



# Cryptera A/S

Fabriksparken 20

2600 Glostrup

CVR-nr. 26 83 79 28

Annual Report for 2022

The annual Report has been presented and  
adopted at the Annual General Meeting of the  
Company on 24/5 2023

\_\_\_\_\_  
Chairman

# Content

|                                             | Page |
|---------------------------------------------|------|
| Management's Statement on the Annual Report | 1    |
| Independent Auditor's report                | 2    |
| Company information                         | 5    |
| Financial Highlights                        | 6    |
| Management's Review                         | 7    |
| Income Statement 1 January - 31 December    | 10   |
| Balance Sheet 31 December                   | 11   |
| Statement of Changes in Equity 2022         | 14   |
| Notes to the Financial statements           | 15   |

# Managements Statement on the Annual Report

The Board of Directors and the Executive Board have today discussed and approved the annual report of Cryptera A/S for the financial year 1 January – 31 December 2022.

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

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

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

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

Glostrup, May 24th, 2023

## **Executive Board**

Brian Schleisner

## **Supervisory Board**

Nils Smith  
Chairman

Mads Pauli Ringkjøbing-Christiansen

Brian Schleisner

Bettina Hansen

Martin Milling

Benjamin Bruun

# Independent auditor's report

To the shareholders of Cryptera A/S

## Opinion

We have audited the financial statements of Cryptera A/S for the financial year 1 January – 31 December 2022 comprising accounting policies, income statement, balance sheet, statement of changes in equity, statement and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Management's responsibility for the 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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

# Independent auditors' report

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 company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

## **Statement on the Management's review**

Management is responsible for the Management's review.

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

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

# Independent auditors' report

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Odense, May 24th, 2023

EY Godkendt revisionspartnerselskab

CVR.nr. 30 70 02 28

Søren Smedegaard Hvid

State Authorised

Public Accountant

mne31450

Emil Overlund

State Authorised

Public Accountant

mne47883

## Company information

### The Company

Cryptera A/S  
Fabriksparken 20  
2600 Glostrup

Telephone: +45 43 43 43 95

Website: [www.cryptera.com](http://www.cryptera.com)

CVR-no. 26 83 79 28

Financial Year: 1 January - 31 December 2022

Municipality of reg.office: Glostrup

### Supervisory Board

Nils Smith (Chairman)  
Mads Pauli Ringkjøbing-Christiansen  
Brian Schleisner  
Bettina Hansen  
Martin Milling  
Benjamin Bruun

### Executive Board

Brian Schleisner

### Auditors

EY Godkendt Revisionspartnerselskab  
Cortex Park Vest 3  
5230 Odense M

## Financial Highlights

| <b>Key figures</b>                                 | <u>2022</u><br>DKK '000 | <u>2021</u><br>DKK '000 | <u>2020</u><br>DKK '000 | <u>2019</u><br>DKK '000 | <u>2018</u><br>DKK '000 |
|----------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Profit/(loss)</b>                               |                         |                         |                         |                         |                         |
| Gross Profit                                       | 40 707                  | 29 497                  | 49 887                  | 57 779                  | 40 838                  |
| Profit/(loss) before financial income and expenses | 7 712                   | -1 167                  | 8 386                   | 5 135                   | -9 054                  |
| Net financials                                     | 1 053                   | 1 597                   | -1 794                  | -1 093                  | 2 100                   |
| Net profit/loss for the year                       | 6 827                   | 468                     | 5 301                   | 3 139                   | -5 442                  |
| <b>Balance sheet</b>                               |                         |                         |                         |                         |                         |
| Balance sheet total                                | 61 307                  | 54 224                  | 51 249                  | 136 527                 | 130 664                 |
| Investment in property, plant and equipment        | 422                     | 0                       | 251                     | 1 788                   | 1 001                   |
| Equity                                             | 47 061                  | 40 234                  | 33 266                  | 110 753                 | 107 614                 |
| <b>Number of employees</b>                         | 44                      | 49                      | 60                      | 73                      | 82                      |
| <b>Ratios in %</b>                                 |                         |                         |                         |                         |                         |
| Return on net assets                               | 12,6%                   | -2,2%                   | 16,4%                   | -7,1%                   | -6,7%                   |
| Solvency ratio                                     | 76,8%                   | 74,2%                   | 81,1%                   | 81,1%                   | 82,4%                   |
| Return on equity                                   | 22,3%                   | 1,2%                    | 9,2%                    | 2,9%                    | -4,9%                   |

The financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".  
For terms and definitions, please see the accounting policies.



