

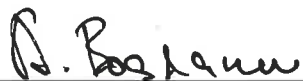
**CyberCrypt ApS**  
Tuborg Boulevard 12, 3., 2900 Hellerup

Company reg. no. 37 66 44 80

**Annual report**

**1 January - 31 December 2017**

The annual report have been submitted and approved by the general meeting on the



Andrey Bogdanov  
Chairman of the meeting

30 May 2018

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

## **Management's report**

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The managing director has today presented the annual report of CyberCrypt ApS for the financial year 1 January to 31 December 2017.

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

I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2017 and of the company's results of its activities in the financial year 1 January to 31 December 2017.

The managing director considers the requirements of omission of audit of the annual accounts for 2017 as met.

I am of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Hellerup, 25 May 2018

**Managing Director**



Andrey Bogdanov

## **Auditor's report on compilation of the annual accounts**

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### **To the shareholder of CyberCrypt ApS**

We have compiled the annual accounts of CyberCrypt ApS for the period 1 January to 31 December 2017 based on the bookkeeping of the company and on further information you have provided.

The annual accounts comprise the accounting policies used, profit and loss account, balance sheet and notes.

We performed this engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist you in the preparation and presentation of the annual accounts in accordance with the Danish Financial Statements Act. We have complied with relevant requirements of the Danish Act on Approved Auditors and Audit Firms and with ethical requirements of the Danish Institute of State Authorised Public Accountants, including principles of integrity, objectivity, professional competence and due care.

The annual accounts and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the annual accounts. Accordingly, we do not express an audit opinion or a review conclusion on whether the annual accounts are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 25 May 2018

### **Grant Thornton**

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



**Kim Kjellberg**

State Authorised Public Accountant  
MNE-nr. 29452

## Company data

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**The company**

CyberCrypt ApS  
Tuborg Boulevard 12, 3.  
2900 Hellerup

Company reg. no. 37 66 44 80  
Established: 4 May 2016  
Financial year: 1 January - 31 December

**Managing Director**

Andrey Bogdanov

**Auditors**

Grant Thornton, Statsautoriseret Revisionspartnerselskab  
Stockholmsgade 45  
2100 København Ø

**Parent company**

Cybersecurity Holding ApS

## **Management's review**

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### **The principal activities of the company**

The purpose of the company is to make the world immune to cyber-attacks i.e. develop cyber security software and provide consulting services in connection to cyber security as well as related activities.

CyberCrypt is the world's leading system provider in robust cryptography. The company establish and innovate the foundations of cybersecurity with a unique patent-pending technology to safely protect secret keys in software - making it cyber immune.

### **Unusual matters**

There have not been unusual matters in the financial year.

### **Uncertainties as to recognition or measurement**

There have not been uncertainties as to recognition or measurement in the financial year

### **Development in activities and financial matters**

The results from ordinary activities after tax are DKK 1.020.657 against DKK - 23.342 last year. The management consider the results satisfactory as it was primarily generated in the 4th quarter 2017.

### **Events subsequent to the financial year**

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company. The results in the first quarter of 2018 are showing a positive outlook for the full year.

## **Accounting policies used**

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The annual report for CyberCrypt ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

### **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.

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.

## **The profit and loss account**

### **Gross profit**

The gross profit comprises the net turnover, direct costs and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Direct costs comprises consultancy fees and contract work.

Other external costs comprises costs for sales, travelling, premises and administration.

## **Accounting policies used**

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### **Net financials**

Net financials comprise interest, realised and unrealised capital gains and losses concerning 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.

### **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 company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

## **The balance sheet**

### **Debtors**

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at 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.

According to the rules of joint taxation, CyberCrypt ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

### **Liabilities**

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



**Profit and loss account**

All amounts in DKK.

<u>Note</u>	<u>1/1 - 31/12 2017</u>	<u>4/5 - 31/12 2016</u>
<b>Gross profit</b>	<b>1.304.946</b>	<b>-23.342</b>
Other financial costs	<u>-3.019</u>	<u>0</u>
<b>Results before tax</b>	<b>1.301.927</b>	<b>-23.342</b>
1 Tax on ordinary results	<u>-281.270</u>	<u>0</u>
<b>Results for the year</b>	<b><u>1.020.657</u></b>	<b><u>-23.342</u></b>
<b>Proposed distribution of the results:</b>		
Allocated to results brought forward	1.020.657	0
Allocated from results brought forward	<u>0</u>	<u>-23.342</u>
<b>Distribution in total</b>	<b><u>1.020.657</u></b>	<b><u>-23.342</u></b>

**Balance sheet 31 December**

All amounts in DKK.

<b>Assets</b>		
<u>Note</u>	<u>2017</u>	<u>2016</u>
<b>Fixed assets</b>		
Deposits	21.000	0
Financial fixed assets in total	<u>21.000</u>	<u>0</u>
<b>Fixed assets in total</b>	<b><u>21.000</u></b>	<b><u>0</u></b>
<b>Current assets</b>		
Trade debtors	530.226	0
Amounts owed by group enterprises	47.850	0
Other receivables	24.370	5.640
Debtors in total	<u>602.446</u>	<u>5.640</u>
Available funds	<u>1.281.208</u>	<u>21.018</u>
<b>Current assets in total</b>	<b><u>1.883.654</u></b>	<b><u>26.658</u></b>
<b>Assets in total</b>	<b><u>1.904.654</u></b>	<b><u>26.658</u></b>

**Balance sheet 31 December**

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All amounts in DKK.

<b>Equity and liabilities</b>		<u>2017</u>	<u>2016</u>
Note			
<b>Equity</b>			
2	Contributed capital	50.000	50.000
3	Results brought forward	997.315	-23.342
	<b>Equity in total</b>	<u><b>1.047.315</b></u>	<u><b>26.658</b></u>
<b>Liabilities</b>			
	Trade creditors	43.833	0
	Corporate tax	281.270	0
	Other debts	532.236	0
	Short-term liabilities in total	<u>857.339</u>	<u>0</u>
	<b>Liabilities in total</b>	<u><b>857.339</b></u>	<u><b>0</b></u>
	<b>Equity and liabilities in total</b>	<u><b>1.904.654</b></u>	<u><b>26.658</b></u>

**4 Contingencies**

**Notes**

All amounts in DKK.

	1/1 - 31/12 2017	4/5 - 31/12 2016
<b>1. Tax on ordinary results</b>		
Tax of the results of the year	281.270	0
	<b>281.270</b>	<b>0</b>
<b>2. Contributed capital</b>		
Contributed capital 1 January 2017	50.000	50.000
	<b>50.000</b>	<b>50.000</b>
<b>3. Results brought forward</b>		
Results brought forward 1 January 2017	-23.342	0
Profit or loss for the year brought forward	1.020.657	-23.342
	<b>997.315</b>	<b>-23.342</b>

**4. Contingencies****Contingent liabilities**

The company has entered into operational leasing contracts. The notice period is 3 months, and the total outstanding leasing payment would be DKK 31.500.

**Joint taxation**

Cybersecurity Holding ApS, company reg. no 37663492 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The total tax payable under the joint taxation amounts to DKK 274 thousand.

The liability relating to obligations in connection with withholding tax on dividends, interest and royalties represents an estimated maximum of DKK 0 thousand.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.