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# **Entrust Datacard Denmark A/S**

**Park Allé 350 D, 2605 Brøndby**

**Company reg. no. 21 78 03 40**

## **Annual report**

**1 April 2019 - 31 March 2020**

The annual report was submitted and approved by the general meeting on the 11 November 2020.

DocuSigned by:

*Lisa J. Tibbits*

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**Lisa Jeanne Tibbits**

Chairman of the meeting

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146,940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

## Management's report

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The board of directors and the managing director have today presented the annual report of Entrust Datacard Denmark A/S for the financial year 1 April 2019 to 31 March 2020.

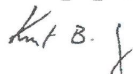
The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 March 2020 and of the company's results of its activities in the financial year 1 April 2019 to 31 March 2020.

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

Brøndby, 11 November 2020

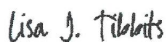
### Managing Director



Kurt Brian Ishaug

### Board of directors

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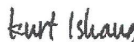
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## **Independent auditor's report**

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### **To the shareholders of Entrust Datacard Denmark A/S**

#### **Opinion**

We have audited the annual accounts of Entrust Datacard Denmark A/S for the financial year 1 April 2019 to 31 March 2020, which comprise accounting policies, profit and loss account, balance sheet, statement of changes in equity and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 March 2020 and of the results of the company's operations for the financial year 1 April 2019 to 31 March 2020 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

#### **The management's responsibilities for the annual accounts**

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the annual accounts**

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

## **Independent auditor's report**

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As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Hillerød, 11 November 2020

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



Claus Koskelin  
State Authorised Public Accountant  
mne30140

## **Company information**

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

## **Accounting policies**

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The annual report for Entrust Datacard 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 the previous year, and the annual report is presented in DKK. The accounting period was changed in the last financial year and, consequently, the comparative figures in the income statement comprise the period 1 January 2018 – 31 March 2019.

The company's merger with the parent company Mousquetaires Holding has been incorporated in accordance with ÅRL § 123, subsection. 2.

### **Recognition and measurement in general**

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

### **Translation of foreign currency**

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.

## **Accounting policies**

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Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

### **Income statement**

#### **Gross profit**

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

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. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

#### **Staff costs**

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

#### **Depreciation, amortisation and writedown**

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

#### **Net financials**

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

#### **Results from equity investments in group enterprises**

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement as a proportional share of the group enterprises' post-tax profit or loss.



## **Accounting policies**

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### **Tax of the results for the year**

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

### **The balance sheet**

#### **Intangible fixed assets**

##### **Patents, and licences**

Items of intangible assets comprise patents and software and are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use

Patents and licenses are measured at cost with deduction of accrued amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licenses are amortised over the contract period, however, for a maximum of 10 years.

##### **Tangible fixed assets**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use

The basis of depreciation is cost with the addition of revaluations at fair value and with the deduction of expected residual value after the end of the useful life of the asset.

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in the company's equity.

Other tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of 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 book value, the amortisation discontinues.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	<i>Useful life</i>
<i>Other plants, operating assets, fixtures and furniture</i>	<i>3-5 years</i>

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

## **Accounting policies**

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### **Writedown of fixed assets**

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises 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 takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

### **Financial fixed assets**

#### **Deposits**

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

#### **Debtors**

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

#### **Available funds**

Available funds comprise cash at bank and in hand.

### **Corporate tax and deferred tax**

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, 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.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

## **Accounting policies**

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### **Liabilities**

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

**Income statement**

Amounts concerning 2019/20: DKK.

Amounts concerning 2018/19: DKK thousand.

<u>Note</u>	1/4 2019 - 31/3 2020	1/1 2018 - 31/3 2019
<b>Gross profit</b>	<b>63.659.007</b>	<b>55.929</b>
2 Staff costs	-31.113.061	-43.277
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-181.849	-213
<b>Operating profit</b>	<b>32.364.097</b>	<b>12.439</b>
Income from equity investments in group enterprises	0	54
Other financial income from group enterprises	151.452	0
Other financial income	0	234
Other financial costs	-464.996	-132
<b>Pre-tax net profit or loss</b>	<b>32.050.553</b>	<b>12.595</b>
Tax on ordinary results	-3.927.384	-386
<b>Net profit or loss for the year</b>	<b>28.123.169</b>	<b>12.209</b>
<b>Proposed appropriation of net profit:</b>		
Reserves for net revaluation according to the equity method	0	-736
Transferred to retained earnings	28.123.169	12.945
<b>Total allocations and transfers</b>	<b>28.123.169</b>	<b>12.209</b>