# Managements Review

## Main activity

Cryptera A/S are developing and manufacturing Security Solutions for the Financial Industry and the Industrial IoT market.

The main business segments are Encrypting PIN pads for ATM's and Kiosks and Unattended Payment solutions with contactless payment for Self Service applications.

## Development in the financial year

The financial year 2022 was still impacted by the Covid-19 global pandemic in the beginning of the year. Global supply chain issues affected a number of Cryptera's direct customers.

Despite Covid-19 in the beginning of 2022 the business performed a positive result with a positive result of DKK 6.828 mio. after tax. Our solidity remains strong at 76,8% at the balance sheet date.

## Uncertainty relating to recognition and measurement

No material uncertainties relating to measurement of the Company's assets, equity and liabilities have been identified.

## Currency exposure

Sales to foreign countries, in particular USA and South America is influenced by the increase in the USD exchange rate in 2022

## Interest rate exposure

Cryptera has no interest bearing debt, stated as bank debt less cash and cash equivalents.

## Credit risk

Credit risks related to financial assets correspond to the values recognized in the balance sheet.

## Intellectual capital resources

The vision and ambition of being a market leader and at the forefront of bringing security solutions to the market means that Cryptera is affected by the rapidly changing work and knowledge environment.

This place demands on the Company when it comes to recruiting, building and accumulating Know-how and intellectual capital.

To maintain the ability to deliver and to develop competitive technology and solutions it is critical that the Company is capable of employing and maintaining specialists with a high degree of education.

# Managements Review

## Major milestones and achievements in 2022

- Onboarding of new global IoT Security customer
- Onboarding of new Nordic IoT Security customer
- PCI 6.x compliance of full portfolio of Encrypting PIN pads (EPP's)
- PCI 6.x compliance of full portfolio of Encrypting Touch Sensor (ETC) portfolio
- New Strategy and Development plan with a span from 2023-2025

## Strategy

The key elements of Cryptera's strategy plan are:

- OEM Unattended Payment solutions is our legacy and fundament for future strategic development
- IoT Security is our business development area and part of our future strategic version

We want to be a leading global OEM supplier of encrypting PIN pads by having a broad EPP portfolio in the highest quality, and a competitive commercial set-up to our customers.

We will establish partnerships with other vendors to be part of complete payment solutions for Unattended Payment.

Our products must comply to common certifications and standards

We want to leverage on our legacy from Financial Security to build solutions for the general Security market.

We want to be a recognized and established player in the Nordics with an attractive solution offering to the IoT Security market

Our IoT Security solutions will primarily target industrial players within Electronics and Manufacturing

We will differentiate by offering flexibility and adaptation to customers' existing supply chain set-up

We want to base our IoT Security business on a business model that will create a recurring revenue stream.

## Environmental performance

The Company is conscious of the environment and is reducing environmental impacts from the Company's operating activities on an ongoing basis. The Company has since 2009 maintained the ISO14001 certification.

## Special risks

### Operating risks

The Company's most substantial operating risk is to continuously secure critical components for our supply chain from our sub suppliers. Especially the situation with Covid-19 still impacting the global market for Semi-conductors causes a risk for the company's delivery performance and has been identified as a high priority and focus area by the Cryptera Management

### Covid19

The covid-19 pandemic has caused a small negative impact on the business activities in 2022. Lead times for components to manufacturing are decreasing, but still not to the level we saw before the covid-19 pandemic.

### Events occurring after the balance sheet date

No events have occurred after the balance sheet date to this date which would materially influence the evaluation of this annual report.

# Managements Review

## Outlook

Management expects revenue and result to be at a lower level the coming year. We expect the markets and business will stabilize and start to pick up in activity level in Q3-4 2023. The first half of 2023 is likely to be impacted by customers having built up surplus of inventory during the Covid-19 pandemic.

We are continuing to invest in our Human resources to support our long-term strategy to address the growing market for Industrial IoT Security.

As a consequence of the war in Ukraine Cryptera has suspended all sales and business activities in Russia.

