

REF IVV TopCo ApS
Åboulevarden 22, 2. sal, 8000 Aarhus C,
Denmark

Annual report 2023
Registration No. 42 43 54 30

The annual report has been presented and approved at the
annual general meeting, 29 May 2024

Karsten Langer
Chairman

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Management's Statement

The Executive Board and Board of Directors have today discussed and approved the annual report of REF IVV TopCo ApS for the financial year 1 January – 31 December 2023.

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

It is our opinion that the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the issues included.

We recommend that the annual report be approved at the annual general meeting.

Aarhus, 29 May 2024

Executive Board

Laurent Lafargue

Board of Directors

Karsten Langer, Chairman

Peter Landrok

Dan Parksjö

Independent Auditor's Report

To the Shareholders of REF IVV TopCo ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of REF IVV TopCo ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("financial statements").

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 Group 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 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, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, 29 May 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Henrik Berring Rasmussen
State Authorised Public Accountant
mne34157

Martin Stenstrup Toft
State Authorised Public Accountant
mne42786

Management's review

Company details	REF IVV TopCo ApS Åboulevarden 22, 2. sal 8000 Aarhus C Denmark
	Telephone: +45 8676 2288 Fax: +45 8620 2975
	Registration No.: 42 43 54 30 Established: 1 st of June 2021 Registered office: Aarhus Financial year: 1 January – 31 December
Board of Directors	Karsten Langer (chairman) Peter Landrok Dan Parksjö
Executive Board	Laurent Lafargue
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 8000 Aarhus C Denmark

Group key figures

Key figures (tDKK):	(1 June - 31 Dec)		
	2023	2022	2021
Gross profit	87.379	79.657	17.874
Operating profit	-60.684	-58.877	-43.294
Financial income and cost	-20.402	-14.045	-8.448
Profit before tax	-81.086	-72.922	-51.742
Profit of the year	-67.739	-61.111	-46.534
Balance	1.029.074	1.141.542	1.189.432
Investment in fixed assets	827	1.035	1.066
Equity	639.068	706.846	768.355
Cash Flow Operations	-21.812	-4.085	-8.785
Cash Flow Investments	-13.481	-12.287	-935.445
Cash Flow Financing	-8.446	9.780	1.034.608
Cash Flow Total	-43.739	-6.592	90.378
Solvency ratio (Equity/Total balance sheet)	62,1%	61,9%	64,6%
Average numbers of employees	99	94	78

Group principal activities

The Group's activity primarily consists of development, sale and maintenance of software in relation to e-security. The Group's customers are mainly banks, telecommunication companies and governments.

Development in the activities and financial affairs

Profit for the group before tax is DKK -81.1 million compared to -DKK 72.9 million in 2022. Tax on profit for the period is DKK 13.3 million compared to DKK 11.8 million in 2022. After this, loss for the period is DKK 67.7 million compared to DKK 61.1 million in 2022. The results are below our expectations.

Equity comprises DKK 639.1 million at year-end.

We expect further growth in investments and activities in 2024. We expect a result before depreciation, financial items and tax in the range of DKK 5-10 million.

Uncertainties and estimates

Certain items include by nature certain uncertainties and estimates. We have mainly used estimates in the accounting for intangible assets, where we have estimated the expected useful life for the identified assets.

Risk

The Group's operational risks are related to continuously provide services of high quality. Based on the Group's operations hereunder investments and financing it's exposed to changes in the exchange rate primarily the exchange rate for USD and GBP. It's a policy within the Group not to speculate in relation to financial risks.

Knowledge resources, environmental impact and development

Within the Group there's a high knowledge which means that we can react at high speed in relation to development in the market. The Group has no significant impact on the external environment.

It's important to continuously develop products and solutions that touch-base with the development in the market.

Events after the balance sheet date

No events of any significance affecting the financial position of the company occurred after the end of the financial year.

Income statement 1 January - 31 December

	Note	Group 2023 tDKK	Group 2022 tDKK	Parent Company 2023 tDKK	Parent Company 2022 tDKK
Gross profit		87.379	79.657	(630)	(2.849)
Staff cost	2	(84.783)	(78.078)	-	-
Depreciation, amortization and impairment on fixed assets		(63.280)	(60.456)	-	-
Operating profit		(60.684)	(58.877)	(630)	(2.849)
Results in subsidiaries after tax	8	-	-	(67.294)	(58.814)
Financial income	3	4.252	2.357	113	28
Financial cost	4	(24.654)	(16.402)	(64)	(141)
Profit before tax		(81.086)	(72.922)	(67.875)	(61.776)
Tax on profit for the year	5	13.347	11.811	136	665
Profit for the year		(67.739)	(61.111)	(67.739)	(61.111)

