

Annual Report 2023 —

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 28 June, 2024.

Lars Ankjær Jensen

Dirigent

Chairman of the General Meeting

Uniqkey A/S

Lyskær 8b st, 2730 Herlev

CVR nr. 39 00 41 27

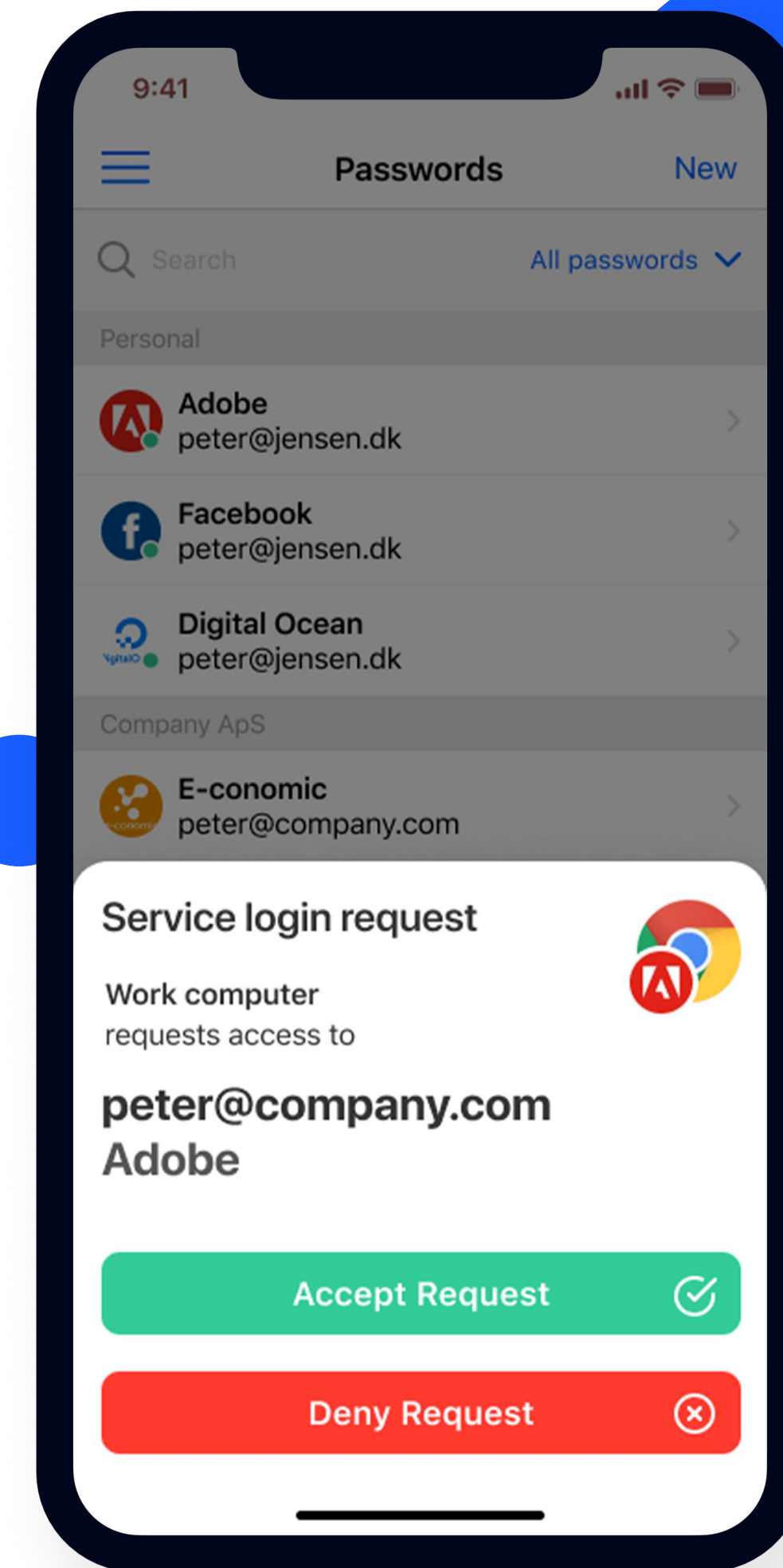


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Uniqkey provides passwordless authentication for cloud-services, desktop applications and mobile apps.

