PKF Munkebo Vindelev
Statsautoriseret Revisionsaktieselskab

Accountants &
business advisers

PUFin ID A/S

Fruebjergvej 3, 2100 København Ø

Company reg. no. 40 91 13 32

Annual report

1 September 2021 - 31 August 2022

The annual report was submitted and approved by the general meeting on the 5 October 2022.

Thomas Just Sørensen
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of PUFin ID A/S for the financial year 1 September 2021 - 31 August 2022.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 August 2022 and of the results of the Company's operations for the financial year 1 September 2021 – 31 August 2022.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

København Ø, 30 September 2022

Managing Director

Line Klit Olsen

Board of directors

Stig Myken

Søren Hoelgaard Justesen

Thomas Just Sørensen

Independent auditor's report

To the Shareholders of PUFin ID A/S

Opinion

We have audited the financial statements of PUFin ID A/S for the financial year 1 September 2021 - 31 August 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 August 2022, and of the results of the Company's operations for the financial year 1 September 2021 - 31 August 2022 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.

Emphasis of Matter

Without modifying our opinion, we direct the attention to the information in note 1, where uncertainty regarding the valuation of the company's capitalized development costs and a self-developed machine is described. We agree with the management's assumption.

Management’s Responsibilities 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.

Independent auditor's report

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report

Statement on 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 Statement Act. We did not identify any material misstatement of Management's Review.

Glostrup, 30 September 2022

PKF Munkebo Vindelev
State Authorised Public Accountants
Company reg. no. 14 11 92 99

Kasper Vindelev
State Authorised Public Accountant
mne29389

Company information

The company	PUFin ID A/S Fruebjergvej 3 2100 København Ø	
	Company reg. no.	40 91 13 32
	Domicile:	Copenhagen
	Financial year:	1 September 2021 - 31 August 2022 3rd financial year
Board of directors	Stig Myken Søren Hoelgaard Justesen Thomas Just Sørensen	
Managing Director	Line Klit Olsen	
Auditors	PKF Munkebo Vindelev, Statsautoriseret Revisionsaktieselskab Hovedvejen 56 2600 Glostrup	
Bankers	Danske Bank, Holmens Kanal 2-12, 1092 København K	

Financial highlights

DKK in thousands.	2021/22	2020/21	2019/20
Income statement:			
Gross profit	2.263	-52	-540
Profit from operating activities	-6.274	-4.506	-1.696
Net financials	-480	-353	-83
Net profit or loss for the year	-4.996	-4.120	-1.461
Statement of financial position:			
Balance sheet total	19.271	8.011	9.547
Investments in property, plant and equipment	295	1.656	86
Equity	9.941	-2.340	1.779
Employees:			
Average number of full-time employees	11	5	2

Due to lack of registration systems, it has not been possible to change the figures for 2019/20 in connection with the change in accounting principles. For this reason the figures for 2019/20 are not comparative.

Management´s review

The principal activities of the company

The object of the company is to develop and commercialise technologies based on optical authentication of randoms patterns.

Development in activities and financial matters

The gross profit for the year totals DKK 2.263.000 against DKK -52.000 last year. Loss from ordinary activities after tax totals DKK -4.996.000 against DKK -4.120.000 last year.

There has been a change in the management team, with the appointment of a new CEO. The founder and CSO continues with no change in role or responsibility.

The year has progressed according to the plan approved at the General Assembly in January 2022. The management is satisfied with the year, including the maturation of the technical solution, additional IP protection of product offering, building a strong commercial pipeline, and that we have closed commercial agreements with two leading Danish design companies.

The company has decided to change the accounting principles. Development costs are now being capitalized. This decision was made as this accounting principle gives a more true and fair view of the company's finances.

Uncertainties about recognition or measurement

The management considers the valuation of the capitalized development costs and the self-developed production equipment as reliable, but acknowledges that there is risk connected to the valuation.

The valuation depends on a succesful commercialization based on the developed products and methods.

Events occurring after the end of the financial year

No events have occurred after the balance sheet date which could have material impact of the financial position of the company.

Accounting policies

The annual report for PUFin ID A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

Correction previous year:
Expenses relating to work in progress last year had been erroneously recognized twice.
The company had therefore recognized too small amounts of assets, including contract work in progress, provisions and liabilities, including other provisions, prepayments received from customers and contract work in progress. Furthermore, salary capitalized had been moved from staff costs to the gross profit or loss. The financial highlights and comparative figures have been adjusted.

Monetary impact 2020/21:
The correction has had a positive impact on the result of the year of 791.963 DKK. The correction has impacted the equity positively by 791.963 DKK. The assets have increased by 3.795 DKK and the provisions and liabilities have decreased by 788.168 DKK.

Changes in the accounting policies

To improve the true and fair view of the annual report the management has chosen to capitalize development projects as intangible assets.

Except for the above, the accounting policies remain unchanged from last year.

