BEIERHOLM
VI SKABER BALANCE

XCI A/S

Niels Jernes Vej 6 A, 9220 Aalborg Øst

CVR no. 39 13 56 47

Annual report for 2022

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 30.03.23

Mads Peter Lübeck
Dirigent

Table of contents

Company information etc.

The company

XCI A/S
Niels Jernes Vej 6 A
9220 Aalborg Øst
Registered office: Aalborg Øst
CVR no.: 39 13 56 47
Financial year: 01.01 - 31.12

Executive Board

Tue From Hermansen

Board of Directors

Johan Blach Petersen
Jesper Andersen
Mads Peter Lübeck
Mads Wiederholdt Jensen

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

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 01.01.22 - 31.12.22 for XCI 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 31.12.22 and of the results of the company's activities for the financial year 01.01.22 - 31.12.22.

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.

Aalborg Øst, March 17, 2023

Executive Board

Tue From Hermansen

Board of Directors

Johan Blach Petersen	Jesper Andersen
Mads Peter Lübeck Chairman	Mads Wiederholdt Jensen

To the Shareholder of XCI A/S

Opinion

We have audited the financial statements of XCI A/S for the financial year 01.01.22 - 31.12.22, 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 31.12.22 and of the results of the company's operations for the financial year 01.01.22 - 31.12.22 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.

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.

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. Furthermore 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.

Aarhus, March 17, 2023

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Helle Damsgaard Jensen
State Authorized Public Accountant
MNE-no. mne33690

Primary activities

The company's main activities is to develop products that help organizations investigate cyber crime.

Development in activities and financial affairs

The income statement for the period 01.01.22 - 31.12.22 shows a profit/loss of DKK 18,098,556 against DKK 10,068,263 for the period 01.01.21 - 31.12.21. The balance sheet shows equity of DKK 36,975,471.

Subsequent events

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

Income statement

Note		2022 DKK	2021 DKK
	Gross profit	**49.983.668**	**31.904.417**
1	Staff costs	-16.562.977	-12.550.940
	Profit before depreciation, amortisation, write-downs and impairment losses	**33.420.691**	**19.353.477**
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-10.438.053	-6.432.712
	Operating profit	**22.982.638**	**12.920.765**
2	Income from equity investments in group enterprises	-749.665	-370.473
3	Financial income	45.329	50.324
	Financial expenses	-268.317	-432.503
	Profit before tax	**22.009.985**	**12.168.113**
	Tax on profit for the year	-3.911.429	-2.099.850
	Profit for the year	**18.098.556**	**10.068.263**

Proposed appropriation account

Extraordinary dividend for the financial year	5.000.000	0
Retained earnings	13.098.556	10.068.263
Total	**18.098.556**	**10.068.263**

Balance sheet

ASSETS

Note		31.12.22 DKK	31.12.21 DKK
	Completed development projects	17.620.511	15.814.647
	Development projects in progress	7.211.246	5.045.659
4	**Total intangible assets**	**24.831.757**	**20.860.306**
	Other fixtures and fittings, tools and equipment	4.193.123	134.683
5	**Total property, plant and equipment**	**4.193.123**	**134.683**
	Deposits	761.011	368.784
	Total investments	**761.011**	**368.784**
	Total non-current assets	**29.785.891**	**21.363.773**
	Trade receivables	6.166.693	24.227.400
	Receivables from group enterprises	639.986	820.218
	Income tax receivable	795.165	0
	Other receivables	0	7.426.591
	Prepayments	668.430	93.053
	Total receivables	**8.270.274**	**32.567.262**
	Cash	**41.035.686**	**16.079.210**
	Total current assets	**49.305.960**	**48.646.472**
	Total assets	**79.091.851**	**70.010.245**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.22 DKK	31.12.21 DKK
	Share capital	500.000	500.000
	Reserve for development costs	19.368.771	16.271.039
	Foreign currency translation reserve	0	52.823
	Retained earnings	17.106.700	7.053.053
	Total equity	**36.975.471**	**23.876.915**
	Provisions for deferred tax	5.296.697	4.215.103
	Total provisions	**5.296.697**	**4.215.103**
7	Other payables	0	2.165.445
7	Deferred income	975.700	5.707.273
	Total long-term payables	**975.700**	**7.872.718**
7	Short-term part of long-term payables	843.750	1.125.000
	Trade payables	1.131.283	339.289
	Other payables	4.776.099	1.759.219
	Deferred income	29.092.851	30.822.001
	Total short-term payables	**35.843.983**	**34.045.509**
	Total payables	**36.819.683**	**41.918.227**
	Total equity and liabilities	**79.091.851**	**70.010.245**

8 Contingent liabilities
9 Charges and security

Statement of changes in equity

Figures in DKK	Share capital	Reserve for developmen t costs	Foreign currency translation reserve	Retained earnings
Statement of changes in equity for 01.01.22 - 31.12.22				
Balance as at 01.01.22	500.000	16.271.039	52.823	7.053.053
Extraordinary dividend paid	0	0	0	-5.000.000
Other changes in equity	0	3.097.732	-52.823	-3.044.909
Net profit/loss for the year	0	0	0	18.098.556
Balance as at 31.12.22	500.000	19.368.771	0	17.106.700

