partners where they are. By working closely together with our partners, we can create value for both of us, and by understanding customer needs, we can develop better technological solutions for today and tomorrow.

MXDs highlight our strong presence in key markets, fostering closer connections with local partners and customers. By showcasing the power of our open platform, MXDs help our partners and customers fully understand how video technology can responsibly safeguard people and assets worldwide.

Milestone experience centers

In 2024, Milestone opened three new Experience Centers. One in Bangalore, India, one in Düsseldorf, Germany, and one in Melbourne, Australia. All were inaugurated together with new offices in these locations.

The Experience Centers are the perfect place to show customers and partners that the power of video extends far beyond security. Data analytics, license plate recognition, and other modern technologies can be combined to create cutting-edge, integrated solutions for a wide range of scenarios.



The new Experience Center in Melbourne is a significant expansion of Milestone's first center in Australia which opened in 2018. The concept has been significantly modernized, focusing on interactivity for a more hands-on experience, rather than the visual experience previously presented to partners and customers.



Focus on industry



Milestone for Manufacturing

Milestone video management software is used in many industries, for many different surveillance purposes. In production and manufacturing facilities, our software benefits companies with solutions both in and beyond surveillance.

Surveillance is often linked to crime prevention, but for a manufacturing plant, that is only part of the story. Beyond managing security concerns such as restricting unauthorized access, preventing theft, and mitigating cyberattacks, it also plays a crucial role in operational efficiency and safety.

Health and safety

However, there are two other equally important needs that are often overlooked. One of them is compliance with health and safety standards.

Investigating accidents can halt operations for days or weeks before all the facts are verified. The greater the surveillance coverage and the more reliable the video management software, the easier it becomes to locate and export evidence, resolve incidents efficiently, and resume business operations.

Surveillance should be as much about preventing issues as it is about responding to them. Consider the areas on a production line that are too difficult or hazardous for personnel to access.

Deploying cameras in these locations ensures smooth operations while safeguarding employee safety.

Optimizing business operations

This leads to another critical need: optimizing and ensuring business operations. While preventing theft is important, it is unlikely to threaten the viability of a business. A far greater risk is a major defect going undetected in the production line. If this type of issue is not addressed early, it could result in

substantial quantities of faulty inventory that cannot be sold.

Surveillance means reassurance that machinery is running smoothly and the ability to quickly detect and resolve breakages and bottlenecks. While sensors can detect increased machinery vibration, cameras are essential for visually identifying the cause, diagnosing issues, and ensuring a precise and timely response.

Focus on industry



Securing digestives and biscuits

Milestone partner North has helped snack producer Pladis Global to deliver an expansive upgrade of their CCTV systems across three McVitie's sites in the UK.

The aim was to gain greater security coverage, safeguard facilities, and ensure the ongoing safety and wellbeing of employees, visitors, and communities.

As one of the world's fastest-growing snack producers, Pladis Global makes such tasty brands as McVitie's Digestives, Jacob's savories, Carr's biscuits and GODIVA chocolates. With 27 bakeries in 11 countries, Pladis treats are a happy staple in billions of homes. Our partner North helped them upgrade their security with central video

overview of multiple locations and cost-effective data storage with AWS cloud.

Upgrade multiple sites to IP video and cloud

For the initial project, North upgraded the outdated CCTV system at Harlesden in North London – Europe's largest biscuit production site. The next phase of implementation was adding 120 cameras, updated from analog to intelligent HD IP networked technology.

Cloud-based Milestone video management software (VMS) was deployed to improve operational efficiency and warehouse management across the locations in Harlesden, Stockport and Carlisle.

Data storage cut costs significantly

The transition to XProtect Expert VMS has revolutionized the way that Pladis operates. With Amazon Web Services (AWS), the cloud-hosted VMS provides a flexible platform for multi-site coverage that streamlines and maintains operations.

Harnessing the advanced technology has enabled Pladis to work smarter. Operators can now search, manage and analyze video across all three sites from the centralized, web-based platform, which has greatly enhanced situational awareness and incident response.





Focus on industry



Security and safety in auto parts production facilities

Milestone XProtect® video management software (VMS) has been installed to safeguard one of India's leading auto parts makers.

The auto parts makers' site in Pune is the technology and engineering arm supporting R&D, manufacturing, and export of automotive elements, and it is the leading chassis component producer in the world. They also cater to power, oil & gas, aerospace, marine, railway, mining, and construction industries, including domestic defence and the global commercial aviation sector.

As one of the world's largest manufacturing companies, the parent company also has ten locations in India, Germany, Sweden, France, and North America. There are two R&D centers in Pune, in addition to six other factories located across India.

10 cameras grew to over 675

The partnership between Milestone and this manufacturing company began in 2008, prompted by a major national security

catastrophe in Mumbai. The pressing need was to monitor all their facilities with just one solution.

With an increasing number of cameras across its locations, the manufacturing company wanted to bring in additional layers of analysis to improve the process of sorting through all the data generated. This would not only secure their business and assets but also ensure the daily safety of their employees and visitors – and in case of emergencies.

Future-proof solution

With the integration of Milestone's open VMS platform, cameras of multiple brands have been connected under a single solution. This saved the manufacturer a hefty sum, instead of investing in different software for the various cameras. In addition, the

XProtect open architecture allows for future developments through easy integration of new technology innovations.

As of 2024, five manufacturing locations of this customer have been successfully secured using Milestone XProtect VMS, including seven recording servers, with plans to add an additional server.

With an integrated Access Control System (ACS) and perimeter video analytics for additional security, they have been able to respond swiftly to any form of emergencies or crises over the years.

Control of numerous locations

For manufacturing plants of this scale, safety is of utmost priority. Quick turnaround time for disaster management and the reliable storage of data are crucial for optimizing

operations. Having video footage with high enough resolution to be useful as evidence is a must to debunk false claims or liability in the event of any incident.

In addition, the company has been able to proactively detect incidents that could have potentially delayed the manufacturing process. They successfully prevented them in time to meet their professional commitments. The staff can now work remotely with an environment of security protecting them, knowing constant vigilance is being maintained to ensure their safety.

General disclosures

General disclosures in our sustainability statement

Our sustainability statement includes general disclosures of our process of the Double Materiality Assessment (DMA), it describes targets, initiatives, results and plans for topics defined by the European Sustainability Reporting Standards (ESRS).

With this years' sustainability statement, we take a further step toward following the European Sustainability Reporting Standards (ESRS) to be able to conduct a full implementation of CSRD.

Basis for preparation

We have decided to frontload the work on aligning the sustainability statement of 2024 with the reporting structure of ESRS.

The sustainability statement has been prepared on a consolidated basis including consolidated qualitative and quantitative data comprising the parent Milestone Systems A/S company and subsidiaries controlled by it.

Sustainability governance

Milestone is focused on creating value for people, businesses and societies while minimizing the risk of causing or contributing to harm. This is in line with our business strategy and values.

As such, the governance of sustainability

matters and ESG is incorporated into the corporate governance of the company anchored both at Executive Leadership Team and Board of Directors' levels.

This means that all decisions on strategy and objectives that are related to sustainability matters involve the top management of the company.

Sustainability management

Milestone assesses and manages risks as an important tool in delivering on our strategic ambition.

Sustainability is a key part of our strategy, and therefore the risks related to environment and people are integrated in the enterprise risk management process which categorizes the enterprise risks into compliance risks, financial reporting risks and business risks in order to manage these in an efficient and effective manner.

[→ Our risk management process is described on page 47](#)

The risks relating to environment and people are integrated in the corporate risk management process.

General disclosures

Responsibility is integrated in our DNA

Our ESG framework is closely linked to our business model. Milestone plays an important role in the supply chain for video management systems, and we are aware that our open and flexible platform makes it a complex task to monitor and control where and how our products are used.

That is why our policies, stakeholder engagement and due diligence processes play a key role in affecting how video management is carried out around the world.

[→ Our business model is described in more detail on page 30](#)

As part of our strategic focus on issues related to environmental, social and governance we are taking responsibility for the way we do business, for how our products are developed, sold and used, and for the way we impact people, society and the environment.

This also includes our focus on UN's Sustainable Development Goals (SDG). We have identified six of the 17 goals as being particularly relevant to our business. With help of the new ESRS standards we are able to work and progress on the identified six goals in a more structured way incorporating these SDGs into our global sustainability activities.