## Income statement 1 January to 31 December

|                                                | <u>Note</u> | <u>2022</u>       | <u>2021</u>       |
|------------------------------------------------|-------------|-------------------|-------------------|
| <b>Gross profit</b>                            |             | <b>40.706.750</b> | <b>29.496.686</b> |
| Staff expenses                                 | 2           | -31.596.562       | -29.600.495       |
| Depreciation, amortization and impairment loss | 3           | -1.398.244        | -1.063.666        |
| <b>Profit/loss before financial items</b>      |             | <b>7.711.944</b>  | <b>-1.167.475</b> |
| Financial income                               | 4           | 1.673.380         | 1.815.105         |
| Financial expenses                             | 5           | -620.799          | -218.083          |
| <b>Profit/loss before tax</b>                  |             | <b>8.764.525</b>  | <b>429.547</b>    |
| Tax on the profit for the year                 | 6           | -1.937.258        | 38.380            |
| <b>Net profit/loss for the year</b>            |             | <b>6.827.267</b>  | <b>467.927</b>    |

## Balance sheet 31 December

### Assets

| Non-current assets                   | Note     | 2022              | 2021              |
|--------------------------------------|----------|-------------------|-------------------|
| <b>Intangible assets</b>             | <b>7</b> |                   |                   |
| Development projects                 |          | 1.395.124         | 2.092.686         |
|                                      |          | <b>1.395.124</b>  | <b>2.092.686</b>  |
| <b>Property, plant and equipment</b> | <b>8</b> |                   |                   |
| Leasehold improvements               |          | 572.835           | 938.430           |
| Plant and machinery                  |          | 0                 | 58.149            |
| Fixtures and fittings                |          | 457.286           | 311.921           |
|                                      |          | <b>1.030.121</b>  | <b>1.308.501</b>  |
| <b>Investments</b>                   |          |                   |                   |
| Deposits                             |          | 1.328.602         | 1.204.433         |
|                                      |          | <b>1.328.602</b>  | <b>1.204.433</b>  |
| <b>Total non-current assets</b>      |          | <b>3.753.847</b>  | <b>4.605.620</b>  |
| <b>Inventories</b>                   |          |                   |                   |
| Raw materials and consumables        |          | 8.359.610         | 7.155.463         |
| Work in progress                     |          | 11.870.058        | 6.350.194         |
| Finished goods and goods for resale  |          | 3.661.636         | 4.068.373         |
|                                      |          | <b>23.891.304</b> | <b>17.574.030</b> |

## Balance sheet 31 December

### Assets (continued)

| Current assets                    | <u>Note</u> | <u>2022</u>       | <u>2021</u>       |
|-----------------------------------|-------------|-------------------|-------------------|
| <b>Debtors</b>                    |             |                   |                   |
| Trade receivables                 |             | 9.733.576         | 13.704.129        |
| Amounts owed by Group Enterprises | 17          | 15.450            | 0                 |
| Deferred tax asset                | 9           | 913.090           | 1.987.920         |
| Corporation tax receivable        |             | 1.622.053         | 398.269           |
| Other receivables                 |             | 509.632           | 282.611           |
| Prepayments                       | 10          | 2.172.896         | 2.244.230         |
|                                   |             | <u>14.966.697</u> | <u>18.617.159</u> |
| <b>Cash at hand and bank</b>      |             | <u>18.697.766</u> | <u>13.427.172</u> |
| <b>Total current assets</b>       |             | <u>57.555.767</u> | <u>49.618.361</u> |
| <b>Total assets</b>               |             | <u>61.309.614</u> | <u>54.223.980</u> |