The above changes have resulted in an increase of the pre-tax profit and post-tax profit for the year of DKK 2.054.089 for the 2020/21 financial year. The balance sheet total, and the equity have increased by the same amount.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Income statement

Gross profit

Gross profit comprises the revenue, direct costs, work performed for own account and capitalised and other external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Contract work in progress concerning service contracts is recognised in the revenue concurrently with the production process. Thus, the revenue corresponds to the selling price of the total yearly production (the production method). The revenue is recognised when the total income and costs of the contract and the stage of completion on the reporting date can be reliably validated and it is deemed probable that the financial benefits will flow to the company.

Direct costs comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Work performed for own account and capitalised includes staff cost and other internal costs incurred during the financial year and recognised in the cost of proprietary intangible and tangible fixed assets.

Other external expenses comprise expenses incurred for sales, premises and administration.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs comprise salaries, wages, and amortisation directly or indirectly attributable to development activities.

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and writedowns for impairment.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life.

Accounting policies

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Property, plant, and equipment under construction

Property, plant, and equipment under construction are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

Accounting policies

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Accounting policies

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress can not be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Prepayments

Prepayments are recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the company has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the company.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

When it is likely that the total costs will exceed the total income of contract work in progress, the total expected loss on the contract work in progress will be recognised as provisions for liabilities. The provision is recognised under production costs.

Liabilities other than provisions

Liabilities concerning payables to suppliers and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 September - 31 August

All amounts in DKK.

Note		2021/22	2020/21
	Gross profit	**2.263.498**	**-51.849**
2	Staff costs	-8.299.856	-3.944.806
	Depreciation, amortisation, and impairment	-48.137	-45.968
	Impairment of current assets exceeding usual impairment	-190.004	-463.384
	Profit from ordinary operating activities	**-6.274.499**	**-4.506.007**
	Other financial income	755	0
	Other financial expenses	-480.307	-353.020
	Pre-tax net profit or loss	**-6.754.051**	**-4.859.027**
3	Tax on net profit or loss for the year	1.757.789	739.390
	Net profit or loss for the year	**-4.996.262**	**-4.119.637**
	Proposed appropriation of net profit:		
	Allocated from retained earnings	-4.996.262	-4.119.637
	Total allocations and transfers	**-4.996.262**	**-4.119.637**

Balance sheet at 31 August

All amounts in DKK.

Assets

Note		2022	2021
	Non-current assets		
4	Completed development projects, including patents and similar rights arising from development projects	10.037.334	0
5	Development projects under construction and prepayments for intangible assets	30.320	2.054.089
	Total intangible assets	10.067.654	2.054.089
6	Plant and machinery	1.873.213	0
7	Other fixtures and fittings, tools and equipment	60.670	108.807
8	Property, plant, and equipment under construction and prepayments for property, plant, and equipment	0	1.577.728
	Total property, plant, and equipment	1.933.883	1.686.535
9	Deposits	127.134	65.727
	Total investments	127.134	65.727
	Total non-current assets	**12.128.671**	**3.806.351**
	Current assets		
	Manufactured goods and goods for resale	1.330.000	0
	Total inventories	1.330.000	0
	Trade receivables	271.180	312.500
10	Contract work in progress	0	3.795
11	Income tax receivables	2.556.789	1.062.467
	Other receivables	290.496	407.531
	Prepayments	34.244	21.228
	Total receivables	3.152.709	1.807.521
	Cash and cash equivalents	2.659.369	2.396.975
	Total current assets	**7.142.078**	**4.204.496**
	Total assets	**19.270.749**	**8.010.847**

Balance sheet at 31 August

All amounts in DKK.

Equity and liabilities

Note		2022	2021
	Equity		
	Contributed capital	789.058	671.395
	Reserve for development costs	7.852.770	1.602.189
	Retained earnings	1.299.232	-4.613.897
	Total equity	**9.941.060**	**-2.340.313**
	Provisions		
	Other provisions	0	1.025.407
	Total provisions	**0**	**1.025.407**
	Liabilities other than provisions		
	Other payables	8.012.944	7.590.964
12	Total long term liabilities other than provisions	8.012.944	7.590.964
	Prepayments received from customers	390.000	390.000
10	Contract work in progress	0	7.060
	Trade payables	288.813	674.003
	Payables to associates	1.244	1.244
	Other payables	636.688	662.482
	Total short term liabilities other than provisions	1.316.745	1.734.789
	Total liabilities other than provisions	**9.329.689**	**9.325.753**
	Total equity and liabilities	**19.270.749**	**8.010.847**

1 Uncertainties concerning recognition and measurement

13 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Reserve for development costs	Retained earnings	Total
Equity 1 September 2020	671.395	0	0	1.107.929	1.779.324
Retained earnings for the year	0	0	0	-4.119.637	-4.119.637
Transferred from retained earnings	0	0	1.602.189	-1.602.189	0
Equity 1 September 2021	671.395	0	1.602.189	-4.613.897	-2.340.313
Cash capital increase	117.663	17.159.972	0	0	17.277.635
Retained earnings for the year	0	0	0	-4.996.262	-4.996.262
Transferred to retained earnings	0	-17.159.972	0	17.159.972	0
Transferred from retained earnings	0	0	6.250.581	-6.250.581	0
	789.058	**0**	**7.852.770**	**1.299.232**	**9.941.060**

Notes

All amounts in DKK.