As part of Milestone's business strategy, we have for many years focused on responsible technology by identifying five core principles guiding us in developing products and services and the way we engage with partners and customers across our value chain.

The five principles on accountability, transparency, fairness & inclusion, privacy and security affect our sustainability matters helping us to identify ethical implications and human rights risks in our work and enable us to adequately address these from the outset.

Hereby ESG and sustainability are directly anchored in Milestone's business strategy.

[→ Our work on Responsible Technology is described on page 39](#)

Our focus on Sustainable Development Goals



03.
Good health
and well-being



04.
Quality
education



09.
Industry, innovation
and infrastructure



11.
Sustainable cities
and communities



16.
Peace, justice and
strong institutions



17.
Partnerships for
the goals

General disclosures

Defining material topics in ESG

As a key element of our work to prepare for the CSRD reporting, we have conducted a double materiality assessment (DMA) with reference to the ESRS.

To conduct the DMA, we have used a two dimensions approach: (1) 'inside out', which represented impacts to our surroundings, the environment and society, and (2) 'outside in', which represented impacts on our business from the outside.

We have conducted our DMA this year with the guidance available from EFRAG combined with our own interpretation of the ESRS standards facilitated by an external advisory firm.

Our DMA process was based on a combination of inputs from internal documents, interviews with internal stakeholders representing all areas of our organization and users of the sustainability statement, as well as a validation session with selected senior management personnel from Milestone.

The DMA process

Overall, the DMA followed a four-step process to identify impacts, risks, and opportunities.

1. Mobilization and hypotheses

As an initial step documents were reviewed, and internal stakeholders were matched against all sustainability matters and ESRS sub-topics to ensure full representation. To identify, assess and prioritize impacts the internal stakeholders were then selected due to their expertise on specific sustainability matters as well as their general oversight and extensive insights into and capabilities to represent external stakeholders.

2. Stakeholder engagement

Stakeholder insights were collected to identify Impacts, Risk and Opportunities (IROs) through interviews and identification of documents of relevance.

Interviews were condensed into IROs and sent back to the respective stakeholder representative for validation and scoring. A special emphasis was placed on scoring IROs based on the objective scoring parameters outlined in ESRS.

3. Workshop

A workshop with participation of senior management, Responsibility Area Leads and those involved in the process was held focusing on making materiality decisions for potential material sustainability matters.

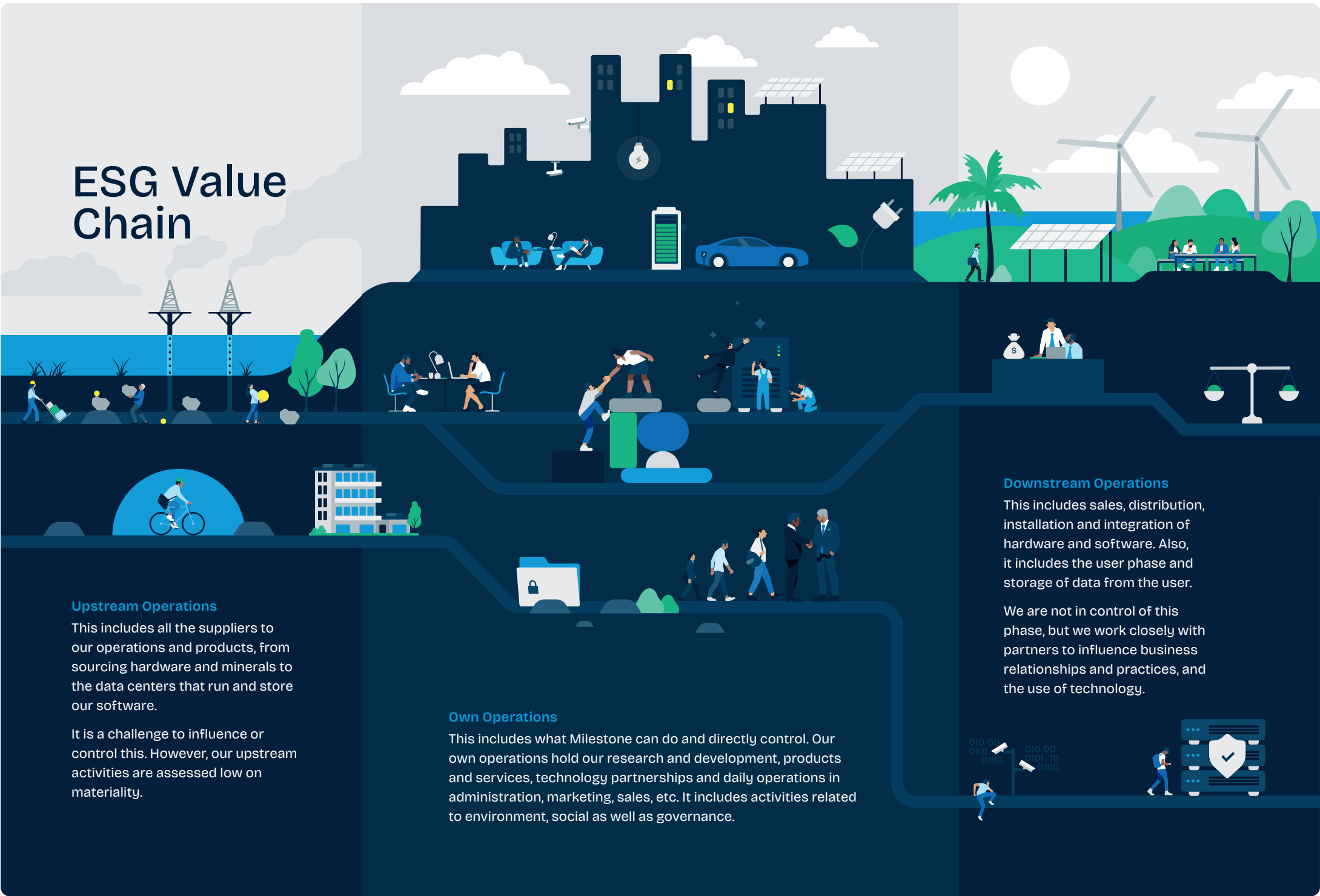
4. Finalization and documentation

The IROs were updated, sustainability matters finally placed and incorporated into the documentation.

A review of the DMA will be done periodically on the identification, assessment and prioritization of risks and opportunities based on trends, key assumptions and context, and the regulatory landscape.

We have chosen not to show the preliminary results of the DMA process and the material topics that are pointed out this far in our work. This part of the process is still going on and our DMA is expected to undergo changes towards the finalization of our preparation for complying with CSRD.

ESG Value Chain



Upstream Operations

This includes all the suppliers to our operations and products, from sourcing hardware and minerals to the data centers that run and store our software.

It is a challenge to influence or control this. However, our upstream activities are assessed low on materiality.

Own Operations

This includes what Milestone can do and directly control. Our own operations hold our research and development, products and services, technology partnerships and daily operations in administration, marketing, sales, etc. It includes activities related to environment, social as well as governance.

Downstream Operations

This includes sales, distribution, installation and integration of hardware and software. Also, it includes the user phase and storage of data from the user.

We are not in control of this phase, but we work closely with partners to influence business relationships and practices, and the use of technology.



Environment and climate

New initiatives to reduce emissions

Climate change and Energy / Strategy

We contribute to the reduction of negative impacts on the climate by constantly optimizing our product development and business operations.

Milestone follows the ambition of the Canon Group to achieve net zero CO2 emissions overall in the Canon Group by 2050. To reach this goal we will improve the energy efficiency of all our activities, identifying possibilities to reduce energy consumption and reduce our CO2 emissions in support of the Paris Agreement (2015) to limit global warming.

CO2 emissions

Our scope 1+2 CO2 emissions are just about the same in 2023 as in 2022. The emissions have increased from 1,430 to 1,455 tons CO2e. However, our scope 3 emissions have increased 19.7% from 10,634 in 2022 to 12,733 in 2023. This is first of all related to an increase in the category of "purchased goods and

services" which means that the production of goods and services that we bought or acquired in 2023 have risen from 2022.

This has very much to do with our growth, the openings of new offices, and the need to install new equipment. Our commuting and business travel are very much unchanged, and our use of fuel and energy-related activities are reduced.

