

# Annual Report 2021 —

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 2 March, 2022.

**Lars Ankjer Jensen**

Dirigent

Chairman of the General Meeting

**Uniqkey A/S**

Lyskær 8a, 2730 Herlev

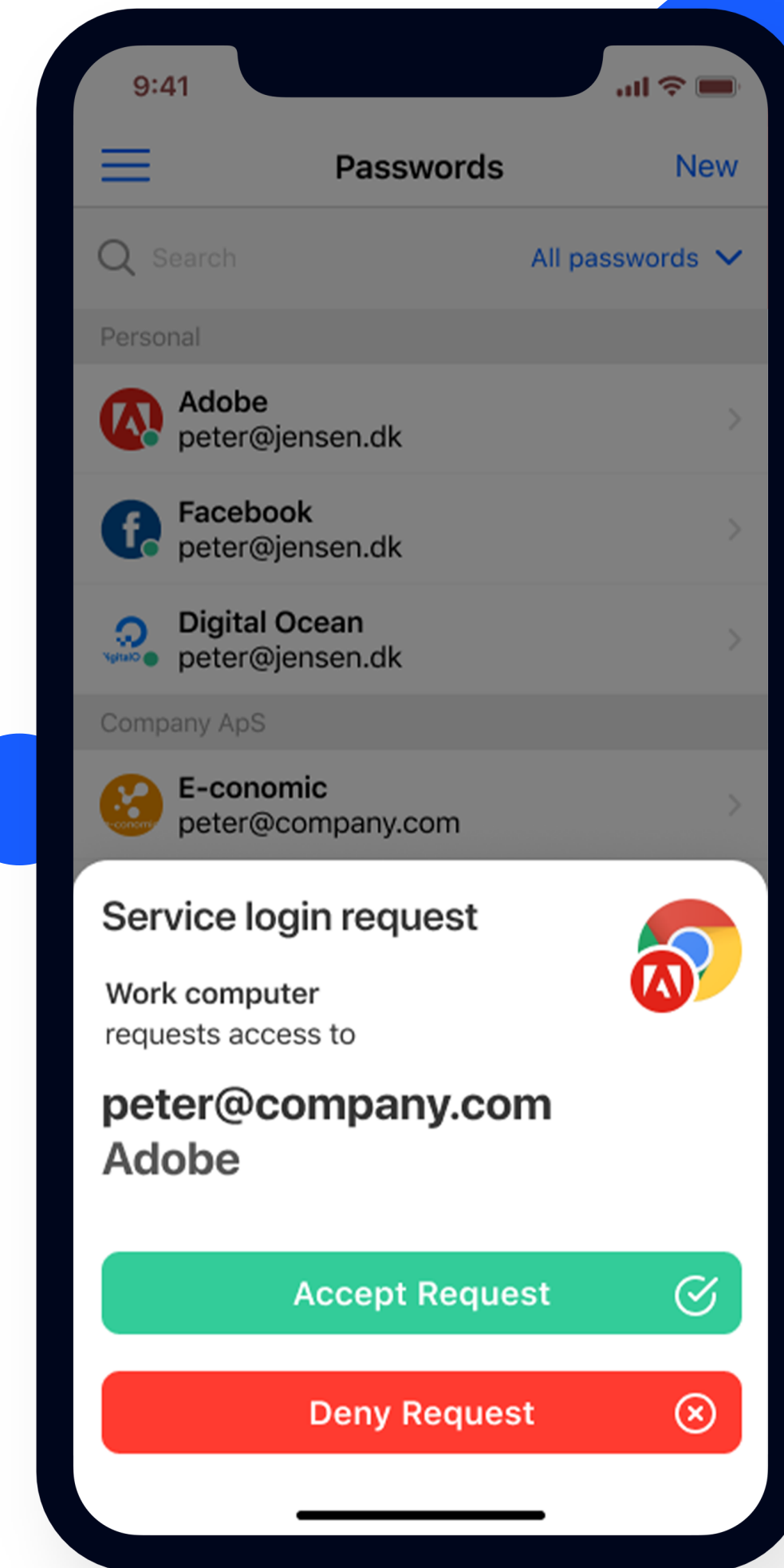
CVR nr. 39 00 41 27

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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

From focus on development of the Uniqkey software from the start in 2017, to focus on sale since the beginning of 2021, to scale up in 2022.

I believe Uniqkey has been on a fantastic journey to date, and I am looking forward to the journey in the years to come.