By removing the daily use of credentials, Uniqkey empowers employees to strengthen their overall security without extra hassle, while making their workflow easier and more convenient.



Letter from the Chairman

I believe UniqKey has been on a fantastic journey to date, and I am looking forward to the journey in the years to come. We have again witnessed a remarkable year of growth, besides a huge upgrade of our software solution, according to our mission “to make the digital world a safer place”.

During 2023, we have focused on developing the Uniqkey software, with a new release in Q4 of our platform named “Next Generation”. With a capital increase of DKK 7,5m by the end of 2023, and again a capital increase of DKK 22m in June 2024, Uniqkey is now prepared to scale up the business. This will not only fund the growth journey ahead but also create awareness of and focus on Uniqkey as a Danish company with international ambitions.

Uniqkey already has more than 400 Customers, from mid-sized to larger entities. With the adoption of EU NIS2 regulations and increasing focus on digitization, Cyber security is no longer an additional cost; it is a mandatory investment for companies.

When looking at some global trends, we see further digitization, increasing needs for protecting data and company infrastructure, a lack of resources with high cyber skills, and speed in implementing software and rules and regulations (e.g., NIS2).

Uniqkey demonstrated its commitment to providing innovative solutions and unparalleled service to our valued clients. We achieved notable milestones, expanded our product offerings, and strengthened our market position.

As we enter 2024, we remain steadfast in our mission to provide best-in-class cybersecurity solutions to our clients.

Looking ahead, we remain optimistic about the cybersecurity industry's growth potential. We will continue to invest in research and development to stay ahead of emerging threats, expand our European footprint, and build long-lasting relationships with our partners and clients.



Sincerely,
Lars Ankjer Jensen
Chairman of the Board —

Notes from the CEO

Continue our expansion of European growth.

Continuous Improvement:

Just like a football team, we understand the importance of continuous improvement. In 2023, we took a significant step forward by strategically adding experienced individuals from the cybersecurity sector to our team, enhancing our capabilities and ensuring our business stays ahead of the game.

Stability and Commitment:

Our board members, who remain financially strong and deeply rooted in the European market, are steadfast in their commitment to support our mission of prioritizing the European market. This unwavering dedication is a testament to our stability and strategic direction.

New platform:

Now that the major investments and risks in Uniqkey are behind us, our focus is on ensuring that our upcoming commercial strategy and our new platform can meet our desires and our customers' needs. Our new platform has been in operation for the last four months in 2023, and it is evident that our strategy is paying dividends. Companies that previously declined on the old platform have now accepted on the new platform. This is clear evidence that our hard work is starting to pay off, improving results, and this is very encouraging for everyone.

My advice to all readers this year:

As we move forward, I'd like to emphasize the importance of strong password practices. There's no better way to protect company and personal data than by using robust, unique passwords. It's utilizing a password manager is imperative to maintain compliance with the NIS2 Directive and fulfil the requirements for the payout of cyber policies.



Hakan Yagci

Founder & CEO —

Company information

The company

UniqKey A/S

Lyskær 8 B st
2730 Herlev

Tel.: 71 96 99 67

Registered office: Herlev

CVR no.: 39 00 41 27

Financial year: 01.01 - 31.12

Auditors

Beierholm

Statsautoriseret Revisionspartnerselskab

Executive board

adm. direktør Hakan Yagci

Board of directors

Lars Ankjer Jensen, Chairman

Otto Tyge Krabbe

adm. direktør Hakan Yagci

Rolf Henrik Bladt

Jesper Zerlang, Member

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

We have on this day presented the annual report for the financial year 01.01.23 - 31.12.23 for uniqKey A/S.