New initiatives

Our 2024 research and development activities have focused on innovative methods such as using distilled versions of models like LLMs and VLMs, which offer lower inference costs and subsequently reduce energy usage. This approach can not only enhance product performance but also aligns with our commitment to reducing our carbon footprint. Additionally, we are dedicated to developing and selecting Machine Learning models optimized for speed. Relying solely on increased compute power for near real-time performance is too costly, so our models must be more efficient, consuming

less compute and energy. This continuous optimization effort is reflected in both our existing and new products.

Milestone is also working on ways to reduce the need for decoding video for video analytics by working directly on compressed video contributing to reduced CO2 emissions.

Furthermore, implementing a cascaded approach for video analytics allows us to use more intensive tools like large neural networks and GenAI tools only in specific focus areas and times, significantly optimizing our energy use.

We hereby demonstrate our proactive stance in minimizing adverse environmental impacts and reducing our CO2 emissions while maintaining the high standards of our products and services.

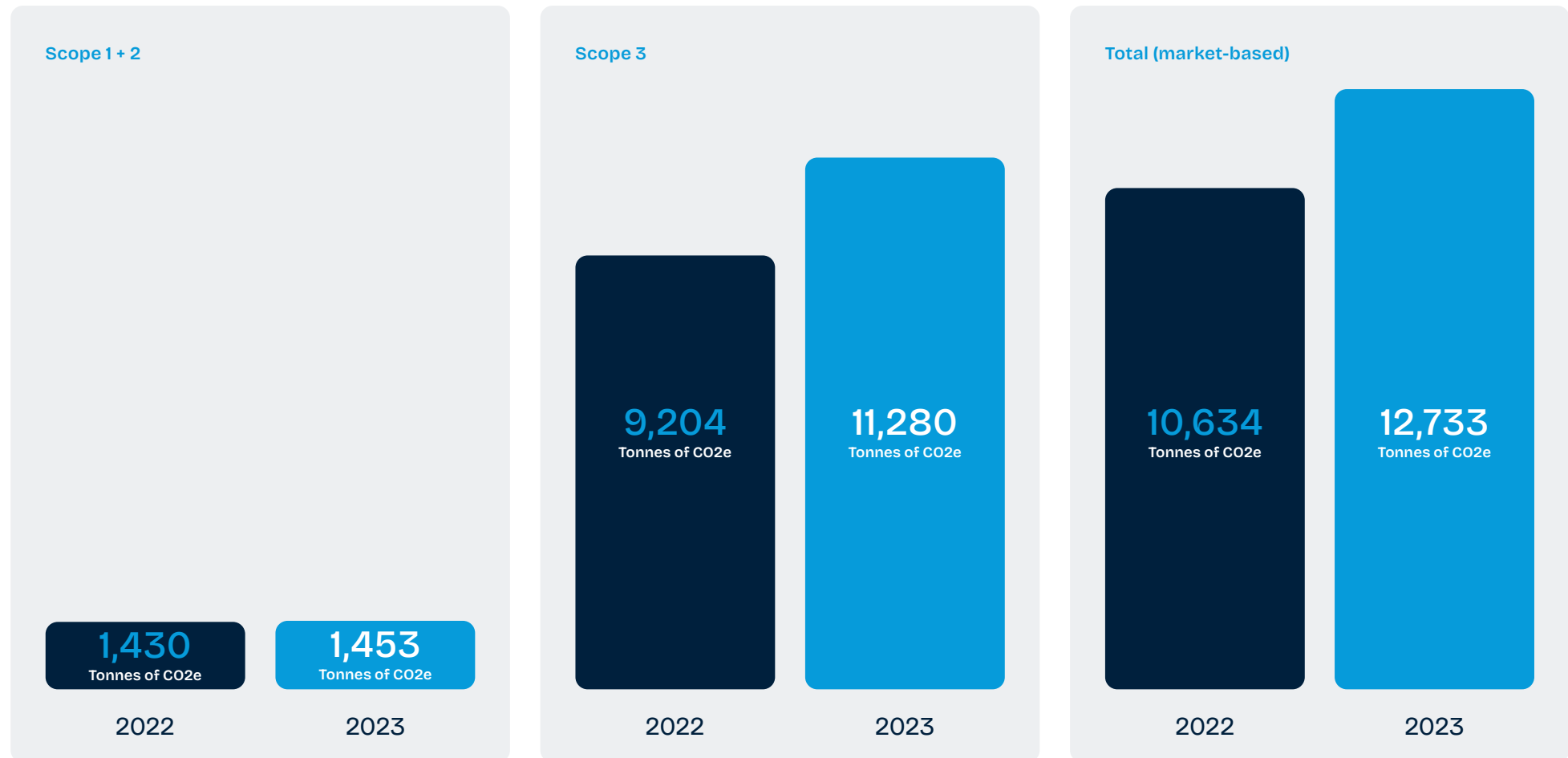
Milestone's Danish domicile has a high focus on reducing the carbon footprint and optimizing recycling; Today electricity is based on 100% green energy. The work on switching to LED light and sensors for

automated switching off is continued as well as recycling material is preferred for office facility purchases. E.g. carpets in the office building are made by old fishing nets whenever renewed and all furniture are FSC branded.

The aim is to cascade focus on reduced energy consumption to all Milestone sites globally both in relation to employee behavior and use of sustainable energy. However, green energy is limited available in many countries and therefore sustainable energy consumption at office sites on a global level requires a long-term horizon.

We are in the process of mapping and improving information on our energy consumptions and value chain impacts and will set aside resources to investigate improvement areas and establish policies, set targets, take actions as adequately meaningful to complete the ambition of net zero CO2 emissions. We will monitor and measure the outcome of our efforts.

[→ The carbon emissions for this year are shown in the figure on page 71.](#)



We have had to change service provider on the carbon emission report by which the carbon footprint of last year and the CO2 results of this year is not fully comparable and should be considered when interpreting

the data. As a result, emissions previously classified under Scope 3 are now included in Scope 1 and 2, leading to a shift in reported emissions and increased accountability for Milestone's own emissions.

The new approach will be applied going forward ensuring future year-on-year comparison. The CO2 results this year reflect increased activities, the number of sector events normalized after the corona

years and that new actions to decrease the emissions are still in the preparation phase.

People and society

Strong focus on people and society

Own workforce / Diversity and gender distribution

The employees of Milestone are key in ensuring that we meet our strategic goals. We believe that gender distribution at all levels of the company as well as diversity and inclusion in general are essential factors for a well-functioning and talented workforce. This is key to a technology based innovative company like Milestone.

Gender diversity in management

We believe in gender diversity in management and continue to strive for at least one female candidate for election as a shareholder elected member in our Board of Directors. The two current employee selected members are both females.

[→ The gender composition in Executive Leadership Team \(ELT\) and the Senior Leadership Team \(SLT\) is shown in the table on page 73.](#)

Working conditions

In acknowledgement that talented and high-skilled employees are paramount to an innovation based and growing business like Milestone, the engagement and

motivation of our employees is measured on a frequent basis.

The measurements include a focus on how satisfied employees are with Milestone as a workplace, if they can recommend it as a workplace to others and if they believe in Milestone's products and services. This is all measured in the overall engagement score (measured from 1 to 10).

The average score of 2024 is 7.8 which is the same as last year. It covers a slight increase in employees' belief in Milestone's products over the last year, and a slight decline in employees' satisfaction and loyalty to the company.

We also measure an employee net promoter score (eNPS) which is built upon the same engagement questionnaire as the engagement score but has as a main driver employees' satisfaction with Milestone as a workplace with scores ranging from -100 to +100. There has been a steady decline in eNPS over the last few years. Although the eNPS rating is higher than the benchmark, Milestone will be analyzing the data and the root cause of the decline in 2024 in relation to

our launch of new initiatives striving to increase these numbers in the years to come.

Affected communities

Milestone has a systematic approach to protecting human rights reflected in its company strategy.

Our technology has a great potential for improving the well-being of citizens and societies. But to fulfill this potential, we need to actively manage, mitigate, and reduce any risk and harm of our technology within our sphere of influence.

Therefore, our policy sets out our commitment to respect human rights, in line with the United Nations Guiding Principles for Business and Human Rights. Our commitment and process include reference to all internationally recognized human rights and seeks full alignment with the OECD Guidelines for Multinational Enterprises.