1. Uncertainties concerning recognition and measurement

When calculating the book value of certain assets, an assessment of how future events will influence the value is necessary. Assessments which are of material value in the financial statement are, among other things, made when preparing depreciations and amortizations on fixed assets.

The used assessments are based on assumptions, that the management regards as probable, but inherently are uncertain and unpredictable. The assumptions may have been incomplete or inaccurate and unexpected events may occur.

The valuations of capitalized development costs aswell as a self-developed production machine depends on future revenue being realised as these assets are the basis for future positive economic cash flows.

	2021/22	2020/21
2. Staff costs		
Salaries and wages	7.828.804	3.743.343
Pension costs	387.545	174.513
Other costs for social security	83.507	26.950
	8.299.856	**3.944.806**
Average number of employees	11	5

In the financial year, salaries and wages of DKK 3.987.298 have been capitalized. This is recognized in the gross profit.

	2021/22	2020/21
3. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	-1.757.789	-789.960
Adjustment of tax for previous years	0	50.570
	-1.757.789	**-739.390**

Notes

All amounts in DKK.

		31/8 2022	31/8 2021
4.	**Completed development projects, including patents and similar rights arising from development projects**		
	Additions during the year	7.983.245	0
	Transfers	2.054.089	0
	Cost 31 August 2022	**10.037.334**	**0**
	Carrying amount, 31 August 2022	**10.037.334**	**0**
5.	**Development projects under construction and prepayments for intangible assets**		
	Cost 1 September 2021	2.054.089	0
	Additions during the year	30.320	2.054.089
	Transfers	-2.054.089	0
	Cost 31 August 2022	**30.320**	**2.054.089**
	Carrying amount, 31 August 2022	**30.320**	**2.054.089**
6.	**Plant and machinery**		
	Additions during the year	295.485	0
	Transfers	1.577.728	0
	Cost 31 August 2022	**1.873.213**	**0**
	Carrying amount, 31 August 2022	**1.873.213**	**0**

Notes

All amounts in DKK.

		31/8 2022	31/8 2021
7.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 September 2021	163.758	85.681
	Additions during the year	0	78.077
	Cost 31 August 2022	**163.758**	**163.758**
	Amortisation and writedown 1 September 2021	-54.951	-8.983
	Amortisation and depreciation for the year	-48.137	-45.968
	Amortisation and writedown 31 August 2022	**-103.088**	**-54.951**
	Carrying amount, 31 August 2022	**60.670**	**108.807**
8.	**Property, plant, and equipment under construction and prepayments for property, plant, and equipment**		
	Cost 1 September 2021	1.577.728	0
	Additions during the year	0	1.577.728
	Transfers	-1.577.728	0
	Cost 31 August 2022	**0**	**1.577.728**
	Carrying amount, 31 August 2022	**0**	**1.577.728**
9.	**Deposits**		
	Cost 1 September 2021	65.727	5.205
	Additions during the year	128.780	90.086
	Disposals during the year	-67.373	-29.564
	Cost 31 August 2022	**127.134**	**65.727**
	Carrying amount, 31 August 2022	**127.134**	**65.727**

Notes

All amounts in DKK.

		31/8 2022	31/8 2021
10.	**Contract work in progress**		
	Selling price of the production for the period	0	382.325
	Progress billings	0	-385.590
	Contract work in progress, net	**0**	**-3.265**
	The following is recognised:		
	Contract work in progress (current assets)	0	3.795
	Contract work in progress (short-term lianilities other than provision)	0	-7.060
		0	**-3.265**
11.	**Income tax receivables**		
	Income tax receivables 1 September 2021	1.062.467	317.689
	Adjustment of tax paid in previous years	-263.467	-45.182
	Income tax receivables concerning previous years	799.000	272.507
	Income tax calculated for the current year	1.757.789	789.960
		2.556.789	**1.062.467**

12. Long term labilities other than provisions

	Total payables 31 Aug 2022	**Current portion of long term payables**	**Long term payables 31 Aug 2022**	**Outstanding payables after 5 years**
Other payables	8.012.944	0	8.012.944	0
	8.012.944	**0**	**8.012.944**	**0**

Notes

All amounts in DKK.

13. Contingencies

Contingent assets

The company has not recognized a deferred tax of t.DKK 1.224 due to uncertainty regarding the timeline for future usage.

Contingent liabilities

Royalty liabilities

The company has entered into a license agreement with Københavns Universitet with the following royalty payments; 250.000 DKK in FY 2022/23.