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 company's assets, liabilities and financial position as at 31.12.23 and of the results of the company's activities for the financial year 01.01.23 - 31.12.23.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Herlev, 28 June, 2024

Executive Board

Hakan Yagci, Chief Executive Officer

Board of Directors

Lars Ankjer Jensen, Chairman

Otto Tyge Krabbe

Hakan Yagci, Chief Executive Officer

Rolf Henrik Bladt

Jesper Zerlang, Member

Independent auditor's report

To the capital owners of UniqKey A/S

Opinion

We have audited the financial statements of uniqKey A/S for the financial year 01.01.23 - 31.12.23, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies. 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 financial position at 31.12.23 and of the results of the company's operations for the financial year 01.01.23 - 31.12.23 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Statement regarding 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, it is our responsibility 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, 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 Statements Act. We did not identify any material misstatement of the management's review.

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 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 scepticism 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.

Soeborg, Copenhagen

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Ole Skou

State Authorized Public Accountant
MNE-no. mne15007

Management's review

Primary activities

The company's activities consist of running a business with sales and development of software for the prevention of cyber hacking and related business.

Development in activities and financial affairs

The income statement for the period 01.01.23 - 31.12.23 shows a profit/loss of DKK -18,089,221 against DKK -18,162,587 for the period 01.01.22 - 31.12.22. The balance sheet shows equity of DKK 3,252,110.

Information on going concern

The company incurred a loss of t.DKK -18,089 in 2023 and had an equity as of December 31st, 2023, of t.DKK 3.252. The company's financial situation indicates uncertainty about its ongoing operations.

The company has decided, at the ordinary general meeting prior to approval of the annual report, to inject DKK 22 million through a cash capital increase and to convert DKK 10 million of convertible debt. Therefore, the company has sufficient liquidity to carry out the planned activities in the coming years. Based on this the financial statements have been prepared on the assumption of a going concern.

Subsequent events

The company's share capital has been restored through a capital increase in June, with a capital injection of DKK 22 million and a conversion of DKK 10 million in convertible debt. Besides capital increase no important events have occurred after the end of the financial year.

Income statement

Figures in DKK	2023	2022
Gross result	687.117	-1.728.795
² Staff costs	-16.974.798	-15.967.576
Loss before depreciation, amortisation, write-downs and impairment losses	-16.287.681	-17.696.371
Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-2.465.264	-1.304.124
Operating loss	-18.752.945	-19.000.495
Financial income	46.501	45.313
Financial expenses	-1.003.397	-646.832
Loss before tax	-19.709.841	-19.602.014
Tax on loss for the year	1.620.620	1.439.427
Loss for the year	-18.089.221	-18.162.587
Proposed appropriation account		
Retained earnings	-18.089.221	-18.162.587
Total	-18.089.221	-18.162.587

Balance sheet

Assets

Figures in DKK	31.12.23	31.12.22
Completed development projects	15.854.263	10.819.837
3 Total intangible assets	15.854.263	10.819.837
Other fixtures and fittings, tools and equipment	155.120	260.833
4 Total property, plant and equipment	155.120	260.833
5 Deposits	78.482	64.837
Total investments	78.482	64.837
Total non-current assets	16.087.865	11.145.507
Trade receivables	485.601	454.644
Deferred tax asset	377.033	377.033
Income tax receivable	1.621.063	1.439.871
Other receivables	28.000	0
Prepayments	464.730	60.799
Total receivables	2.976.427	2.332.347
Cash	5.666.182	6.336.505
Total current assets	8.642.609	8.668.852
Total assets	24.730.474	19.814.359

Balance sheet

Equity & Liabilities

Figures in DKK	31.12.23	31.12.22
Share capital	5.126.157	4.216.090
Share premium	45.881.717	26.956.771
Reserve for development costs	12.366.325	8.440.019
Retained earnings	-60.122.089	-38.106.562
Total equity	3.252.110	1.506.318
⁶ Payables to other credit institutions	3.524.357	5.023.902
⁶ Other payables	33.611	33.611
Total long-term payables	3.557.968	5.057.513
⁶ Short term part of long term payables	1.929.955	0
Convertible and profit sharing debt instruments	10.000.000	10.251.709
Trade payables	804.493	684.333
Other payables	1.561.454	788.361
Deferred income	3.624.494	1.526.125
Total short-term payables	17.920.396	13.250.528
Total payables	21.478.364	18.308.041
Total equity and liabilities	24.730.474	19.814.359