We have in 2024 established a human rights due diligence process piloted in certain high-risk countries aiming at addressing potential harm to people and societies. The due diligence process will be revisited in

2025 to assess the need for changes and possible expansion to more countries.

In the years ahead we will focus on our continued work on responsible technology and human rights which has been identified among the most material ESG areas to Milestone and our stakeholders.

Consumers and end-users

Milestone is committed to preserving the confidentiality, integrity, and availability of all forms of information assets whether owned by Milestone Systems or held in trust on behalf of employees, customers, or business partners.

To meet this commitment, we apply a risk-based approach, where we structure our information security efforts in an enterprise-wide Information Security Management System based on ISO27001.

In 2024, we have addressed the threats from the ever-present threat landscape by driving further improvements to our technical and organizational security measures, including the introduction of least-privilege principle on endpoints, implementing a new and modern software development toolchain and formalizing our IT crisis management plan.

It is also paramount to Milestone to ensure the safety of our products, that data is not coming into the hands of unauthorized people or that data is not compromised. Our technology development process follows the highest standards in compliance with the US NIST 800-218 standard ensuring a specific focus on security including control of third-party technology. Milestone has also joined the CVE program aiming at identifying, categorizing and publicly disclosing cybersecurity vulnerabilities.



Percent of underrepresented gender (women) at management level

	2020	2021	2022	2023	2024
Board of Directors					
Total number of members (AGM elected)	6	4	4	4	4
Underrep. gender in %	0	0	0	0	0
Other management level*					
Total number of members	–	–	–	28	30
Underrep. gender in %	33	26	35	38	33

* from 2020 to 2022 the percentage covers the Senior Leadership Team. From 2023, it covers both the Executive Leadership Team and the Senior Leadership Team.

Performance at a glance

Employee growth



Number of employees at year-end

Employee net promoter score



Engagement score

7.8

= Very good

Nationalities

70

Represented in Milestone offices globally

Countries

26

Milestone is present all over the world





Governance and integrity

Integrity is defining our DNA

Business ethics is a core principle in the company strategy.

As a global Danish company operating in more than 26 countries, we must live up to Danish and international regulations and directives.

This year Milestone has renewed its Code of Conduct applicable to all employees globally addressing its ethical principles on how we work. The Code of Conduct reflects the culture of Milestone setting the company's values and expectations to employees and the standard inter-alia between employees on sustainable corporate behavior.

Anti-corruption

The Code of Conduct includes compliance with international laws on anti-corruption and bribery such as the UK Bribery Act and US Foreign Corrupt Practices Act setting a zero tolerance to bribery and corruption in any form.

In 2024, training activities mandatory for all employees globally have been conducted to ensure the Code of Conduct is known and understood by everybody. We will continue our efforts fighting corruption and bribery building on our programme to ensure it is always relevant and pursues our goals.

Whistleblower scheme

The whistleblower function has been reviewed and updates made applicable to all employees globally as well as to external third parties.

As a technology-based company, we also pay high attention to intellectual property protection, both our own and those of third parties. Patent protection of innovations is part of Milestone's strategy, and we have processes based on internationally acknowledged standards ensuring safe and high-quality development work.

We will continue to review and identify areas of improvement to build up our business conduct and anticorruption efforts and to ensure that our programs are up-to-date and relevant across all business levels and locations.

Overview of policies and principles

Code of Conduct

Milestone's Code of Conduct provides essential guidelines for all employees' legal and ethical responsibilities. It constitutes the fundamental values on how we do business applicable to all employees.

It is the most comprehensive of all our internal policies and principles. E.g., it covers obligations in relation to the work environment, intellectual property and privacy, and it includes principles for conducting business activities focusing on e.g. corruption and bribery, money laundering, and anti-harassment and -discrimination. It also describes guidelines for compliance with laws, rules and regulations.

Gender distribution policy

Milestone's policy to increase the share of the underrepresented gender is focused on the management levels below the Board of Directors. This includes the Executive Leadership Team (ELT) and the Senior Leadership Team (SLT). The policy includes a specific short-term target for the composition of women (35%) and men (65%) at this level.

However, the intention of the policy is to over time achieve an equal share of men and women in these management levels.

Human Rights policy

Our policy sets out our commitment to respect human rights, in line with the United Nations Guiding Principles for Business and Human Rights.

Our commitment and process include reference to all internationally recognized human rights, including regional systems, and seeks full alignment with the OECD Guidelines for Multinational Enterprises. The practical implementation of our business commitment to respect human rights will be directed by the standards, process and reporting requirements set out in these guidelines.

Data ethics policy

In 2021 we launched our first data ethics policy and in 2023 our policy was updated to align with our principles for responsible technology.

The purpose of the data ethics policy is to formally state Milestone's data ethics

principles and describe ways in which we process data. In this way, we make it clear to our customers, employees, partners, and other stakeholders that we are dedicated to protecting their data and will use data in a responsible and ethical way.

As part of our policy, we have established five principles that define our commitments. In brief, these are 1) accountability, 2) transparency, 3) fairness and inclusion, 4) privacy and 5) security. These principles describe our conduct and scope of ambition for the future.

Global data protection and privacy policy

The right to privacy is one of the most salient rights to Milestone. As a tech company, we access, rely on, and build on data. That is critical in many parts of our business, and we wish to do so responsibly. We process personal data in order to conduct our business, research, develop, sell, and deliver our products and services. Our policy describes the nature of this data and how we collect and process it.

Whistleblower policy and procedure

The purpose of Milestone's whistleblower policy and procedure is to ensure that employees, partners and customers who wish to report concerns, actual or perceived misconduct can do so, assured that reports will be taken seriously, and that reporting can be done anonymously, confidentially and in line with legal requirements. The whistleblower scheme makes it possible to report conduct which seems to violate Milestone's values, Code of Conduct, policies, applicable law, or regulations.



Accounting policies

The Group's accounting policies applied in the preparation of the consolidated financial statements and the financial statements of the Parent Company are set out below.

Basis of preparation

The Annual Report for Milestone Systems A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act. The Annual Report is presented in accordance with the reporting provisions for large Class C enterprises.

The accounting policies are unchanged compared to the previous year.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Consolidated financial statement

The consolidated financial statement includes the financial statement of Milestone Systems A/S (the Parent Company) and all the companies in which Milestone Systems A/S, at the balance sheet date, directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence (subsidiaries). Milestone Systems A/S and these companies are referred to as the Group.

The consolidated financial statement is based on the financial statement of the Parent Company and the subsidiaries and is prepared by combining items of a uniform nature and eliminating intercompany transactions, shareholdings, balances and unrealized intercompany profit and losses. The consolidated financial statement is based on financial statements prepared by applying the Group accounting policies.

Recognition and measurement

Revenues are recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized cost are recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Group, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow out of the Group, and the value of the liability can be measured reliably.

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

Acquisitions – Book-Value Method

Internal group acquisitions, where control remains unchanged before and after the transaction, are accounted for using the Book-Value Method. Under this method, the acquired assets and liabilities are recognized at their carrying amounts at the acquisition date. Any difference between the purchase price and the acquired net assets is adjusted directly in equity. The comparative figures in the consolidated financial statements are not restated for acquisitions accounted for under the Book-Value Method.

Foreign currencies

Transactions in foreign currencies are translated during the year at the exchange rates prevailing on transaction date.

Receivables, payables and other items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates prevailing on the balance sheet date.

Realized and unrealized exchange rate adjustments are recognized in financial income and expenses in the income statement.

Tax on profit for the year, corporation tax and deferred tax

Tax for the year consists of current tax and deferred tax. The tax charge on profit for the year is recognized in the income statement, whereas the tax attributable to equity entries is recognized directly in equity.

Current tax is calculated at the tax rate applicable for the year.

The Parent Company is not jointly taxed with its foreign subsidiaries.

Current tax receivables are recognized in the balance sheet if taxes on account have been overpaid whereas current tax liabilities are recognized as short-term liability insofar as they have not been paid.

Deferred tax is recognized in the balance sheet as the tax on all temporary differences and tax loss carried forward. Deferred tax is calculated on the basis of legislation applicable for the financial year at the rate that will apply at the time when it is expected to be realized.

