Nixu A/S

Hørkær 14, 2730 Herlev

CVR no. 32 56 27 60

Annual report for 2020

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 28.05.21

Petri Kairinen
Dirigent

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Company information etc.

The company

Nixu A/S
Hørkær 14
2730 Herlev
Registered office: Herlev
CVR no.: 32 56 27 60
Financial year: 01.01 - 31.12

Executive Board

Errit Jean Müller

Board of Directors

Petri Kairinen
Osmo Lipponen
Janne Kärkkäinen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Parent company

Nixu Oyj, Espoo/Finland

Statement by the Executive Board and Board of Directors on the annual report

The board of directors and the executive management have today considered and adopted the Annual Report of Ezenta A/S for the financial year 1. January - 31. December 2020.

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

In our opinion, the Financial Statements give a true and fair view of the financial position at 31. December 2020 of the company and the results of the company operations for 2020.

In our opinion, the management review is accurate.

We recommended that the Annual Report be adopted at the Annual General Meeting.

Herlev, May 28, 2021

Executive Board

Errit Jean Müller

Board of Directors

Petri Kairinen Chairman	Osmo Lipponen	Janne Kärkkäinen

Independent auditor's report

To the Shareholder of Nixu A/S

Opinion

In our opinion the financial statements give a true and fair view of the financial position of the company at 31. december 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

We have audited the Financial Statements of Nixu A/S for the financial year 1 january - 31 december 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. ("financial statements").

Basis for conclusion

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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement regarding the management's review

Management is responsible for management's review.

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

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

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

Based on the work we have performed, in our view, management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Acts. We did not identify any material misstatement of management's review.

Management's responsibility for the financial statements

The 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:

- 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.

Hellerup, May 28, 2021

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Flemming Eghoff
State Authorized Public Accountant
MNE-no. mne30221

Primary activities

The company's activities comprise IT consulting services within IT security solutions, including the sale of hardware in connection with this.

Development in activities and financial affairs

The year started with Corona which caused some worry for some time. But fast it became obvious for us, that this would boost the digitations of businesses throughout the entire world, and doing digitations cannot be done without thinking and building IT security into all part of it. We saw an increased market demand for our services, and we are proud for the ways we have helped many customers ensure a safe and boosted start into further digitation of their businesses. We trust many have seen some good opportunities for further digitization and look forward to safeguard our customers digital journey. We expect, that Corona will have no further effect on activities in 2021.

Subsequent events

No material subsequent events have occurrred that could have an effect on the financial position of the company as of 31 December 2020 or going forward.

Treasury shares

Treasury shares consist of:

	Purchase-/salesprice DKK	Quantity	Total nominal value DKK	Percent of capital
Holding of treasury shares as at 01.01.20		60.034	60.034	7%
Disposals for the year	0	-60.034	-60.034	-7%
Holding of treasury shares as at 31.12.20		0	0	0%

Income statement

Note		2020 DKK	2019 DKK
	Gross profit	**19.182.199**	**13.792.281**
1	Staff costs	-21.339.699	-21.503.002
	Loss before depreciation, amortisation, write-downs and impairment losses	**-2.157.500**	**-7.710.721**
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-108.698	-610.873
	Loss before net financials	**-2.266.198**	**-8.321.594**
	Financial income	129.912	27.688
2	Financial expenses	-329.158	-164.139
	Loss before tax	**-2.465.444**	**-8.458.045**
	Tax on loss for the year	75.060	4.606
	Loss for the year	**-2.390.384**	**-8.453.439**

Proposed appropriation account

Other reserves	0	-386.934
Retained earnings	-2.390.384	-8.066.505
Total	**-2.390.384**	**-8.453.439**

Balance sheet

ASSETS

Note		31.12.20 DKK	31.12.19 DKK
	Other fixtures and fittings, tools and equipment	163.877	119.755
	Total property, plant and equipment	**163.877**	**119.755**
	Deposits	150.660	161.367
	Total investments	**150.660**	**161.367**
	Total non-current assets	**314.537**	**281.122**
	Manufactured goods and goods for resale	47.322	28.898
	Total inventories	**47.322**	**28.898**
3	Work in progress for third parties	218.837	40.113
	Trade receivables	8.069.113	11.319.685
	Receivables from group enterprises	2.691.470	0
	Income tax receivable	244.000	239.212
	Other receivables	36.291	63.119
	Prepayments	13.429.179	3.842.612
	Total receivables	**24.688.890**	**15.504.741**
	Cash	**3.641.163**	**1.111.416**
	Total current assets	**28.377.375**	**16.645.055**
	Total assets	**28.691.912**	**16.926.177**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.20 DKK	31.12.19 DKK
	Share capital	782.559	842.593
	Retained earnings	192.980	-3.476.668
	Total equity	**975.539**	**-2.634.075**
	Provisions for deferred tax	0	65.848
	Total provisions	**0**	**65.848**
4	Payables to group enterprises	0	1.500.000
4	Other payables	2.101.165	735.628
	Total long-term payables	**2.101.165**	**2.235.628**
3	Prepayments received from work in progress for third parties	592.417	263.675
	Prepayments received from customers	2.422.206	1.705.661
	Trade payables	3.874.994	6.843.698
	Payables to group enterprises	107.287	185.379
	Other payables	4.091.062	3.379.747
	Deferred income	14.527.242	4.880.616
	Total short-term payables	**25.615.208**	**17.258.776**
	Total payables	**27.716.373**	**19.494.404**
	Total equity and liabilities	**28.691.912**	**16.926.177**