Balance sheet at 31 December

Assets	Note	Group		Parent Company	
		2023 tDKK	2022 tDKK	2023 tDKK	2022 tDKK
Customer relationships		170.139	179.862	-	-
Technology		339.378	359.481	-	-
Brand		29.800	32.184	-	-
Goodwill		391.346	416.251	-	-
Patents		4.803	3.573	-	-
Completed development projects		20.370	14.051	-	-
Total intangible assets	6	955.836	1.005.402	-	-
Property, plant and equipment		458	493	-	-
Leasehold improvements		368	536	-	-
Other fixtures & machinery		1	6	-	-
Total tangible assets	7	827	1.035	-	-
Investments in subsidiaries		-	-	625.841	663.606
Investments in associates		30	30	-	-
Deposits given		1.234	1.134	-	-
Total investments	8	1.264	1.164	625.841	663.606
Total fixed assets		957.927	1.007.601	625.841	663.606
Inventories		401	165	-	-
Trade receivables		13.933	32.844	-	-
Contract work in progress	9	3.510	2.176	-	-
Amounts owed by group enterprises		-	-	-	-
Corporation tax receivables		1.004	596	-	-
Deferred tax asset	10	4.022	4.957	-	-
Other receivables		661	1.259	880	745
Prepayments	11	6.643	7.125	-	-
Total receivables		29.773	48.957	880	745
Cash at bank and in hand		40.973	84.819	12.788	42.580
Total current assets		71.147	133.941	13.668	43.325
Total assets		1.029.074	1.141.542	639.509	706.931

Balance sheet at 31 December

Equity and Liabilities	Note	Group	Group	Parent Company	Parent Company
		2023 tDKK	2022 tDKK	2023 tDKK	2022 tDKK
Share capital		75.000	75.000	75.000	75.000
Reserve for exchange rate adjustments		994	1.033	-	-
Retained profit		563.074	630.813	564.068	631.846
Equity		639.068	706.846	639.068	706.846
Deferred tax	10	106.368	120.676	-	-
Total provisions		106.368	120.676	-	-
Other Payables		3.006	2.904	-	-
Credit institutions		108.193	216.622	-	-
Long-term liabilities	12	111.199	219.526	-	-
Credit institutions		114.291	14.308	-	-
Contract work in progress, pre-invoiced		575	405	-	-
Trade payables		5.873	5.685	302	-
Amount owed to group enterprises		-	-	-	31
Corporation tax liability		947	420	-	-
Other payables		21.573	19.830	139	54
Deferred income	13	29.180	53.846	-	-
Short-term liabilities		172.439	94.494	441	85
Total liabilities		283.638	314.020	441	85
Total Equity and liabilities		1.029.074	1.141.542	639.509	706.931
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Equity statement

Equity Group

tDKK	Note	Share capital	Reserve for exchange rate adjustments	Retained earnings	Total
Equity at 1 January		75.000	1.033	630.813	706.846
Foreign exchange adjustments, foreign subsidiaries			(39)		(39)
Profit for the year	16	-	-	(67.739)	(67.739)
Equity at 31 December		75.000	994	563.074	639.068

Equity parent company

tDKK	Note	Share capital	Retained earnings	Total
Equity at 1 January		75.000	631.846	706.846
Foreign exchange adjustments, foreign subsidiaries			(39)	(39)
Profit for the year	16	-	(67.739)	(67.739)
Equity at 31 December		75.000	564.068	639.068

The share capital comprises 75,000,000 shares of DKK 1 each.

Cash flow statement

tDKK	Group 2023	Group 2022
Profit before interest and similar items	(60.684)	(58.877)
Depreciation	63.280	60.456
Other non-cash items	408	2.772
Change in working capital:		
Change in inventories, work-in-progress	(1.400)	(1.336)
Change in receivables	18.911	(5.069)
Change in other receivables	1.080	(1.604)
Change in trade payables and other payables	(22.565)	14.576
Interest received	226	-
Interest paid	(21.068)	(15.003)
Cash Flow Operations	(21.812)	(4.085)
Acquisition of intangible fixed Assets	(13.166)	(11.839)
Acquisition of tangible fixed Assets	(215)	(448)
Other investments	(100)	-
Cash Flow Investments	(13.481)	(12.287)
Changes in debt to credit institutions	(8.446)	9.780
Cash Flow Financing	(8.446)	9.780
Net Cash Flow from operations, investments and financing	(43.739)	(6.592)
Foreign exchange adjustments	(39)	(398)
Cash and cash equivalents, beginning of year	84.819	91.809
Cash and cash equivalents, year-end	41.041	84.819

The cash flow statement cannot be derived directly from the individual units from the consolidated financial statement

Notes

Note 1 Accounting policies

The annual report of REF IVV TopCo ApS has been prepared in accordance with the provisions applying to medium-sized reporting class C enterprises under the Danish Financial Statements Act.