## Balance sheet 31 December

### Liabilities and equity

| Equity                                               | Note | 2022              | 2021              |
|------------------------------------------------------|------|-------------------|-------------------|
| Share capital                                        | 11   | 1.135.950         | 1.135.950         |
| Retained earnings                                    |      | 44.293.158        | 37.465.891        |
| Reserve for development cost                         |      | 1.632.295         | 1.632.295         |
| <b>Total equity</b>                                  |      | <b>47.061.403</b> | <b>40.234.136</b> |
| <b>Provisions</b>                                    |      |                   |                   |
| Other provisions                                     | 12   | 589.462           | 576.173           |
| <b>Total provisions</b>                              |      | <b>589.462</b>    | <b>576.173</b>    |
| <b>Non-current liabilities other than provisions</b> |      |                   |                   |
| <b>Other payables</b>                                | 13   | 3.834.992         | 3.879.333         |
|                                                      |      | <b>3.834.992</b>  | <b>3.879.333</b>  |
| <b>Short-term liabilities other than provisions</b>  |      |                   |                   |
| Trade payables                                       |      | 3.074.303         | 6.589.716         |
| Corporation tax payable                              |      | 862.428           | 76.216            |
| Other debt                                           | 14   | 5.887.027         | 2.868.407         |
|                                                      |      | <b>9.823.758</b>  | <b>9.534.339</b>  |
| <b>Total liabilities other than provisions</b>       |      | <b>13.658.749</b> | <b>13.413.671</b> |
| <b>Total liabilities and equity</b>                  |      | <b>61.309.614</b> | <b>54.223.980</b> |

## Statement of Changes in Equity 2022

|                                   | Share capital    | Reserve for development cost | Retained earnings | Dividend proposed | Total             |
|-----------------------------------|------------------|------------------------------|-------------------|-------------------|-------------------|
| Equity at 1 January 2021          | 1.135.950        | 0                            | 31.130.260        | 1.000.000         | 33.266.210        |
| Dividends paid for the year       | 0                | 0                            | 0                 | -1.000.000        | -1.000.000        |
| Contribution from group           | 0                | 0                            | 7.500.000         | 0                 | 7.500.000         |
| Profit for the year               | 0                | 1.632.295                    | -1.164.369        | 0                 | 467.926           |
| <b>Equity at 1 January 2022</b>   | <b>1.135.950</b> | <b>1.632.295</b>             | <b>37.465.891</b> | <b>-</b>          | <b>40.234.136</b> |
| Dividends paid for the year       | 0                | 0                            | 0                 | 0                 | 0                 |
| Contribution from group           | 0                | 0                            | 0                 | 0                 | 0                 |
| Profit for the year               | 0                | 0                            | 3.827.267         | 3.000.000         | 6.827.267         |
| <b>Equity at 31 December 2022</b> | <b>1.135.950</b> | <b>1.632.295</b>             | <b>41.293.158</b> | <b>3.000.000</b>  | <b>47.061.403</b> |



## Notes to the Annual Report

### 1 Accounting policies

#### Basis of preparation

The Annual Report of Cryptera A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class C (medium).

In accordance with section 32 of the Danish Financial Statements Act, taking into consideration competitive conditions, the Company is not disclosing net sales.

The most significant accounting policies are described below.

The annual report has been prepared in accordance with the same accounting policies as last year.

#### Cash Flow Statement

In accordance with section 86 (4) the Danish Financial Statements Act, the company has decided not to prepare cash flow statement.

#### Recognition and measurement

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

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

#### Translation of foreign currencies

During the year transactions in foreign currencies are translated at the rate of exchange as at the transaction date. Debtors, liabilities and other items in foreign currencies which are unsettled on the balance sheet date are translated at the exchange rate as at the balance sheet date.

Realised and unrealised exchange rate adjustments are included in the profit and loss account under financial items.

## Notes to the Annual Report

### 1 Accounting policies (continued)

#### Income statement

##### Gross Profit

Net sales consist of goods and services sold and included in the profit and loss account according to the invoicing principle in the year of invoicing and delivery.

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets

Cost of goods sold contains the cost price and direct expenses such as freight and duty etc. consumed to achieve revenue for the year.

Other external expenses comprise direct production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Certain projects are accounted for as construction contracts when the company has entered into contracts at a fixed price. Revenue from fixed price construction contracts is recognized on the percentage of completion method, measured by reference to the percentage of labour hours incurred to date to estimated total labour hours for each contract.

##### Staff expenses

Staff expenses comprise wages and salaries as well as salary related costs.

##### Depreciation, amortisation and impairment loss

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment as well as gains and losses from current replacement of fixed assets.

##### Financial income and expenses

Financial income and financial expenses comprise interest receivable and interest payable, and unrealised gains and losses from foreign exchange.

##### Tax on the profit/loss for the year

The tax for the year consists of the current tax for the year and the deferred tax for the year. The tax relating to the result for the year is included in the profit and loss account, whereas the tax directly relating to equity entries is taken directly to shareholders' equity.