⁷ Contingent liabilities

⁸ Charges and security

Statement of changes in equity

Figures in DKK	Share capital	Share premium	Reserve for development costs	Retained earnings	Total equity
Statement of changes in equity for 01.01.23 - 31.12.23					
Balance as at 01.01.23	4.216.090	26.956.771	8.440.019	-38.106.562	1.506.318
Capital increase	910.067	18.924.946	0	0	19.835.013
Transfers to/from other reserves	0	0	3.926.306	-3.926.306	0
Net profit/loss for the year	0	0	0	-18.089.221	-18.089.221
Balance as at 31.12.23	5.126.157	45.881.717	12.366.325	-60.122.089	3.252.110

Notes

1. Information as regards going concern

The company incurred a loss of t.DKK -18,089 in 2023 and had an equity as of December 31st, 2023, of t.DKK 3.252. The company's financial situation indicates uncertainty about its ongoing operations.

The company has decided, at the ordinary general meeting prior to approval of the annual report, to inject DKK 22 million through a cash capital increase and to convert DKK 10 million of convertible debt. Therefore, the company has sufficient liquidity to carry out the planned activities in the coming years. Based on this the financial statements have been prepared on the assumption of a going concern.

2. Staff costs

Figures in DKK

	2023	2022
Wages and salaries	15.990.259	15.106.997
Pensions	53.143	0
Other social security costs	100.100	99.291
Other staff costs	831.296	761.288
Total	16.974.798	15.967.576
Average number of employees during the year	29	29

3. Intangible assets

Figures in DKK	Completed development projects
Cost as at 01.01.23	13.345.530
Additions during the year	7.366.458
Cost as at 31.12.23	20.711.988
Amortisation and impairment losses as at 01.01.23	-2.525.695
Amortisation during the year	-2.332.030
Amortisation and impairment losses as at 31.12.23	-4.857.725
Carrying amount as at 31.12.23	15.854.263

4. Property, plant and equipment

Figures in DKK	Other fixtures and fittings, tools and equipment
Cost as at 01.01.23	410.756
Additions during the year	27.520
Cost as at 31.12.23	438.276
Depreciation and impairment losses as at 01.01.23	-149.922
Depreciation during the year	-133.234
Depreciation and impairment losses as at 31.12.23	-283.156
Carrying amount as at 31.12.23	155.120

5. Non-current financial assets

Figures in DKK	Deposits
Cost as at 01.01.23	20.856
Additions during the year	57.626
Cost as at 31.12.23	78.482
Carrying amount as at 31.12.23	78.482

6. Long-term payables

Figures in DKK	Repayment first year	Total payables at 31.12.23	Total payables at 31.12.22
Payables to credit institutions	1.929.955	5.454.312	5.023.902
Other payables	0	33.611	33.611
Total	1.929.955	5.487.923	5.057.513

7. Contingent liabilities

Lease commitments

The company has concluded lease agreements with a remaining lease obligation of DKK 138k.

8. Charges and security

The company has not provided any security over assets.

9. 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.

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 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 and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

Leases

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

Income statement

Gross result

Gross result comprises revenue, work performed for own account and capitalised, other operating income and cost of sales and other external expenses.

Revenue

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.

Work performed for own account and capitalised

Work performed for own account and capitalised comprises cost of sales, wages and salaries and other internal expenses incurred during the year and included in the cost of selfconstructed or self-produced intangible assets and property, plant and equipment.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

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 writedowns.

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 writedowns.

Staff costs

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

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 (DKK)
Completed development projects	7	0
Other plant, fixtures and fittings, tools and equipment	3-5	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 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, 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.

Gains or 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.

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 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.

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.

Prepayments

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

Cash

Cash includes deposits in bank account.

Equity

An amount equivalent to internally generated development costs in the balance sheet is recognised in equity under reserve for development costs. The reserve is measured less deferred tax and reduced by amortisation and impairment losses on the asset. If impairment losses on development costs are subsequently reversed, the reserve will be restored with a corresponding amount. The reserve is dissolved when the development costs are no longer recognised in the balance sheet, and the remaining amount will be transferred to retained earnings.

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

Convertible debt instruments are issued on terms that entitle the lender to convert the loan into equity interests in the company.

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 financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

Deferred income

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

Thank you —