It has been ideal to use the Danish market for Uniqkey's initial development and proof of concept, as it is among the most digitally developed. This market has given Uniqkey the much needed experience which will be pivotal to succeed with the international growth journey that lies ahead in 2022 and the years to come.

Over the past years, it has been interesting to follow the global market for Cyber software which is developing at exponential speed. According to Business Wire, the expected CARG is ~14,5% which will lead to a global market potential in 2025 of a staggering 24,1 billion USD for Cyber software, hence the market in which Uniqkey does business is highly attractive. This exponential growth in the Cyber software market is fueled by a global increase in cyber-attack, driven by more and more business are depending on the internet and digitization.

Uniqkey software includes a unique all-in-one solution that unifies cyber security, with excellent end-user experience, easy implementation, and military grade security. I think that the Cyber-Security market is perhaps one of the most interesting markets. Uniqkey solves a huge pain for our customers.

During 2021 we have prepared Uniqkey for the growth in the years to come. A strong product, a strong senior team, and a capital increase and subordinated loans of more than DKK 10m by the end of 2021. This will not only fund the growth journey ahead, and subsequent increase in Uniqkey's value, but also create awareness of, and focus on Uniqkey as a Danish company with international ambitions.



**Lars Ankjer Jensen**

Chairman of the Board –

# Letter from the CEO

What a year it has been for Uniqkey, both as a company but also as a team and community of employees.

What a year it has been for Uniqkey, both as a company but also as a team and community of employees. I feel proud, and at the same time humble when I look back at what we have achieved together and for the future that lies ahead. Even though many companies have struggled during Covid-19, we have managed to strengthen our position as a provider in the cyber security market. We have come out of 21' stronger than ever and have seen exceptional growth within all our important business areas.

As part of our company strategy, our focus has been on strengthening our infrastructure and hiring key employees to prepare our organization for our expansion across Europe during 2022. We have hired senior profiles and talents from top tier companies for key positions across our teams to bring in knowledge and experience, preparing us for our future growth journey.

My dream and vision for Uniqkey has always been to change the traditional approach to security products, by combining important aspects from the consumer industry such as accessibility, user experience and ease of use. Today cybersecurity is a vital aspect for every company and the demands for security products are increasing every day. Therefore, I believe we have a strong business case with Uniqkey, thanks to our highly scalable platform and our user-friendly interface which appeals to all sorts of users.

During the past year, we've managed to disrupt the conservative cybermarket with our innovative solution, market-leading features, and proved that our sales strategy works and is scalable. As an organization we are now ready for our next big move, scaling to the European market beginning with the Scandinavian markets and Benelux in Q1.

I feel assured that our organization is ready for the challenges that lie ahead, thanks to the great community of bright minds we have gathered amongst our employees and on our board of directors. Furthermore, we have welcomed new investors which have reinforced our company with new capital for our future growth journey and to keep developing market leading features.

As founder and CEO, I am proud of where we are today and of the product we have built. Our product is protecting companies and their infrastructure against one of the biggest threats companies face today. We have the future in our hands and taking the results from this year into consideration I believe that 2022 has an enormous potential for us and that our future looks very bright.

We have the right product. We have the right team. We found our sweet spot. We are ready to scale.