## Notes to the Annual Report

### 1 Accounting policies (continued)

#### Balance sheet Intangible assets

##### Development projects

Development projects includes external costs and wages and shared costs directly attributable to development activities.

Development of new projects and changes of the functionality in an existing product recognized as an asset. It is a condition that the development solutions are clearly defined and identifiable, and the technical utilization rate, sufficient resources and a potential future market or development opportunities in the company can be detected and it is intended to manufacture, market or use the solutions.

Furthermore, the cost could be calculated reliably, and future earnings, can cover operating costs. Other development projects are recognized in the income statement as cost are incurred.

Capitalized development cost are measured at cost less accumulated depreciation cost. After completion of the development work the development projects are amortised linearly over the estimated useful life of 2-5 years.

##### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less an accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

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:

|                              |            |
|------------------------------|------------|
| Leasehold improvements       | 5 years    |
| Other equipment and fixtures | 3-10 years |

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

##### Impairment of fixed assets

The carrying amount of property, plant and equipment and intangible assets is reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by the assets is written down to its lower amortisation down and depreciation. If so, the recoverable amount of the assets is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets should be assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

## Notes to the Annual Report

### 1 Accounting policies (continued)

#### Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value. The net realisable value of inventories is calculated as the total future sales revenues expected, at the balance sheet date, to be generated by inventories in the process of normal operations and determined allowing for marketability, obsolescence and development in expected sales sum less the estimated expenses necessary to make the sale.

The cost of goods for resale equals landed cost. The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

#### Deposits

Deposits relate to the Company's leases and are measured at the lower of cost and recoverable amount.

#### Corporation tax and deferred tax

Current tax liabilities and current tax receivables are recognised in receivables in the balance sheet in the event of overpayment of tax on account, and in debt in the event of underpayment of tax on account.

Interest adjustments to the tax relating to the on account taxation scheme are record items.

Deferred tax liabilities and assets are included in provisions and deferred tax assets in the balance sheet. The deferred tax liability is calculated as the tax on all temporary differences between the accounting and the tax values of the Company's assets and liabilities.

The deferred tax is calculated on the basis of the tax rules and tax rate, which will apply under the legislation of the balance sheet date when the deferred tax is expected to be released as current tax.

Changes in deferred tax due to changes in tax rates are stated in the profit and loss account. Deferred tax assets are measured at the value at which the asset is expected to be realised.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption)

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company

## Notes to the Annual Report

### 1 Accounting policies (continued)

#### Receivables

Receivables are recognised in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience.

#### Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price measured on the basis of the stage of completion at the balance sheet date and the projected income from the individual work. The stage of completion is stated as the share of costs incurred in proportion to estimated total costs relating to the individual work.

When the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual contract work is recognised in the balance sheet as receivables or payables, respectively. Net assets comprise total work in progress where the selling price of the work performed exceeds progress billings. Net liabilities comprise total work in progress where progress billings exceed the selling price.

Costs arising from sales work and contracting are recognised in the income statement as incurred.

#### Prepayments and deferred income

Prepayments include expenses incurred in respect of subsequent financial years. Such expenses are typically prepaid expenses concerning rent, insurance premiums, subscriptions and interests.

Deferred income includes payments received in respect of income in subsequent years.

#### Equity

##### Proposed dividends

Dividend proposed for the year is recognised as 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".

##### Grants without consideration within a group

Grants to subsidiaries without consideration are recognised as a capital injection under "investment in group entities". Grants received from subsidiaries are recognised as dividend received from subsidiary.

## Notes to the Annual Report

### 1 Accounting policies (continued)

#### Cash

Cash comprise of cash in banks

#### Provisions

Provisions comprise anticipated costs of warranties. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at value in use. Warranties comprise obligations to make good any defects within the warranty period of 15 months. Provisions are recognised based on the Company's experience with warranties.

#### Debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

# Notes to the Annual Report

## 1 Accounting policies (continued)

### Financial ratios

The financial ratios have been calculated as follows:

$$\text{Return on net assets} = \frac{\text{Profit before financial items} \times 100}{\text{Total assets}}$$

$$\text{Solvency ratio} = \frac{\text{Equity at year end} \times 100}{\text{Total assets}}$$

$$\text{Return on equity} = \frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$$

## Notes to the Annual Report

| <b>2 Staff expenses</b>                                                                                                                       | <b>2022</b>              | <b>2021</b>              |
|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| Wages and salaries                                                                                                                            | 28.793.630               | 26.559.752               |
| Pensions                                                                                                                                      | 2.026.686                | 2.385.326                |
| Other social security costs                                                                                                                   | 776.245                  | 655.417                  |
|                                                                                                                                               | <u><b>31.596.562</b></u> | <u><b>29.600.495</b></u> |
| <b>Average number of employees</b>                                                                                                            | <b>44</b>                | <b>49</b>                |
| <p>In accordance with section 98b (3) of the Danish Financial Statements Act no disclosure is made of remuneration to Company Management.</p> |                          |                          |
| <b>3 Depreciation, amortization and impairment loss</b>                                                                                       |                          |                          |
| Leasehold improvements                                                                                                                        | 365.595                  | 496.970                  |
| Other fixtures and fittings, tools and equipment                                                                                              | 58.149                   | 161.919                  |
| Fixtures and fittings                                                                                                                         | 974.501                  | 404.777                  |
|                                                                                                                                               | <u><b>1.398.245</b></u>  | <u><b>1.063.666</b></u>  |
| <b>4 Financial income</b>                                                                                                                     |                          |                          |
| Financial income                                                                                                                              | 1.673.380                | 1.815.105                |
|                                                                                                                                               | <u><b>1.673.380</b></u>  | <u><b>1.815.105</b></u>  |
| <b>5 Financial expenses</b>                                                                                                                   |                          |                          |
| Financial expenses                                                                                                                            | 620.799                  | -218.083                 |
|                                                                                                                                               | <u><b>620.799</b></u>    | <u><b>-218.083</b></u>   |
| <b>6 Tax on profit for the year</b>                                                                                                           |                          |                          |
| Current tax                                                                                                                                   | 862.428                  | 76.216                   |
| Change in deferred tax                                                                                                                        | 1.074.830                | -114.595                 |
|                                                                                                                                               | <u><b>1.937.258</b></u>  | <u><b>-38.379</b></u>    |



## Notes to the Annual Report

| 7 Intangible assets                            | Development<br>projects |
|------------------------------------------------|-------------------------|
| Cost at 1 January                              | 5.283.033               |
| Additions during the year                      | 0                       |
| Disposals during the year                      | 0                       |
| Cost at 31 December                            | <u>5.283.033</u>        |
| Accumulated depreciation at 1 January          | 3.190.347               |
| Depreciation for the year                      | 697.562                 |
| <b>Accumulated amortization at 31 December</b> | <u>3.887.909</u>        |
| <b>Net book value at 31 December</b>           | <u>1.395.124</u>        |

Development projects concern the development of new technology and products. The recognition of the development projects has been made on the basis of sales forecast and investment evaluations. Management expects significant growth and sales within few years. The development proceeds as planned using the resources allocated by Management for the development.

### 8 Property, plant & equipment

|                                            | Leasehold<br>improve-<br>ments | Plant and<br>machinery | Fixtures<br>and fittings | Total             |
|--------------------------------------------|--------------------------------|------------------------|--------------------------|-------------------|
| Cost at 1 of January                       | 9.745.390                      | 15.556.392             | 11.736.597               | 37.038.379        |
| Additions during the year                  | 0                              | 0                      | 422.303                  | 422.303           |
| Disposals during the year                  | 0                              | -185.914               | 0                        | -185.914          |
| <b>Cost at 31 of December</b>              | <u>9.745.390</u>               | <u>15.370.478</u>      | <u>12.158.900</u>        | <u>37.274.768</u> |
| Accumulated depreciation at 1 of January   | 8.806.960                      | 15.498.243             | 11.424.676               | 35.729.879        |
| Depreciation and write off for the year    | 365.595                        | 58.149                 | 276.938                  | 700.682           |
| Depreciation regarding disposals           | 0                              | -185.914               | 0                        | -185.914          |
| Accumulated depreciation at 31 of December | <u>9.172.555</u>               | <u>15.370.478</u>      | <u>11.701.614</u>        | <u>36.244.647</u> |
| <b>Net book value at 31 of December</b>    | <u>572.835</u>                 | -                      | <u>457.286</u>           | <u>1.030.121</u>  |

## Notes to the Annual Report

| <b>9 Deferred tax</b>                  | <b>2022</b>    | <b>2021</b>      |
|----------------------------------------|----------------|------------------|
| Deferred tax at 1. of January          | 1.987.921      | 1.873.326        |
| Adjustment for the year                | 1.074.830      | -114.595         |
| <b>Deferred tax at 31. of December</b> | <b>913.090</b> | <b>1.987.921</b> |

### 10 Prepayments

The prepayments includes prepaid rent and insurances.