	2022 DKK	2021 DKK

1. Staff costs

	2022 DKK	2021 DKK
Wages and salaries	13.039.985	10.376.882
Pensions	2.374.873	1.674.049
Other social security costs	260.775	158.018
Other staff costs	887.344	341.991
Total	16.562.977	12.550.940
Average number of employees during the year	33	23

2. Income from equity investments in group enterprises

	2022 DKK	2021 DKK
Share of profit or loss of group enterprises	-749.665	-370.473
Total	-749.665	-370.473

3. Financial income

	2022 DKK	2021 DKK
Interest, group enterprises	45.329	18.555
Foreign currency translation adjustments	0	31.769
Total	45.329	50.324

4. Intangible assets

Figures in DKK	Completed development projects	Development projects in progress
Cost as at 01.01.22	26.796.980	5.045.659
Additions during the year	371.825	13.498.734
Transfers during the year to/from other items	11.333.147	-11.333.147
Cost as at 31.12.22	38.501.952	7.211.246
Amortisation and impairment losses as at 01.01.22	-10.982.333	0
Amortisation during the year	-9.899.108	0
Amortisation and impairment losses as at 31.12.22	-20.881.441	0
Carrying amount as at 31.12.22	17.620.511	7.211.246

Development projects relate to the development of products within the Company's core business. The projects are progressing according to plan through the use of resources allocated by Management to the development.

5. Property, plant and equipment

Figures in DKK	Other fixtures and fittings, tools and equipment
Cost as at 01.01.22	395.108
Additions during the year	4.597.386
Cost as at 31.12.22	4.992.494
Depreciation and impairment losses as at 01.01.22	-260.425
Depreciation during the year	-538.946
Depreciation and impairment losses as at 31.12.22	-799.371
Carrying amount as at 31.12.22	4.193.123

6. Equity investments in group enterprises

Figures in DKK	Equity investments in group enterprises
Cost as at 01.01.22	89.185
Disposals during the year	-89.185
Cost as at 31.12.22	0
Revaluations as at 01.01.22	-89.185
Reversal of revaluations of disposed assets	89.185
Revaluations as at 31.12.22	0
Carrying amount as at 31.12.22	0

7. Long-term payables

Figures in DKK	Repayment first year	Total payables at 31.12.22	Total payables at 31.12.21
Other payables	843.750	843.750	3.290.445
Deferred income	0	975.700	5.707.273
Total	843.750	1.819.450	8.997.718

8. Contingent liabilities

Lease commitments

The company has concluded lease agreements with terms to maturity of 2-38 months and total lease payments of DKK 3,930k.

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The total tax liability for the jointly taxed companies at the balance sheet date has not yet been determined. For further information, please see the financial statements of the management company XCI Holding A/S.

9. Charges and security

As security for debt to credit institutions of DKK 0k, a company charge has been provided comprising goodwill, intellectual property rights, other plant, fixtures and fittings and trade receivables. The total carrying amount of the comprised assets is DKK 10,360k.

10. 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.

10. Accounting policies - continued -

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 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.

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.

10. 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 DKK
Completed development projects	3-5	
Other plant, fixtures and fittings, tools and equipment	2-5	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.

Income from equity investments in group entreprises

For equity investments in equity investments in subsidiaries, measured using the equity method, the share of the enterprises’ profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Income from equity investments in equity investments in subsidiaries also comprises gains and losses on the sale of equity investments.

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.

10. Accounting policies - continued -

The company is jointly taxed with Danish consolidated enterprises. The parent is the administration company for the joint taxation and thus settles all income tax payments with the tax authorities.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

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 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.

10. Accounting policies - continued -

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.

Equity investments in group entreprises

Equity investments in subsidiaries are recognised and measured according to the equity method. For equity investments in subsidiaries, the equity method is considered a measurement method.

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments.

Under subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

Equity investments with a negative carrying amount are measured at DKK 0. Receivables that are considered part of the combined investment in the enterprises in question are impaired by any remaining negative equity value. Other receivables from such enterprises are impaired to the extent that such receivables are considered uncollectible. Provisions to cover the remaining negative equity value are recognised to the extent that the company

10. Accounting policies - continued -

has a legal or constructive obligation to cover the liabilities of the enterprise in question.

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.

10. Accounting policies - continued -

Cash

Cash includes deposits in bank account.

Equity

The net revaluation of equity investments measured according to the equity method is recognized in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

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.

Unrealised foreign currency gains and losses from the translation of the net investment in independent foreign entities are recognised in equity under the foreign currency translation reserve. The reserve is dissolved when the independent foreign entities are disposed of.

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.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

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.

10. Accounting policies - continued -

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.

Deferred income

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