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Entrust Denmark A/S

Park Allé 350 D, 2605 Brøndby

Company reg. no. 21 78 03 40

Annual report

1 April 2022 - 31 March 2023

The annual report was submitted and approved by the general meeting on the 30 August 2023.

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Lisa Jeanne Tibbits
Chairman of the meeting

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

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Entrust Denmark A/S for the financial year 1 April 2022 - 31 March 2023.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2023 and of the results of the Company's operations for the financial year 1 April 2022 – 31 March 2023.

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

Brøndby, 30 August 2023

Managing Director

Kurt Brian Ishaug

Board of directors

Lisa Jeanne Tibbits	Xavier André J. Coemelck	Kurt Brian Ishaug

Independent auditor's report

To the Shareholders of Entrust Denmark A/S

Opinion

We have audited the financial statements of Entrust Denmark A/S for the financial year 1 April 2022 - 31 March 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2023, and of the results of the Company's operations for the financial year 1 April 2022 - 31 March 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hillerød, 30 August 2023

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

Claus Koskelin
State Authorised Public Accountant
mne30140

Company information

The company	Entrust Denmark A/S Park Allé 350 D 2605 Brøndby	
	Company reg. no.	21 78 03 40
	Established:	27 June 1999
	Domicile:	Broendby
	Financial year:	1 April - 31 March
Board of directors	Lisa Jeanne Tibbits Xavier André J. Coemelck Kurt Brian Ishaug	
Managing Director	Kurt Brian Ishaug	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Nordstensvej 11 3400 Hillerød	
Parent company	Entrust Europe Ltd, UK	

Income statement 1 April - 31 March

Amounts concerning 2022/23: DKK.

Amounts concerning 2021/22: DKK thousand.

Note		2022/23	2021/22
	Gross profit	**37.778.209**	**47.384**
2	Staff costs	-26.123.023	-23.630
	Depreciation and impairment of non-current assets	-121.341	-166
	Other operating expenses	-86.962	-88
	Operating profit	**11.446.883**	**23.500**
	Other financial income from group enterprises	1.462.586	1.842
	Other financial income	3.117	0
	Other financial expenses	-170.806	-474
	Pre-tax net profit or loss	**12.741.780**	**24.868**
	Tax on net profit or loss for the year	-2.809.400	-5.497
	Net profit or loss for the year	**9.932.380**	**19.371**
	Proposed distribution of net profit:		
	Dividend for the financial year	9.932.000	19.370
	Transferred to retained earnings	380	1
	Total allocations and transfers	**9.932.380**	**19.371**

Balance sheet at 31 March

Amounts concerning 2023: DKK.
Amounts concerning 2022: DKK thousand.

Assets

Note		2023	2022
	Non-current assets		
	Goodwill	161.606	236
	Total intangible assets	161.606	236
	Other fixtures and fittings, tools and equipment	160.385	188
	Total property, plant, and equipment	160.385	188
	Deposits	165.079	161
	Total investments	165.079	161
	Total non-current assets	**487.070**	**585**
	Current assets		
	Trade receivables	9.805.839	10.778
	Receivables from group enterprises	25.741.705	45.166
3	Deferred tax assets	2.337.421	3.232
	Income tax receivables	5.785.164	7.150
	Other receivables	2.100	80
	Prepayments	454.603	334
	Total receivables	44.126.832	66.740
	Cash and cash equivalents	11.296.071	7.434
	Total current assets	**55.422.903**	**74.174**
	Total assets	**55.909.973**	**74.759**

Balance sheet at 31 March

Amounts concerning 2023: DKK.
Amounts concerning 2022: DKK thousand.

Equity and liabilities

Note		2023	2022
	Equity		
4	Contributed capital	500.000	500
	Retained earnings	1.865	1
	Proposed dividend for the financial year	9.932.000	19.370
	Total equity	**10.433.865**	**19.871**
	Liabilities other than provisions		
	Bank loans	90.918	48
	Prepayments received from customers	38.915.292	48.236
	Trade payables	535.717	510
	Payables to group enterprises	1.123.253	945
	Other payables	4.810.928	5.149
	Total short term liabilities other than provisions	45.476.108	54.888
	Total liabilities other than provisions	**45.476.108**	**54.888**
	Total equity and liabilities	**55.909.973**	**74.759**

1 The significant activities of the enterprise
5 Contingencies
6 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 April 2021	500.000	139	30.260.000	30.760.139
Distributed dividend	0	0	-30.260.000	-30.260.000
Retained earnings for the year	0	1.346	19.370.000	19.371.346
Equity 1 April 2022	500.000	1.485	19.370.000	19.871.485
Distributed dividend	0	0	-19.370.000	-19.370.000
Retained earnings for the year	0	380	9.932.000	9.932.380
	500.000	**1.865**	**9.932.000**	**10.433.865**

Notes

Amounts concerning 2022/23: DKK.
Amounts concerning 2021/22: DKK thousand.

1. The significant activities of the enterprise

Entrust Denmark A/S is an internationally recognized and leading producer of software within the field of IT Security. The Company produces and sells IT Security Software, which protects employees against identify theft through multi-factor authentication, when using remote access systems and cloud applications etc. The product is sold through distributors and resellers.

		2022/23	2021/22
2.	**Staff costs**		
	Salaries and wages	25.177.140	22.816
	Pension costs	608.545	600
	Other costs for social security	337.338	214
		26.123.023	**23.630**
	Average number of employees	23	24

		31/3 2023	31/3 2022
3.	**Deferred tax assets**		
	Deferred tax assets 1 April 2022	3.231.985	3.698
	Deferred tax of the net profit or loss for the year	-894.564	-466
		2.337.421	**3.232**

Deferred tax assets comprise mostly of licenses with a duration of 12 months or fewer which has not been recognized as income in the annual report but is subject to taxation.

4. Contributed capital

The share capital consists of 5.000 shares, each with a nominal value of DKK 100.

5. Contingencies

Contingent liabilities

Lease liabilities

The company has entered into a office lease agreement on the premises at Park Allé 350 D, 2. in Brøndby. The lease agreement is terminable at six' months notice. The liability amounts to t.DKK 294.

Notes

Amounts concerning 2022/23: DKK.
Amounts concerning 2021/22: DKK thousand.

6. Related parties

Consolidated financial statements

The company is included in the consolidated financial statements of Datacard International Limited, Forum 3, Solent Business Park, Whiteley, Fareham PO15 7FH.

Accounting policies

The annual report for Entrust Denmark A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

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

Recognition and measurement in general

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

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

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

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

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

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

Foreign currency translation

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

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

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

Accounting policies

Income statement

Gross profit

Gross profit comprises the revenue, other operating income, and external costs.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Income from the sale of software and licenses has been recognised in the income statement, provided that the assignment of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

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

Staff costs

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

Depreciation, amortisation, and writedown for impairment

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

Other operating costs

Other operating costs comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Financial income and expenses

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

Tax on net profit or loss for the year

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

Accounting policies

Statement of financial position

Intangible assets

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

Property, plant, and equipment

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0-100%

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of plant and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Accounting policies

Impairment loss relating to non-current assets

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

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

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

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

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Receivables

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

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

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Dividend

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

Income tax and deferred tax

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

Accounting policies

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

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

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

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