The Consolidated and Parent Company Financial Statements are presented in tDKK.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Group financial statement

The consolidated financial statement includes the parent company REF IVV TopCo ApS and subsidiaries in which REF IVV TopCo ApS directly or indirectly owns more than 50% of the share capital or otherwise have controlling influence.

In relation to consolidating inter-group income and expenses, investments in subsidiaries and internal balances and dividends are eliminated.

Business combinations

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

Notes

Note 1 Accounting policies (continued)

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date.

Foreign exchange differences are recognized in the income statement as interest income or expense and similar items.

Non-current assets acquired in foreign currency are measured at the exchange rate at the transaction date.

Notes

Note 1 Accounting policies (continued)

Income statement

Gross profit

In accordance with §32 of the Danish Financial Statements Act the company has aggregated the items revenue, cost of sales and other operating income and instead added the item gross profit.

Revenue

Revenue from sales is recognized in net sales when transition of the main benefits and risks to the buyer has taken place, the income can be calculated reliably and payment is expected to be received. The time of transition of the main benefits and risks is based on standard delivery terms based on Incoterms® 2020. Net sales are measured at the fair value of the agreed consideration exc. VAT and taxes charged on behalf of third parties. All forms of discounts are recognized in net sales.

Contract work in progress is recognized as gross profit by reference to the stage of completion. Accordingly, gross profit reflects the selling price of work performed during the year.

Cost of sales

Cost of sales comprise costs incurred in generating revenue for the year. Such costs include costs of raw materials and consumables.

Other external cost

Other external cost includes sales and marketing cost, Cost related to IP rights and administration cost.

Staff cost

Staff cost include cost related to wages, pensions, holidays, social security and other cost related to the employees in the company.

Profits/losses from investments on subsidiaries

The proportionate share of the results after tax of the individual enterprises after full elimination of intra-group profits/losses, amortization of goodwill and gain/loss on disposal of shares is recognized in the income statement of the company.

Notes

Note 1 Accounting policies (continued)

Financial income and cost

Financial income and cost and similar items comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortization of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme etc.

Tax on profit/loss for the year

The company is as parent company covered by the Danish regulations concerning compulsory joint taxation with its Danish parent companies. The current Danish corporation tax is apportioned through payment of joint tax contribution between the jointly taxed companies in relation to their taxable incomes.

Tax for the year, which comprises the year's joint tax contribution and changes in deferred tax, is included in the income statement with the proportion that is attributable to the year's result and directly in the equity with the proportion that is attributable to the items directly in the equity. The recognized tax relating to the extraordinary profit/loss for the year is allocated to this item whereas the remaining tax is allocated to the profit/loss for the year from ordinary activities.

Balance sheet

Intangible assets

Acquired intangible assets including Customer relations, Technology and Brand are measured at cost and are amortised on a straight-line basis over the estimated useful life of up to twenty years.

The amortization period and the residual value are determined at the acquisition date and are reviewed annually. If the residual value exceeds the carrying amount of the asset, depreciation ceases. Changes in the amortization period or residual value include the effect on depreciation for the future as a change in accounting estimates.

Goodwill

Goodwill is amortized on a straight-line basis over the estimated economic life, which is determined on the basis of an assessment of e.g. the nature of the company, market position, industry, stability and dependence on key employees. The depreciation period is up to 20 years.

Notes

Note 1 Accounting policies (continued)

Development costs

Development costs include salaries and other costs directly and indirectly attributed to the company's development activities. Only development projects that are clearly defined and identifiable, where the degree of technical utilization, sufficient resources and a potential future market are recognized as development costs under assets.

Development projects that do not meet the criteria for recognition in the balance sheet are recognized as costs in the income statement, as the costs are incurred.

Capitalized development costs are measured at cost less accumulated amortization and impairment losses or recoverable amount if lower.

An amount corresponding to the recognized development costs is reserved in the item "Reserve for development costs" under equity. The reserve is continuously reduced with depreciation and write-downs on the development projects.

Capitalized development costs are depreciated from the time of completion on a straight-line basis over the period in which the development work is expected to generate economic benefits. However, the depreciation period is a maximum of five years.

Patents and licenses are measured at cost less accumulated amortization and impairment losses or at recoverable amounts, whichever is lower. Patents are written off over the remaining patent period or a shorter economic life.

Property, plant and equipment

Property, plant and equipment is measured at initial recognition at cost.