Deferred tax assets are measured at the value at which the asset is expected to be realized.

Derivative financial instruments and hedging activities

Derivatives are recognized at fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates derivatives as hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (when the forecast sale that is hedged takes place).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Income Statement

Net revenue

Revenues are recognized in the income statement in accordance with IFRS 15.

Revenue is mainly derived from sales of licenses, service, support and maintenance agreements, sale of hardware products and other revenue such as training.

The sales agreements are divided into individually identifiable performance obligations that are recognized and measured separately at fair value. Where a sale agreement includes multiple performance obligations, the total sales value of the sale agreement is allocated proportionally to the individual performance obligations of the agreement.

Revenues are recognized in the income statement when the individual identifiable performance obligations have been met and the goods or services are transferred to the customer and the customer obtains control.

Recognized revenue is measured at the fair value of the agreed remuneration, exclusive VAT and charges levied on behalf of third parties. All types of discounts granted are recognized in revenue.

Sales of goods

Sales of goods comprise of licenses and hardware products and are recognized as revenue when control of the individual identifiable performance obligation in the sales agreement is transferred to the customer, which is according to the sales conditions at the time of delivery.

Revenue is recognized when the client has obtained control of the license and has the ability to use and obtain substantially all the benefits from the license.

Sales of services

Sales of services comprise of service, support and maintenance agreements & other services such as training etc.

The services typically include a performance obligation that is recognized on a straightline basis in revenue over the period in which the services are provided.

Cost of sales

Cost of sales comprise costs incurring in generating the revenue for the year. Such costs include costs for royalty costs to third parties, subcontractors for delivering services, salaries, bonuses, other employee related costs, depreciation and other costs.

Research and development costs

Research and development costs comprise salaries, other employee related costs, depreciation and amortization, and other costs directly or indirectly attributable to research and development activities. Research and development costs are expensed in the year in which they are incurred when they do not qualify for capitalization.

Distribution and sales costs

Distribution and sales costs primarily comprise salaries, commissions, bonuses, and other sales employee related costs, travel and meeting expenses, marketing expenses, depreciation and amortization, and indirect costs such as rent and technological infrastructure directly or indirectly attributable to sales and marketing activities.

Administrative costs

Administrative costs comprise salaries, bonuses and other employee costs and expenses, office costs, depreciation and amortization, and indirect costs such as rent and technological infrastructure directly or indirectly attributable to administrative activities.

Results from investments in subsidiaries

Milestones share of results from subsidiaries are stated in the income statement.

Financial income and expenses

Financial income and expenses include interest, realized and unrealized currency adjustments.

Balance Sheet

Development projects

Costs for development projects include salaries, depreciation and other expenses that are directly or indirectly attributable to the Group's development activities.

Clearly defined and identifiable development projects are stated as intangible fixed assets provided that there is sufficient certainty that the capital value of future earnings will cover sales, marketing and administrative costs as well as actual development costs.

Development costs that do not satisfy the criteria for inclusion in the balance sheet are stated as costs in the Income Statement as they are incurred.

Capitalized development projects are valued at cost less accumulated amortization.

Capitalized development projects are amortized linearly from the date of completion over the period in which they are expected to produce financial benefits, but not exceeding five years.

Intangible and tangible fixed assets

Other plant, operating equipment, fixtures and fittings as well as software and customer lists purchases are measured at cost less accumulated amortization and depreciation and less any accumulated impairment losses. Cost comprises the cost of acquisition and expenses

directly related to acquisition and commissioning costs.

Amortization and depreciation of a fixed asset commences when it is ready for use.

Amortization and depreciation based on cost reduced by any residual value is calculated on a straightline basis over the expected useful lives of the assets, which are:

Customer Lists	5 years
Software	3-5 years
Other plant, fixtures and equipment	3-5 years

The residual value is determined at the time of acquisition and is reassessed every year.

Where the residual value exceeds the carrying amount of the asset, no further amortization and depreciation charges are recognized. In case of changes in the residual value, the effect on the depreciation charges is recognized prospectively as a change in accounting estimates.

Lease contracts

Lease contracts are recognized and measured as tangible fixed assets according to IFRS 16.

Leases are recognized in the balance sheet at the lower fair value of the asset and the present value of the lease payments.

The lease obligation is recognized in the balance sheet as a liability, and the interest portion of the lease payment is expensed on an ongoing basis in the income statement.

Financial fixed Assets

Investments in subsidiaries are recognized and measured after the net asset value convention.

The balance sheet includes the proportionate ownership share of the net asset value of the subsidiary. The total net revaluation is transferred upon distribution of profit to "reserve for net revaluation under the equity method".

The reserve is reduced by the dividend distributed to the Parent Company and adjusted for other equity movement in the subsidiaries.

Investments with a negative net assets value are recognized at DKK 0.

Any legal or constructive obligation of the Parent Company to recover the negative balance is recognized as provisions.

Other investments are measured at cost less write downs.

Impairment of fixed assets

The carrying amounts of fixed assets are reviewed annually to determine whether there is any indication of impairment other than that expressed by amortization and depreciation. If so, the asset is written down to its lower recoverable amount.

The recoverable value of the asset is calculated as the higher of net sales price and value in use. Where it is impossible to set a recoverable amount for an individual asset, assets should be valued as a whole for the smallest group of assets for which a reliable recoverable amount can be determined.

Contract assets

Contract assets relate to the Group's rights to consideration for software licensed to customers under subscription agreements with future payments, when that right is conditional on Milestone Systems future performance.

If the timing of payments specified in the contract provides the client with a significant financing benefit, the transaction price is adjusted to reflect this financing component.

Contract assets from contracts with customers are measured at amortized cost less provision for impairment.

Receivables

Trade receivables are amounts due from customers for merchandise sold, or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

Prepayments

Prepayments include costs paid relating to subsequent financial years and are measured at cost.

Equity

Reserve for net revaluation according to the equity method

The reserve comprises net revaluations of investments in subsidiaries compared to the cost price.

Reserve for development projects

The reserve for development includes recognized development cost. The reserve cannot be used for paying dividends or cover for incurred losses. The reserve is reduced or dissolved by depreciation, or if, the recognized development cost ceases to be part of the Parent Company's operations. This is done by transferring directly to distributable reserves in the equity.

Foreign exchange reserve

The foreign exchange reserve in the consolidated financial statements comprise foreign exchange difference arising on translation of financial statements of foreign entities from their functional currency into the presentation currency used by the Group (DKK).

At realization in full or in part of the net investment, the foreign exchange adjustments are recognized in the income statement.

Hedging reserve

Reserve for hedging relates to cash flow hedges. The hedging reserve is used to record gains or losses on derivatives that are designated and qualify as cash flow hedges and that are recognized in other comprehensive income. Amounts are reclassified to profit and loss when the associated hedged transaction affects profit or loss.

Proposed dividends

Dividend proposed for the year is recognized as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Liabilities

Other liabilities are recognized at cost at the date of contracting the liability. It is then subsequently stated at amortized cost, which usually corresponds to the nominal value for short-term and non-interest-bearing liabilities.

Deferred income

Deferred income is recorded as liabilities consisting of payments received relating to revenue in subsequent periods.