**Statement of financial position at 31 March**

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

<b>Assets</b>		
<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>Non-current assets</b>		
Concessions, patents, licenses, trademarks, and similar rights acquired	0	48
Acquired intangible assets	385.368	460
Total intangible assets	<u>385.368</u>	<u>508</u>
Other plants, operating assets, and fixtures and furniture	219.829	237
Total property, plant, and equipment	<u>219.829</u>	<u>237</u>
Deposits	154.339	151
Total investments	<u>154.339</u>	<u>151</u>
<b>Total non-current assets</b>	<b><u>759.536</u></b>	<b><u>896</u></b>
<b>Current assets</b>		
Trade debtors	38.401.459	10.372
Amounts owed by group enterprises	18.651.536	74
Deferred tax assets	1.453.002	0
Other debtors	324.110	547
Total receivables	<u>58.830.107</u>	<u>10.993</u>
Available funds	12.074.483	16.521
<b>Total current assets</b>	<b><u>70.904.590</u></b>	<b><u>27.514</u></b>
<b>Total assets</b>	<b><u>71.664.126</u></b>	<b><u>28.410</u></b>

**Statement of financial position at 31 March**

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Contributed capital	500.000	500
Retained earnings	1.497.540	-26.030
<b>Total equity</b>	<b>1.997.540</b>	<b>-25.530</b>
<b>Liabilities other than provisions</b>		
Other payables	1.480.056	0
4 Total long term liabilities other than provisions	1.480.056	0
Bank debts	25.073	68
Prepayments received from customers	50.555.237	45.281
Trade payables	674.538	1
Payables to group enterprises	85.774	74
Income tax payable	5.398.536	0
Income tax payable to group enterprises	0	386
Other payables	11.447.372	8.130
Total short term liabilities other than provisions	68.186.530	53.940
<b>Total liabilities other than provisions</b>	<b>69.666.586</b>	<b>53.940</b>
<b>Total equity and liabilities</b>	<b>71.664.126</b>	<b>28.410</b>

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

**Statement of changes in equity**

DKK thousand.

	Contributed capital	Reserve for net revalua-tion according to the eq-uity method	Retained earnings	Total
Equity 1 January 2018	500	736	-38.976	-37.740
Share of profit or loss	0	-736	12.946	12.210
Equity 1 April 2019	500	0	-26.030	-25.530
Share of profit or loss	0	0	28.123	28.123
ÅRL § 123, subsection. 2.	0	0	-595	-595
	<b>500</b>	<b>0</b>	<b>1.498</b>	<b>1.998</b>

## Notes

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Amounts concerning 2019/20: DKK.

Amounts concerning 2018/19: DKK thousand.

### 1. The significant activities of the enterprise

Entrust Datacard Denmark A/S is an internationally recognised 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 globally through distributors and resellers.

	1/4 2019 - 31/3 2020	1/1 2018 - 31/3 2019
<b>2. Staff costs</b>		
Salaries and wages	30.006.182	40.291
Pension costs	589.701	956
Other costs for social security	517.178	2.030
	<u>31.113.061</u>	<u>43.277</u>
 Average number of employees	 <u>24</u>	 <u>36</u>
	 <u>31/3 2020</u>	 <u>31/3 2019</u>
<b>3. Reserves for net revaluation as per the equity method</b>		
Reserves for net revaluation 1 April 2019	0	736
Share of profit or loss	0	-736
	<u>0</u>	<u>0</u>



**Notes**

Amounts concerning 2019/20: DKK.

Amounts concerning 2018/19: DKK thousand.

**4. Liabilities other than provision**

	<b>Total payables 31 Mar 2020</b>	<b>Current portion of long term payables</b>	<b>Long term payables 31 Mar 2020</b>	<b>Outstanding payables after 5 years</b>
Other payables	1.480.056	0	1.480.056	1.480.056
	<b>1.480.056</b>	<b>0</b>	<b>1.480.056</b>	<b>1.480.056</b>

**5. Contingencies**

**Contingent liabilities**

Leasing 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 257.

**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