5 Contingent liabilities
6 Charges and security
7 Related parties

Statement of changes in equity

Figures in DKK	Share capital	Reserve for developmen t costs	Retained earnings	Total equity
Statement of changes in equity for 01.01.20 - 31.12.20				
Balance as at 01.01.20	842.593	0	-1.287.250	-444.657
Net effect of correction of material errors	0	0	-2.189.420	-2.189.420
Adjusted balance as at 01.01.20	842.593	0	-3.476.670	-2.634.077
Group contribution	0	0	6.000.000	6.000.000
Capital reduction	-60.034	0	60.034	0
Net profit/loss for the year	0	0	-2.390.384	-2.390.384
Balance as at 31.12.20	782.559	0	192.980	975.539

	2020 DKK	2019 DKK

1. Staff costs

Wages and salaries	19.647.109	20.191.987
Pensions	1.393.829	1.073.266
Other social security costs	298.761	237.749
Total	21.339.699	21.503.002
Average number of employees during the year	26	27

2. Financial expenses

Interest, group enterprises	65.308	5.921
Other interest expenses	54.700	10.169
Foreign exchange losses	209.150	148.049
Total	329.158	164.139

	31.12.20 DKK	31.12.19 DKK

3. Work in progress for third parties

	31.12.20 DKK	31.12.19 DKK
Work in progress for third parties	1.093.160	1.142.928
On-account invoicing	-1.466.740	-1.366.490
Work in progress for third parties	-373.580	-223.562
Work in progress for third parties	218.837	40.113
Prepayments received from work in progress for third parties, short-term payables	-592.417	-263.675
Total	-373.580	-223.562

4. Long-term payables

Figures in DKK	Outstanding debt after 5 years	Total payables at 31.12.20	Total payables at 31.12.19
Payables to group enterprises	0	0	1.500.000
Other payables	1.365.537	2.101.165	735.628
Total	1.365.537	2.101.165	2.235.628

5. Contingent liabilities

	31.12.20 DKK	31.12.19 DKK
Total contingent liabilities	1.251.618	1.444.347

6. Charges and security

In order to guarantee debt to the bank, the company has made a floating charge on nom. tkr. 1.900. The floating charge includes trade receivables with an amount on tkr. 8.069.113.

7. Related parties

Nixu Corporation shares are listed on the Official List of Nasdaq Helsinki stock exchange. The Parent Company domicile is in Espoo, and the registered address is Keilaranta 15, 02150 ESPOO. A copy of the financial statements is available on the Internet at www.nixu.com.

8. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

Accounting policies for recognition of revenue are in 2020 specified for more correct recognition and to be presented in accordance with the group's principles.

Due to error in recognition of income from licenses in 2019 the company’s figures has been restated. Accrual of the revenue in 2019 has an negative impact of DKK 2.189.419 on net profit and loss for 2019 and the equity at 31.12.19.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange

8. Accounting policies - continued -

rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

DERIVATIVE FINANCIAL INSTRUMENTS

On initial recognition, derivative financial instruments are measured at cost. Subsequently, they are measured at fair value and recognised under other receivables and other payables, respectively.

Fair value adjustment of derivative financial instruments classified as and meeting the criteria for hedging the fair value of a recognised asset or liability (fair value hedging) are recognised in the income statement together with any changes in the value of the hedged asset or liability.

Fair value adjustments of derivative financial instruments that do not meet the criteria for hedge accounting treatment are recognised under other net financials in the income statement on an ongoing basis.

INCOME STATEMENT

Gross profit

Gross profit comprises revenue and cost of sales and other external expenses.

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Income from the sale of services is recognised in the income statement as delivery takes place (delivery method). Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Income from the sale of services is recognised in the income statement in line with

8. Accounting policies - continued -

completion of services, which means that revenue corresponds to the selling price of the work performed for the year stated on the basis of the stage of completion at the balance sheet date (percentage of completion method).

Revenue from sales of licenses are recognised according to IFRS 15.

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

8. Accounting policies - continued -

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value, per cent
Completed development projects	3-5	0
Goodwill	10	0
Other plant, fixtures and fittings, tools and equipment	2-3	0

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies as well as gains and losses on payables etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

BALANCE SHEET

Intangible assets

Completed development projects

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used,

8. Accounting policies - continued -

respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

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

Completed development projects are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Goodwill

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of intangible assets

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

Property, plant and equipment

Property, plant and equipment comprise other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and

8. Accounting policies - continued -

impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

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

8. Accounting policies - continued -

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Work in progress for third parties

Work in progress for third parties is measured at the selling price of the work performed less on-account invoicing made for each piece of work in progress.

The selling price is measured according to the stage of completion at the balance sheet date and total expected income from each piece of work in progress. The degree of completion for each piece of work in progress is normally calculated as the ratio between the resources spent and the total budgeted resource consumption. For some work in progress where the resource consumption cannot be used as a basis, the ratio between completed subactivities and the combined subactivities for the individual piece of work in progress is used instead.

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

The individual piece of work in progress is recognised under receivables or payables in the balance sheet depending on whether the net value of the selling price less prepayments received is positive or negative.

When it is likely that the total costs of the individual piece of work in progress will exceed total sales income, the total expected loss is recognised as a provision.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

8. Accounting policies - continued -

Equity

Acquisition costs and consideration for treasury shares as well as dividends therefrom are recognised directly in equity under retained earnings.

Grants received from the parent are recognised directly in equity under retained earnings, as the grants are treated as capital contributions.

Current and deferred tax

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

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

8. Accounting policies - continued -

Payables that are effectively hedged by derivative financial instruments are measured at fair value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to the time and date of delivery of the agreed product or completion of the agreed service.

Deferred income

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.