Cash Flow Statement

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

No cash flow statement has been prepared for the Parent Company as the Parent Company cash flows are included in the Consolidated Cash Flow Statement.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortization and impairment losses and provisions. Working capital comprises current assets less short-term liabilities excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term liabilities as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines. The financial ratios stated under "5-year summary" have been calculated as follows:

Invoiced Revenue = **Invoiced revenue for the financial year**

Gross margin =
$$\frac{\text{Gross margin x 100}}{\text{Net revenue}}$$

EBIT margin =
$$\frac{\text{Operating income before interest and tax x 100}}{\text{Net revenue}}$$

Financial solidity =
$$\frac{\text{Total Assets}}{\text{Shareholder Equity}}$$

Return on Equity =
$$\frac{\text{Net income for the year x 100}}{\text{Average Shareholder Equity}}$$

Income Statement

	Note	CONSOLIDATED DKK'000		PARENT COMPANY DKK'000	
		2024	2023	2024	2023
Net revenue	1	2,003,056	1,687,851	1,835,296	1,682,512
Cost of sales		-180,657	-158,457	-140,325	-156,693
Gross margin		1,822,399	1,529,394	1,694,971	1,525,819
Research and development costs	3, 4	-496,302	-355,846	-400,178	-367,301
Distribution and sales costs	3, 4	-998,462	-915,229	-934,543	-955,887
Administrative costs	2, 3, 4	-220,876	-153,414	-152,083	-130,238
Operating income (EBIT)		106,759	104,905	208,167	72,393
Result from investments in subsidiaries		0	0	50,216	20,006
Interest and other financial income	5	88,756	28,578	71,166	29,514
Interest and other financial expenses	6	-17,011	-23,578	-3,719	-23,195
Profit before corporate tax		178,504	109,905	325,830	98,718
Corporate tax	7	83,576	-33,313	-63,750	-22,126
Net income		262,080	76,592	262,080	76,592
NET INCOME ATTRIBUTABLE TO:					
Owners of Milestone Systems A/S		262,080	76,592	262,080	76,592
Net income		262,080	76,592	262,080	76,592

Balance sheet

	Note	CONSOLIDATED DKK'000		PARENT COMPANY DKK'000	
		2024	2023	2024	2023
Completed development projects		358,229	218,206	263,507	224,741
Development projects in progress		40,865	44,299	30,353	46,008
Other intangible assets		47,170	40,927	1,108,949	40,856
Intangible fixed assets	8	446,264	303,432	1,402,809	311,605
Land and buildings		162,665	146,145	54,066	54,395
Other fixtures and fittings, tools and equipment		71,212	80,946	41,349	52,903
Tangible fixed assets	9	233,877	227,091	95,415	107,298
Investments in subsidiaries	10	0	0	484,351	87,092
Other investments	11	0	54,847	0	54,847
Contract assets		4,102	1,294	1,642	1,294
Deposits		19,703	10,514	5,220	5,102
Financial fixed assets		23,805	66,655	491,213	148,335
Fixed assets		703,946	597,178	1,989,437	567,238
Trade receivables		551,285	471,626	501,001	471,195
Receivables from Group enterprises		629,565	630,078	639,811	640,187
Other receivables		25,012	25,513	15,923	19,618
Prepaid company tax		25,354	26,036	12,028	15,583
Deferred tax	12	300,332	8,855	0	0
Prepayments	13	38,463	26,464	22,866	19,876
Receivables		1,570,011	1,188,572	1,191,629	1,166,459
Cash at bank and in hand		948,605	292,377	634,466	236,899
Current assets		2,518,616	1,480,949	1,826,095	1,403,358
Assets		3,222,562	2,078,127	3,815,532	1,970,596

Balance sheet

	Note	CONSOLIDATED DKK'000		PARENT COMPANY DKK'000	
		2024	2023	2024	2023
Equity					
Share capital		2,480	693	2,480	693
Reserve for net revaluation under the equity method		0	0	100,190	67,966
Reserve for development projects		0	0	229,211	211,185
Foreign exchange reserve		-11,633	-2,095	0	0
Hedging reserve		-40,269	7,525	-40,269	7,525
Retained earnings		1,593,293	890,238	1,252,259	608,992
Capital and reserves attributable to owners of Milestone Systems A/S		1,543,871	896,361	1,543,871	896,361
Total equity		1,543,871	896,361	1,543,871	896,361
Investments in sub. with negative equity		0	0	1,117	0
Deferred tax	12	38,605	20,783	38,601	20,688
Provisions		38,605	20,783	39,718	20,688
Deferred income	14	349,657	313,524	347,073	313,524
Lease liability	15	144,113	129,224	48,281	47,559
Non-current liabilities		493,770	442,748	395,354	361,083
Lease liability	15	42,190	29,401	12,526	11,956
Trade payables		46,539	33,505	33,479	26,679
Payables to Group enterprises		0	0	1,020,059	62,254
Corporation tax		164,470	21,741	9,234	9,737
Other payables		278,499	166,965	175,355	115,236
Deferred income	14	614,618	466,623	585,936	466,602
Current liabilities		1,146,316	718,235	1,836,589	692,464
Total liabilities		1,640,086	1,160,983	2,231,943	1,053,547
Liabilities and equity		3,222,562	2,078,127	3,815,532	1,970,596
Mortgages, securities and contingent liabilities	16				
Related parties	17				
Cash flow statement notes	18				
Proposed distribution of profit	19				
Subsequent events	20				

Statement of changes in equity

	CONSOLIDATED DKK'000						
	Notes	Share capital	Foreign exchange reserve	Hedging reserve	Retained earnings	Dividend proposed for the year	Total
Equity at January 1, 2023		693	-1,079	-14,011	813,646	0	799,249
Exchange rate adjustment, beginning of the year		0	(1,256)	0	0	0	-1,256
Exchange rate adjustment, during the year		0	240	0	0	0	240
Fair value adjustment of hedging instruments, end of the year		0	0	27,610	0	0	27,610
Adjustment to deferred tax on hedging instruments, end of the year		0	0	(6,074)	0	0	-6,074
Dividend paid		0	0	0	0	0	0
Net income for the year		0	0	0	76,592	0	76,592
Equity at December 31, 2023		693	-2,095	7,525	890,238	0	896,361
Exchange rate adjustment, beginning of the year	10	0	2,696	0	0	0	2,696
Exchange rate adjustment, during the year	10	0	(19,228)	0	0	0	-19,228
Capital increase		380	0	0	440,726	0	441,106
Capital increase by contribution in kind		1,407	0	0	1,651,682	0	1,653,089
Effect of book-value method acquisitions		0	6,994	0	-1,651,433	0	-1,644,439
Fair value adjustment of hedging instruments, end of the year		0	0	(61,274)	0	0	-61,274
Adjustment to deferred tax on hedging instruments, end of the year		0	0	13,480	0	0	13,480
Dividend paid		0	0	0	0	0	0
Net income for the year		0	0	0	262,080	0	262,080
Equity at December 31, 2024		2,480	-11,633	-40,269	1,593,293	0	1,543,871

Statement of changes in equity

	PARENT COMPANY						
	DKK'000						
Notes	Share capital	Reserve for net revaluation according to the equity method	Reserve for development projects	Hedging reserve	Retained earnings	Dividend proposed for the year	Total
Equity at January 1, 2023	693	56,432	193,531	-14,011	562,604	0	799,249
Exchange rate adjustment, beginning of the year	0	(1,256)	0	0	0	0	-1,256
Exchange rate adjustment, during the year	0	240	0	0	0	0	240
Fair value adjustment of hedging instruments, end of the year	0	0	0	27,610	0	0	27,610
Adjustment to deferred tax on hedging instruments, end of the year	0	0	0	(6,074)	0	0	-6,074
Dividend paid	0	0	0	0	0	0	0
Net income for the year	0	12,550	17,654	0	46,388	0	76,592
Equity at December 31, 2023	693	67,966	211,185	7,525	608,992	0	896,361
Exchange rate adjustment, beginning of the year	10	0	2,696	0	0	0	2,696
Exchange rate adjustment, during the year	10	0	(19,228)	0	0	0	-19,228
Capital increase		380	0	0	440,726	0	441,106
Capital increase by contribution in kind		1,407	0	0	1,651,682	0	1,653,089
Effect of book-value method acquisitions		0	4,529	0	-1,648,968	0	-1,644,439
Fair value adjustment of hedging instruments, end of the year		0	0	0	(61,274)	0	-61,274
Adjustment to deferred tax on hedging instruments, end of the year		0	0	0	13,480	0	13,480
Dividend paid		0	0	0	0	0	0
Net income for the year		0	44,227	18,026	0	199,827	262,080
Equity at December 31, 2024	2,480	100,190	229,211	-40,269	1,252,259	0	1,543,871

The share capital consists of 2,480,342 shares of a nominal value of DKK 1. No shares have special rights.