### 11 Share capital

The share capital consists of 22.719 shares at nominal DKK 50. The shares have not been divided into classes.

### 12 Other provisions

The Company grants a warranty on certain products. Provisions of DKK 589 thousand (DKK 576 thousand) are recognized for expected warranty claims on the basis of previous experience concerning the level of repair and returned goods.

### 13 Non-current liabilities other than provisions Other payables

Provision for other payables is for the transition year of the new Holiday Act

### 14 Other debt

Other debt is provision related to the Holydays Act, owed TAX etc.

### 15 Contractual obligations and contingencies, etc

The Company has entered into rental and lease agreements of kr. 4.417 thousand. (DKK 13.405 thousand).

The Company is jointly taxed with its parent, Cryptera Holding ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes.

### 16 Collateral

The Company has issued mortgage deeds registered to the mortgagor as collateral for bank debt (0 DKK) totalling DKK 500.000 thousand, that provide security in the following assets:

- Inventories
- Development projects
- Property, plant and equipment
- Trade receivables

### 17 Ownership

Cryptera Holding ApS  
Fabriksparken 20  
2600 Glostrup  
CVR nr. 41334541

# PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

## Brian Marcetto Schleisner

### Executive Board

On behalf of: Cryptera A/S

Serial number: fce629de-fa70-4cec-b988-44470943eb0c

IP: 130.228.xxx.xxx

2023-05-25 07:51:27 UTC



## Brian Marcetto Schleisner

### Supervisory Board

On behalf of: Cryptera A/S

Serial number: fce629de-fa70-4cec-b988-44470943eb0c

IP: 130.228.xxx.xxx

2023-05-25 07:51:27 UTC



## Nils Erik Lindskrog Smith

### Chairman

On behalf of: Cryptera A/S

Serial number: c8e17b39-ee1c-441f-83e1-dea1429de175

IP: 185.107.xxx.xxx

2023-05-25 08:29:27 UTC



## Nils Erik Lindskrog Smith

### Chairman

On behalf of: Cryptera A/S

Serial number: c8e17b39-ee1c-441f-83e1-dea1429de175

IP: 185.107.xxx.xxx

2023-05-25 08:29:27 UTC



## Benjamin Bruun

### Supervisory Board

On behalf of: Cryptera A/S

Serial number: f06cfe9b-11c6-4e4b-8472-63ce4483a153

IP: 130.228.xxx.xxx

2023-05-25 09:04:47 UTC



## Bettina Hansen

### Supervisory Board

On behalf of: Cryptera A/S

Serial number: 3bee155a-b4c3-4b13-953d-8eebbbe3e5f9

IP: 130.228.xxx.xxx

2023-05-26 06:10:05 UTC



Penneo document key: HP6G5-4ZTTW-B36XB-75T04-M6E6N-SDBHZ

This document is digitally signed using Penneo.com. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

#### How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service** <penneo@penneo.com>. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at <https://penneo.com/validator>

# PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

## Mads Pauli Ringkjøbing-Christiansen

### Supervisory Board

On behalf of: Cryptera A/S

Serial number: 20dab410-6aea-4c38-9e8a-1b9294a1a298

IP: 128.76.xxx.xxx

2023-05-26 09:30:24 UTC



## Martin Milling

### Supervisory Board

On behalf of: Cryptera A/S

Serial number: 80e3d8bd-8ff0-416a-a926-b06db157240c

IP: 130.228.xxx.xxx

2023-05-26 10:23:06 UTC



## Søren Smedegaard Hvid

### State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:1256831000710

IP: 80.162.xxx.xxx

2023-05-26 10:46:48 UTC



## Emil Overlund

### State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:26895627

IP: 80.162.xxx.xxx

2023-05-26 10:49:43 UTC



Penneo document key: HP6G5-4ZTTW-B36XB-75T04-M6E6N-SDBHZ

This document is digitally signed using Penneo.com. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

#### How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service** <penneo@penneo.com>. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at <https://penneo.com/validator>