**Hakan Yagci**

Founder & CEO –

# A glimpse into the cyber security of tomorrow

<p><b>1</b> Strong growth company</p>	<ul style="list-style-type: none"> <li>Uniqkey is a SaaS platform providing a market leading unified cyber security solution, with proven product market fit and backed by a strong investor group.</li> <li>Uniqkey has within the first year of sales established a proven sales strategy and outstanding growth rate with a streamlined sales cycle and more than 120k DKK in ARR per sales rep per month.</li> </ul>	<p><b>1.95M DKK</b> In ARR (1st year)</p>	<p><b>47.5%</b> Continued estimated growth per quarter</p>
<p><b>2</b> Ever-growing market</p>	<ul style="list-style-type: none"> <li>The global cybersecurity market is expected to grow with a CAGR of 10.9%, while serviceable markets is growing on an average CAGR of 17.4% towards 2026.</li> <li>The most critical and growing cyber threats involves weak or stolen credentials and lost overview and control. The cyber market today is fragmented and hard to scale, which weaken company infrastructure.</li> </ul>	<p><b>17.4%</b> CAGR (serviceable markets)</p>	<p><b>80%</b> Of all data breaches are due to weak or reused credentials</p>
<p><b>3</b> Proven business model</p>	<ul style="list-style-type: none"> <li>Uniqkey has within the first year of sales generated more than 125 customers with a with a churn less than &gt; 2% and a CAC payback in just 11 months.</li> <li>Our solution has received exceptional feedback and has proven itself against established top tier standalone solutions being the preferred and go-to cyber solution.</li> </ul>	<p><b>8.2 mo.</b> CAC payback</p>	<p><b>151</b> Customers (1st year)</p>
<p><b>4</b> State-of-the-art technology</p>	<ul style="list-style-type: none"> <li>Uniqkey's platform is built on state-of-the-art technology which can be implemented into any infrastructure without technical integrations while being 100% scalable.</li> <li>Based on military-grade security and encryption, Uniqkey provides maximum security uniquely for all platforms, while unifying the most powerful security tools within the cyber space.</li> </ul>	<p><b>100%</b> Scalable</p>	<p> Covers all platforms</p>
<p><b>5</b> Ready for hyper growth</p>	<ul style="list-style-type: none"> <li>Uniqkey is built, managed, and advised by well-known and experienced entrepreneurs, architects, and investors with years of industry experience from relevant business areas.</li> <li>Uniqkey's management and senior profiles have all been handpicked and headhunted from top tier companies across DK, Europe, and Asia to provide the perfect baseline for our coming growth journey.</li> </ul>	<p> Experienced senior team</p>	<p> Vast industry experience</p>

# Key Performance Indicators

151

Total Customers

▲ 539%

< 2%

Customer Churn Rate

▼ 75%

8.2 months

CAC Payback

▼ 59%

1.9M

ARR the last 12 months

▲ 3.333%

OMG Omnicom MediaGroup

SPEJDER SPORT

Thise  
MEJERI MED PASSION

progressive

SOL OG STRAND  
- ferie med det gode hjerte

DANSK SEJLUNION

MAJ BANK

nature energy

EUC-SYD

CALJAN  
Logistics Automation Technology

inforevision

carl ras

HOUSEofCODE

BORNHOLMS ENERGI & FORSYNING

TCM Group

# Uniqkey's **growth** journey

## Until now

– Verified

- Built product aligned with our customers
- Gathered an amazing senior team
- Establish sales team and culture
- Product Market Fit
- Organic Growth



## 2022

– Scale

- Reach 1 mio. in MRR
- Uniqkeys valuation increased to 240 mio.
- Expand into the rest of Scandinavia
- Expand Sales & Partner
- Expand Marketing/Branding
- Scale Strategic Partnerships



## 2023

– Expansion

- Reach 3.2 mio. in MRR
- Expand into the rest of EU
- Uniqkeys valuation increased to 768 mio.
- First decentral sales office





# A strong **senior team** with passion and industry experience

## Operations



### Hakan Yagci

Founder & CEO —

Former founder of OrderYoYo Aps - 2015 - Fastfood-competitor to JustEat. Grew the business from 0 to 12 million DKK per month within 3 years. Responsible for entering international markets such as the UK and Ireland.

- Ensuring the founding by more than 40 dkk million
- Built a strong team
- 2021 Orderyoyo raised – DKK 79.4M - from IPO → Orderyoyo 2021 ~ DKK 700M.



### Simon Melander

CMO —

Co-founder & CEO, L.O.W Academy – Largest professional skate academy in Europe

Country Manager, Cloud Employee ltd – Establishing and developing the Nordic markets and client relations scaling their operations to 4 new countries.

Management Consultant, BGC Anderson Group Inc.



### Magnus Cohn

CCO —

Founder & CEO - LiquidMind – External Sales Academy for large enterprises.

Sales & Partner Manager - Secunia – Responsible for professionalizing and growing Secunias Global Partner channel.

Head of Sales – Keepit - Built the sales department from scratch to 5 managers and 20+ sales professionals.

- Expanded to 4 region with customers in over 24 countries
- Increased ARR from 0 DKK -> 7 digits
- Build strong partnerships with global & local partners; Veritas, Continium, CGI, EG, Crayon, It-relation



### Christian Tusborg

CTO —

Chief Technology Officer, eVisions Group A/S - Created a new international department in Asia from scratch, with 60 developers' employees.

Teacher, Hanoi University Faculty of Information Technology - Teaching in advanced software design, IT architecture.

Vice Chairman, The Danish UNIX systems User Group - The first Internet provider in Denmark and which created and maintained the .dk internet domain for Denmark.

## Key employees



### Sanne Øst

Head of Product –

#### e-Boks Product Manager

- Driving security projects of classic e-Boks, managing their Core team, ensuring higher security .