Cash Flow Statement

		CONSOLIDATED	
		DKK'000	
	Note	2024	2023
Net income for the year		262,080	76,592
Adjustments	18	51,061	196,734
Change in working capital	18	144,781	47,330
Cash flows from operating activities before paid financial items and tax		457,922	320,656
Financial income received		88,756	28,578
Financial expenses paid		-17,011	-23,578
Cash flows from operating activities before paid tax		529,667	325,656
Corporate tax paid/received		-29,338	-19,712
Cash flows from operating activities		500,329	305,944
Investment in intangible fixed assets		-164,396	-127,083
Investment in tangible fixed assets excluding lease assets		-42,499	-37,015
Investment in Other investments		-306,207	0
Effect from Book-value method		284,940	0
Cash flows from investing activities		-228,162	-164,098
Repayments on lease liability		-40,513	-42,342
Capital increase paid in cash		441,106	0
Cash flows from financing activities		400,593	-42,342
Change in cash and cash equivalents		672,760	99,504
Cash and cash equivalents at January 1		292,377	193,889
Currency adjustments		-16,532	-1,016
Cash and cash equivalents at December 31		948,605	292,377
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		948,605	292,377
Cash and cash equivalents at December 31		948,605	292,377

Notes

Note 1 Segment information

The revenue is segmented following invoicing, and on the basis of where the main part of the processes and activities that generated the revenue took place.

	CONSOLIDATED DKK'000		PARENT COMPANY DKK'000	
	2024	2023	2024	2023
Geographical segments				
Net revenue Denmark	58,204	49,496	58,204	49,496
Net revenue export from Denmark	1,777,092	1,633,016	1,777,092	1,633,016
Net revenue generated outside Denmark	167,760	5,339	0	0
	2,003,056	1,687,851	1,835,296	1,682,512
Product segments				
Security related products	2,003,056	1,687,851	1,835,296	1,682,512
	2,003,056	1,687,851	1,835,296	1,682,512
Note 2 Fees to independent auditors				
Statutory audit fee	1,238	577	436	392
Tax advisory services	3,193	2,250	2,752	1,114
Other services	1,830	607	1,554	607
	6,261	3,434	4,742	2,113
Note 3 Staff expenses				
Wages and salaries	1,124,933	906,756	535,715	501,326
Pensions	47,668	44,690	24,860	23,590
Social contributions	55,228	49,063	5,319	4,458
Other staff expenses	100,572	92,363	27,189	26,352
Capitalized development costs	-118,600	-90,145	-42,911	-39,243
	1,209,801	1,002,727	550,172	516,483
Average number of employees	1,431	1,256	562	560
Staff expenses are recognized as follows:				
Research and development costs	302,109	211,234	241,528	226,160
Distribution and sales costs	778,753	694,400	220,501	208,875
Administrative costs	128,939	97,093	88,143	81,448
	1,209,801	1,002,727	550,172	516,483
Remuneration to the Management:				
Executive Management Team	17,793	9,138	17,793	9,138
Board of Directors	844	600	844	600
	18,637	9,738	18,637	9,738

Incentive Program for Executive Management

Milestone Systems A/S has a Long-Term Incentive Program (LTI) for executive management. The performance-based bonus covers a three-year period, with payouts based on predefined financial and strategic targets. The bonus is settled in cash and expensed over the performance period.

During the financial year, the following movements have incurred regarding the LTI:

LTI impact	4,001	43	4,001	43
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	CONSOLIDATED DKK'000		PARENT COMPANY DKK'000	
	2024	2023	2024	2023
Note 4 Amortization and depreciation of intangible and tangible fixed assets				
Completed development projects	102,991	79,697	87,996	82,308
Other intangible assets	28,286	22,716	27,728	22,221
Land and buildings	36,969	30,925	12,943	12,660
Other fixtures and fittings, tools and equipment	38,045	36,458	21,792	21,286
Gains and losses in fixed assets	-34	-216	-10	-7
	206,257	169,580	150,449	138,468
Amortization and depreciation of intangible and tangible fixed assets are recognised as follows:				
Research and development costs	138,975	104,837	117,826	100,930
Distribution and sales costs	54,554	60,233	26,625	33,028
Administrative costs	12,728	4,510	5,998	4,510
	206,257	169,580	150,449	138,468
Note 5 Interest and other financial income				
Interest from Group companies	24,860	22,276	26,924	23,876
Currency adjustments	42,039	351	27,046	4
Other financial interest and income	21,857	5,951	17,196	5,634
	88,756	28,578	71,166	29,514
Note 6 Interest and other financial expenses				
Interest to Group companies	0	0	7	5,240
Currency adjustments	6,742	14,807	0	14,451
Other financial interest and expenses	10,269	8,771	3,712	3,504
	17,011	23,578	3,719	23,195
Note 7 Tax				
Current tax for the year	167,683	21,310	12,718	10,075
Adjustment of current tax for prior years	22,120	10,740	19,638	10,682
Change in deferred tax	-267,712	11,267	37,061	13,126
Adjustment in deferred tax for prior years	-19,147	-3,930	-19,147	-5,683
	-97,056	39,387	50,270	28,200
Attributable to:				
Tax on profit for the year	-83,576	33,313	63,750	22,126
Tax on changes in equity	-13,480	6,074	-13,480	6,074
	-97,056	39,387	50,270	28,200

Note 8 Intangible fixed assets CONSOLIDATED DKK'000	Completed development projects	Development projects in progress	Total development projects	Other intangible assets
Cost at January 1, 2024	981,583	44,299	1,025,882	140,637
Effect of book-value method acquisitions	261,703	12,118	273,821	15,144
Currency adjustment	0	0	0	479
Additions in the year	0	132,201	132,201	32,196
Disposals in the year	0	0	0	-17,498
Transferred to completed	147,753	-147,753	0	0
Cost at December 31, 2024	1,391,039	40,865	1,431,904	170,958
Depreciation and impairment at January 1, 2024	-763,377	0	-763,377	-99,710
Effect of book-value method acquisitions	-166,442	0	-166,442	-12,852
Currency adjustment	0	0	0	-438
Depreciation in the year	-102,991	0	-102,991	-28,286
Depreciations on disposals in the year	0	0	0	17,498
Depreciation and impairment at December 31, 2024	-1,032,810	0	-1,032,810	-123,788
Carrying amount at December 31, 2024	358,229	40,865	399,094	47,170

Development projects related to the development of the existing Milestone and Arcus software including new functionality added to those platforms. The new functionality will be released on an ongoing basis. The development is progressing according to plan using resources allocated by management to the development projects. The new functionality is primarily aimed at the wide range of customers using Milestone and Arcus software today. The functionality developed is based on input from various stakeholders within the VMS market, internally as well as externally.

PARENT COMPANY
DKK'000

Cost at January 1, 2024	1,000,131	46,008	1,046,139	138,390
Additions in the year	0	111,107	111,107	1,095,820
Disposals in the year	0	0	0	-17,497
Transferred to completed	126,762	-126,762	0	0
Cost at December 31, 2024	1,126,893	30,353	1,157,246	1,216,713
Depreciation and impairment at January 1, 2023	-775,390	0	-775,390	-97,534
Depreciation in the year	-87,996	0	-87,996	-27,728
Depreciations on disposals in the year	0	0	0	17,498
Depreciation and impairment at December 31, 2024	-863,386	0	-863,386	-107,764
Carrying amount at December 31, 2024	263,507	30,353	293,860	1,108,949

Note 9 Tangible fixed assets CONSOLIDATED DKK'000	Land and buildings	Other fixtures and fittings, tools and equipment	Total
Cost at January 1, 2024	252,504	214,355	466,859
Effect of book-value method acquisitions	28,882	27,175	56,057
Currency adjustment	4,122	2,727	6,849
Correction previous year	0	0	0
Additions in the year	43,332	21,880	65,212
Disposals in the year	-2,486	-13,845	-16,331
Cost at December 31, 2024	326,354	252,292	578,646
Depreciation and impairment at January 1, 2024	-106,359	-133,409	-239,768
Effect of book-value method acquisitions	-20,039	-20,374	-40,413
Currency adjustment	-2,355	-2,502	-4,857
Depreciation in the year	-36,969	-38,045	-75,014
Depreciations on disposals in the year	2,033	13,250	15,283
Depreciation and impairment at December 31, 2024	-163,689	-181,080	-344,769
Carrying amount at December 31, 2024	162,665	71,212	233,877
Tangible assets include operating leases with a carrying amount totaling	162,665	8,346	171,011

PARENT COMPANY
DKK'000

Cost at January 1, 2024	105,447	121,665	227,112
Additions in the year	12,614	10,520	23,134
Disposals in the year	0	-11,686	-11,686
Cost at December 31, 2024	118,061	120,499	238,560
Depreciation and impairment at January 1, 2024	-51,052	-68,762	-119,814
Depreciation in the year	-12,943	-21,792	-34,735
Depreciations on disposals in the year	0	11,404	11,404
Depreciation and impairment at December 31, 2024	-63,995	-79,150	-143,145
Carrying amount at December 31, 2024	54,066	41,349	95,415
Tangible assets include operating leases with a carrying amount totaling	54,066	4,514	58,580

Note 10 Financial fixed assetsPARENT COMPANY
DKK'000

	Investments in subsidiaries
Cost at January 1, 2024	13,940
Transfer from other investments	54,847
Additions in the year	310,275
Disposals in the year	0
Cost at December 31, 2024	379,062
Revaluations at January 1, 2024	67,966
Effect of Book-Value method	4,529
Currency adjustment	-16,532
Paid dividend	-5,989
Profit for the year	50,216
Revaluations at December 31, 2024	100,190
Carrying amount at December 31, 2024	479,252
Negative value of investments in subsidiaries recognized as a provision	1,117
Negative value of investments in subsidiaries set off against receivables from group enterprises	3,982
Investments in subsidiaries	484,351

Name	Reg.office	Ownership	Share Capital
Milestone Italia S.R.L.	Milan, Italy	100%	20,000 EUR
Milestone Systems Inc.	Portland, USA	100%	100 USD
Milestone Systems UK, Ltd.	London, United Kingdom	100%	1,000 GBP
Milestone Systems France	Paris, France	100%	10,000 EUR
Milestone Systems Pte.	Singapore	100%	100,100 SGD
Milestone Systems SL	Barcelona, Spain	100%	151,000 EUR
Milestone Systems (Australia) PL	Sidney, Australia	100%	AUD 1
Milestone Systems Bulgaria	Sofia, Bulgaria	100%	25,000 BGN
Milestone Sistemas do Brasil	Sao Pãolo, Brasil	100%	308,618 BRL
Milestone India	Bangalore, India	100%	2,500,000 INR
Milestone Systems Sweden AB	Stockholm, Sweden	100%	50,000 SEK
Milestone Systems KK	Tokyo, Japan	100%	10,000,000 JPY
Milestone Systems Germany GmbH	Munich, Germany	100%	25,000 EUR
Milestone Systems Norway	Oslo, Norway	100%	30,000 NOK
Milestone Sistemas	Mexico City, Mexico	100%	3,000 MXN
Milestone Systems Arabia Co, for Marketing	Riyadh, Kingdom of Saudi Arabia	100%	500,000 SAR
Milestone Systems Canada Inc.	Toronto, Canada	100%	100 CAD
Milestone Systems Video Teknoloji Limited Şirketi	Istanbul, Türkiye	100%	3,000,000 TRY
BriefCam Inc	Newton, USA	100%	666,000 USD
BriefCam Ltd	Modi'in-Maccabim-Re'ut, Israel	100%	10,000 ILS
BriefCam Limited	London, United Kingdom	100%	129 GBP
Briefcam UAE	Abu Dhabi, UAE	100%	0 AED
Arcus Holding ApS	Brøndby, Denmark	100%	13,152,647 DKK
Arcules Inc	Irvine, USA	100%	630 USD

Note 11 Other Investments

Due to acquisition of Arcus Holding A/S the value has been transferred to Note 10 "Financial fixed assets" and is now treated as such.

	CONSOLIDATED DKK'000		PARENT COMPANY DKK'000	
	2024	2023	2024	2023
Note 12 Deferred tax				
Deferred tax at January 1	-11,928	-6,247	-20,688	-13,244
Change in profit and loss	260,175	393	-31,393	-1,370
Change in equity	13,480	-6,074	13,480	-6,074
Deferred tax at December 31	261,727	-11,928	-38,601	-20,688
Deferred tax relates to:				
Intangible assets	140,449	-30,563	-60,120	-30,563
Tangible assets	13,707	13,792	10,422	12,382
Current assets	-261	-385	-261	-385
Other obligations	12,755	3,366	11,358	-2,122
Net operating loss	95,077	1,862	0	0
	261,727	-11,928	-38,601	-20,688
Deferred tax recognized in the balance sheet:				
Deferred tax asset	300,332	8,855	0	0
Deferred tax liability	-38,605	-20,783	-38,601	-20,688
	261,727	-11,928	-38,601	-20,688
Note 13 Prepayments				
Prepayments consist of prepaid costs related to licenses, subscriptions, marketing events, warranties, rent and other costs.				
Note 14 Deferred income				
Under 1 year	614,618	466,623	585,936	466,602
1 year to 5 years	348,581	311,376	345,997	311,376
Above 5 years	1,076	2,148	1,076	2,148
	964,275	780,147	933,009	780,126
Deferred income consists of deferred revenue from services where the Company has received payment as a pre-paid amount.				
Note 15 Lease liability				
Under 1 year	42,190	29,401	12,526	11,956
1 year to 5 years	126,216	108,479	48,281	47,559
Above 5 years	17,897	20,745	0	0
	186,303	158,625	60,807	59,515

Note 16 Mortgages, securities and contingent liabilities

Consolidated and Parent Company

The Parent Company is jointly taxed with other Danish companies in the Canon Group. The Parent Company has several unlimited, and joint liabilities together with the other jointly taxed companies for Danish income tax and withholding taxes.

Note 17 Related parties**Controlling interest**

Canon Inc., Japan

Basis

Controlling shareholder

Transactions

The Group has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated financial statements

The Group's ultimate Parent Company which prepares consolidated financial statements into which the Group is incorporated as a subsidiary is

Name

Canon Inc.

Place of registered office

Tokyo, Japan

The Group Annual report of Canon Group may be obtained at the following address:

Canon Inc.
30-2, Shimomaruko 3-chome, Ohta-ku
Tokyo 146-8501
Japan

	CONSOLIDATED DKK'000		PARENT COMPANY DKK'000	
	2024	2023	2024	2023

Note 18 Cash flow statement

Cash flow statement - adjustments				
Depreciation of intangible and tangible assets	206,291	169,796		
Gain/loss on disposed assets	-34	-216		
Interest and other financial items	-71,745	-5,000		
Corporate tax	-83,576	33,313		
Other	125	-1,159		
	51,061	196,734		

Cash flow statement - change in working capital

Change in receivables	-163,915	-34,335		
Change in suppliers, other payables, etc	308,696	81,665		
	144,781	47,330		

Note 19 Proposed distribution of profit

Retained earnings	262,080	76,592	199,827	46,388
Proposed dividend recognized under equity	0	0	0	0
Reserve for net revaluation under the equity method	0	0	44,227	12,550
Reserve for development projects	0	0	18,026	17,654
	262,080	76,592	262,080	76,592

Note 20 Subsequent events

No subsequent events have occurred after the end of the financial year which could affect the Group's financial situation.

Statement by management

The Executive Management and Board of Directors have today considered and adopted the Annual Report of Milestone Systems A/S for the financial year January 1, – December 31, 2024.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at December 31, 2024, of the Parent Company and the Group and

of the results of the Parent Company and Group operations and Group cash flows for 2024.

The management review contains, in our opinion, a fair statement of the facts to which it relates and describes the Group's significant risks and uncertainties.

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

Copenhagen, March 21, 2025

Executive Management

Thomas Jensen

Lars Larsen

Board of Directors

Lau Normann Jørgensen
Chairman

John Sergio Blem

Minoru Asada

Jeppe Frandsen

Monika Adele Germanaviciute
Employee elected

Vibeke Krog Olsen
Employee-elected

Independent auditor's report

To the Shareholders of Milestone Systems A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2024, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Milestone Systems A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the 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.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, 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 Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the 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 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 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 financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark,

we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 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 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 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 Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- 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.

Copenhagen, 21 March 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Allan Knudsen

State Authorised Public Accountant
mne29465

Alexander Oliver Duschek

State Authorised Public Accountant
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About Milestone Systems

Milestone Systems is a leading provider of data-driven video technology software in and beyond security that helps the world see how to ensure safety, protect assets, and increase business efficiency. Milestone enables an open platform community that drives collaboration and innovation in the development and use of network video technology, with reliable and scalable solutions that are proven in more than 500,000 customer sites worldwide. Founded in 1998, Milestone is a stand-alone company in the Canon Group.

www.milestonesystems.com