Genesis - Scoping the new secure version e-Boks for the international market.

#### Technical Product Manager

- Scoping and driving EG's platform to allows the Danish municipalities to comply to GDPR when gathering personal data from their citizens.

Diving into data and code to support investigation of security flaws that support couldn't find.



### Roman Parashchak

Head of Engineering –

#### Keepit – Cyber security

- Leading frontend and mobile team for 6 years. We were building a Next Generation user UI for Keepit solution. Also, responsible for establishing the office in Lviv and operations.

#### Senior Consultant

- Consulting and interim management at companies that struggled with software development. I was helping with architecture, tech stack, hiring and team building, while advising senior management on DevOps, roadmap and development.



### Christian Fahrner

Head of Integrations –

#### Visma

- Member of the architecture board to ensure the technical architecture and security for Visma Enterprise.

Taking a lead on future products and innovation.

Making sure stuck projects are finished.

#### EG Team Leader

- Team lead for a developing team in EG.

Being the communication to business.



### Victor Thaulow Pedersen

Head of Operations –

#### Vækstfonden

- Long track record with handling the operation and development of IT infrastructure in The Danish Growth Fund. Including virtualization, datacenter hosting and VDI.

Build up internal and external help desks to ensure smooth customer service according to ITIL standards.

Established extensive monitoring of internal infrastructure, systems and operations.

## Key employees



### Philip C.W Obel

Head of Customer Success –

Det Obelske Familiefond - Boardmember – Safeguard the interests of the family.

Member of Mensa Denmark.

#### Ordrestyring.dk – Senior Customer Success

- Responsible for implementation of sales tech stack and following automation of internal processes that resulted in greatly minimized admin tasks for the average salesperson.

#### Jublo.dk – Head of Sales/Product Manager

- Built Customer base from scratch (100+ in year one).

Designed and implemented Onboarding flow that saw product adoption rise by 57%.

Defined and validated specifications for second iteration of Jublo.



### Nicolai Eller

Head of SDR team –

Cyber security professional with more than 6-year years pedigree from various operators and well-known companies. Proven track record with strong results and understanding of the cyber market and a specialist in mapping out companies needs.

#### High performing Hunter-KAM in 4 other scale up companies with 16+ years' experience.

- Motus A/S
- Keepit A/S
- Time2Media
- Ventus Publishing



### Martin Larsen

Head of Support –

#### AnyCloud A/S

- Responsible for technical advisory and consultancy for international key accounts with a vast portfolio of well-established companies. Strong technical background with years of experience in infrastructure, cloud services and Microsoft environment.

## Board & Advisory



### Simon Massey

Architect —

The first advisory and employee at Uniqkey.

- Responsible for building large digital services in the field of banking and security, as well as the former security officer for the British Government.
- Top 10 Security advisory in UK



### Lars Ankjer

Chairman —

Well known entrepreneur and serial investor

- Joined Uniqkey in 2021
- Chairman at Uniqkey
- 10 years of tech start-up experience
- Chairman at Risma System



### Otto Krabbe

Investor —

Well known entrepreneur and serial investor.

- Joined Uniqkey in 2018
- Chairman at instrumeter A/S
- 20 years of tech start-up experience



### Dr. Rolf Bladt

Investor —

- Joined Uniqkey in 2021
- Chairman at Molytex A/S

# New chairman & Investor

Back in June, we welcomed Lars Ankjer as our new chairman of the board, who is replacing our former chairman Otto Krabbe.

Otto has been a great asset to our board since he became an investor back in 2018 and will still be an active part of our board.

Lars Ankjer has a financial background and has worked as CFO for many years in different private equity funds and lately as chairman in the public traded company RISMA Systems, where he was responsible for their recent IPO.

As our chairman, he will assist us in our future investment rounds together with the rest of our board and help us continue our growth journey.

In our latest investment round, we also welcomed Rolf Blandt as a new investor in Uniqkey. Rolf has a background as an entrepreneur and has recently sold his company and is now focusing on new investments.

We are very pleased to welcome both Lars and Rolf to Uniqkey and happy that they share our vision for a passwordless tomorrow.

## Backed by our employees

Another exciting news is that during our latest financing round a group of employees choose to invest in Uniqkey together with the new investors.

We believe that this is one of the most healthy signs which a company can receive, as it shows how much our employees are believing in our product and potential.

We appreciate the trust and we look forward to share the journey with you as both colleagues and as shareholders.

## A special thanks

Since 2018 our lead investor Otto Krabbe has been sharing our vision for Uniqkey and kept investing. He has been a part of our journey through both good and bad times and is one of the main reasons why we are still here today.

We are grateful for all of his support and trust, and wish to thank him for the journey so far and look forward to the future.

# Company information

## The company

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### **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

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### **Beierholm**

Statsautoriseret Revisionspartnerselskab

## Executive board

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Hakan Yagci, Chief Executive Officer

## Board of directors

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Lars Ankjer Jensen, Chairman

Otto Tyge Krabbe

Hakan Yagci

# 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 01.01.21 - 31.12.21 for UniqKey A/S.

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

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.21 and of the results of the company's activities for the financial year 01.01.21 - 31.12.21.

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, 2 March, 2022

## **Executive Board**

Hakan Yagci, Chief Executive Officer

## **Board of Directors**

Lars Ankjer Jensen, Chairman

Otto Tyge Krabbe

Hakan Yagci, Chief Executive Officer

# 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 01.01.21 - 31.12.21, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.21 and of the results of the company's operations for the financial year 01.01.21 - 31.12.21 in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "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.

## 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. Further more the Management is responsible for the internal control as the 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 International Standards on Auditing 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 International Standards on Auditing 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.

## 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, we conclude that 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.

Soeborg, Copenhagen, 2 March, 2022

### **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 01.01.21 - 31.12.21 shows a loss of DKK -9,789,965 against DKK -2,939,123 for the period 01.01.20 - 31.12.20. The balance sheet shows equity of DKK 553,905.

The management considers the net profit for the year to be as expected.

### **Information on going concern**

At the time of the financial reporting, the company is in talks with a number of potential new investors. It's the management's assessment that an agreement will be reached with the investors regarding a capital increase in the company within a short time, so that the company secures sufficient liquid funds available for the company to execute its strategy.

## Subsequent events

No important events have occurred after the end of the financial year.

# Income statement

Figures in DKK	2021	2020
1 <b>Gross loss</b>	<b>-2.153.043</b>	<b>-1.075.120</b>
2 Staff costs	-7.364.377	-1.851.158
<b>Loss before depreciation, amortisation, write-downs and impairment losses</b>	<b>-9.517.420</b>	<b>-2.926.278</b>
Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-769.921	-337.912
<b>Operating loss</b>	<b>-10.287.341</b>	<b>-3.264.190</b>
Financial income	3.948	12.627
Financial expenses	-302.721	-79.792
<b>Loss before tax</b>	<b>-10.586.114</b>	<b>-3.331.355</b>
Tax on loss for the year	796.149	392.232
<b>Loss for the year</b>	<b>-9.789.965</b>	<b>-2.939.123</b>
<b>Proposed appropriation account</b>		
Retained earnings	-9.789.965	-2.939.123
<b>Total</b>	<b>-9.789.965</b>	<b>-2.939.123</b>

# Balance sheet

## Assets

Figures in DKK	31.12.21	31.12.20
3 Completed development projects	5.550.530	2.627.829
Development projects in progress	0	1.438.822
<b>Total intangible assets</b>	<b>5.550.530</b>	<b>4.066.651</b>
4 Other fixtures and fittings, tools and equipment	119.287	5.410
<b>Total property, plant and equipment</b>	<b>119.287</b>	<b>5.410</b>
5 Deposits	46.458	34.500
<b>Total investments</b>	<b>46.458</b>	<b>34.500</b>
<b>Total non-current assets</b>	<b>5.716.275</b>	<b>4.106.561</b>
Trade receivables	93.640	48.394
Receivables from associates	0	5
Deferred tax asset	377.033	455.898
Income tax receivable	1.021.422	634.432
Other receivables	167.610	77.226
Prepayments	67.107	4.514
<b>Total receivables</b>	<b>8.526.812</b>	<b>1.220.469</b>
<b>Cash</b>	<b>9.870.457</b>	<b>3.553.102</b>
<b>Total current assets</b>	<b>11.597.269</b>	<b>4.773.571</b>
<b>Total assets</b>	<b>17.313.544</b>	<b>8.880.132</b>

# Balance sheet

## Equity & Liabilities

Figures in DKK	31.12.21	31.12.20
Share capital	3.260.340	2.580.340
Share premium	8.797.521	2.677.521
Reserve for development costs	4.329.413	3.059.762
Retained earnings	-15.833.369	-4.773.753
<b>Total equity</b>	<b>553.905</b>	<b>3.543.870</b>
Subordinated loan capital	10.047.324	0
Payables to other credit institutions	4.770.864	4.509.000
Other payables	33.681	69.143
<b>6 Total long-term payables</b>	<b>4.804.545</b>	<b>4.578.143</b>
Short-term part of long-term payables	69.921	0
Prepayments received from customers	23.973	22.678
Trade payables	645.128	334.689
Payables to associates	0	27.636
Other payables	680.793	373.116
Deferred income	487.955	0
<b>Total short-term payables</b>	<b>11.955.094</b>	<b>758.119</b>
<b>Total payables</b>	<b>16.759.639</b>	<b>5.336.262</b>
<b>Total equity and liabilities</b>	<b>17.313.544</b>	<b>8.880.132</b>

# Statement of changes in equity

Figures in DKK	Share capital	Share premium	Reserve for development costs	Retained earnings	Total equity
<b>Statement of changes in equity for 01.01.21 - 31.12.21</b>					
Balance as at 01.01.21	2.580.340	2.677.521	3.059.762	-4.773.753	3.543.870
Capital increase	680.000	6.120.000	0	0	6.800.000
Transfers to/from other reserves	0	0	1.269.651	-1.269.651	0
Net profit/loss for the year	0	0	0	-9.789.965	-9.789.965
Balance as at 31.12.21	3.260.340	8.797.521	4.329.413	-15.833.369	553.905

# Notes

## 1. Information as regards going concern

At the time of the financial reporting, the company is in talks with a number of potential new investors. It's the management's assessment that an agreement will be reached with the investors regarding a capital increase in the company within a short time, so that the company secures sufficient liquid funds available for the company to execute its strategy.

## 2. Staff costs

Figures in DKK	2021	2020
Wages and salaries	6.888.887	1.656.752
Pensions	23.520	31.200
Other social security costs	49.219	17.592
Other staff costs	402.751	145.614
<b>Total</b>	<b>7.364.377</b>	<b>1.851.158</b>
Average number of employees during the year	15	8



### 3. Intangible assets

Figures in DKK	Completed development projects	Development projects in progress	Total
Cost as at 01.01.21	3.284.786	1.438.822	4.723.608
Additions during the year	2.235.621	0	2.235.621
Transfers during the year to/from other items	1.438.822	-1.438.822	0
Cost as at 31.12.21	6.959.229	0	6.959.229
Amortisation and impairment losses as at 01.01.21	-656.957	0	-656.957
Amortisation during the year	-751.742	0	-751.742
Amortisation and impairment losses as at 31.12.21	-1.408.699	0	-1.408.699
Carrying amount as at 31.12.21	5.550.530	0	5.550.530

## 4. Property, plant and equipment

Figures in DKK	Other fixtures and fittings, tools and equipment
Cost as at 01.01.21	28.302
Additions during the year	132.056
Cost as at 31.12.21	160.358
Depreciation and impairment losses as at 01.01.21	-22.892
Depreciation during the year	-18.179
Depreciation and impairment losses as at 31.12.21	-41.071
Carrying amount as at 31.12.21	119.287

## 5. Non-current financial assets

Figures in DKK	Deposits
Cost as at 01.01.21	34.500
Additions during the year	11.958
Cost as at 31.12.21	46.458
Carrying amount as at 31.12.21	46.458

## 6. Long-term payables

Figures in DKK	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.21	Total payables at 31.12.20
Payables to credit institutions	0	342.002	4.770.864	4.509.000
Other payables	69.921	0	103.602	69.143
Total	69.921	342.002	4.874.466	4.578.143

## 7. Contingent liabilities

### Lease commitments

The company has concluded lease agreements with a remaining lease obligation of DKK 84k.

## 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.

### Change in accounting estimates

The company has changed its accounting estimates in the following areas:

Reassessment of useful lives and residual values of Completed development projects  
Useful lives and residual values of completed development projects have been reassessed in the current financial year. The depreciation period for completed development projects has been changed from 10 years to 7 years. This change has a negative impact of DKK 122k on the net profit or loss for 2021. As at 31.12.21, equity is decreased by DKK 122k and the balance sheet total is decreased by DKK 122k due to the change in estimate. The change in the accounting estimate is recognised under completed development projects in the balance sheet and under depreciation and amortisation in the income statement in accordance with the original estimate.

### 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 loss

Gross loss comprises revenue 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.

## 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.

## 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 (percent)
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 and development projects in progress

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 in progress are transferred to completed development projects when the asset is ready for use.

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

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 accounts as well as operating cash.

## 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 recognized 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 payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

## 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.



# Thank you —