Fixtures and fittings, tools and equipment are subsequently measured at cost less accumulated depreciation. The depreciation basis is calculated taking into account the residual value of the asset after completion of the useful life and reduced by any write-downs. The amortization period and the residual value are determined at the acquisition date and are reviewed annually. If the residual value exceeds the carrying amount of the asset, depreciation ceases. Changes in the amortization period or residual value include the effect on depreciation for the future as a change in accounting estimates.

The cost includes the acquisition price and costs directly related to the acquisition until the date of completion of the asset. Indirect production costs and borrowing costs are not included in the cost. The cost of an aggregate asset is divided into separate components, which are depreciated separately if the useful life of the individual components is different.

Linear depreciation is made over the expected useful life of fixtures and fittings, tools and equipment for 3-5 years.

Notes

Note 1 Accounting policies (continued)

Profits and losses on disposal of property, plant and equipment are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale. Profits or losses are recognized in the income statement under other operating income and other operating expenses are measured at cost less accumulated depreciation or the recoverable amount if this is lower than the carrying amount.

Impairment of non-current assets

The carrying amount of property, plant and equipment and investments in subsidiaries is assessed annually for indications of impairment, in addition to that expressed by depreciation.

If there are indications of impairment, impairment tests of each asset or group of assets are carried out. Write-downs are made at the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the asset or the group of assets. Previously recognized impairment losses are reversed when the reason for recognition no longer exists.

Investments in subsidiaries

Investments in subsidiaries are measured according to the equity method.

The investments are measured in the balance sheet at the proportionate share of the enterprises' net asset values calculated in accordance with the parent company's accounting policies minus or plus unrealized intra-group profits and losses and with the addition of the carrying amount of goodwill.

Subsidiaries with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down by the parent company's share of the negative net asset value. Where the negative net asset value exceeds the amount owed, the remaining amount is recognized under provisions.

Net revaluation of investments in subsidiaries is transferred to the reserve for net revaluation according to the equity method in equity to the extent that the carrying amount exceeds cost.

Notes

Note 1 Accounting policies (continued)

Investments in associates

Investments in associates are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

Receivables

Receivables are measured at amortized cost.

Receivables from the parent company are calculated as initial amount plus the cumulative amortization of the difference between the initial amount and the maturity amount using a constant effective interest rate.

Regarding other receivables amortized cost corresponds in all material respects to nominal value. Write-down is made for bad debt losses.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and total expected income from the contract work. Individual contract work in progress is recognized in the balance sheet under either receivables or liabilities, depending on whether the net amount of the selling price less progress billings and prepayments is positive or negative.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Cash at bank and in hand

Cash at bank and in hand include bank deposits.

Proposed dividend

Dividend proposed for the year is recognized as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the financial year is presented as a separate line item under "Equity".

Net revaluation reserve according to the equity method

Net revaluation of equity investments in subsidiaries is recognised at cost in the net revaluation reserve according to the equity method. The reserve can be eliminated in case of losses, realisation of equity investments or changes in accounting estimates. The reserve cannot be recognised at a negative amount.

Notes

Note 1 Accounting policies (continued)

Corporation tax and deferred tax

Joint tax contribution liabilities and receivables calculated on the taxable income for the year, adjusted for any tax from previous years' taxable income as well as prepaid on-account taxes, are recognized in the balance sheet as corporation tax liability or corporation tax receivable.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred tax assets, including the tax base of tax loss carryforwards, are recognized at the expected value of their utilization; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction. Changes in deferred tax assets resulting from a change in the tax rate are recognized in the income statement.

Financial debt

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, corresponding to nominal value.

Deferred income

Deferred income comprise payments received for services delivered in subsequent financial years.

Cash flow statement

The cash flow statement shows the group's cash flows divided into cash flows from operations, investments and financing activity for the year, the year's change in cash and from the beginning and to the end of the year. No cash flow statement has been prepared for the parent company, as the parent company's cash flows are included in the cash flow statement for the group.

Cash flows from operating activities are calculated as the Group's share of the result adjusted for non-cash operating items, changes in working capital and corporate tax paid.

Cash flows from investments include payments in connection with the purchase and sale of intangible, tangible and financial fixed assets.

Cash flows from financing activities include changes in the size or composition of the Group's share capital, as well as raising loans, repayments on interest-bearing debt and payment of dividends to company participants.

Cash and cash equivalents comprise cash and cash equivalents and credit institutions.

Notes

	Group 2023	Group 2022
Note 2 Staff costs		
Wages and salaries	70.875	67.411
Pensions	4.049	2.947
Social security costs	3.118	2.717
Other staff costs	6.743	5.004
	<u>84.784</u>	<u>78.078</u>
Average number of employees (FTEs)	<u>99</u>	<u>94</u>

There hasn't been paid any salaries to executive board members.

There are no employees in the parent company

	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Note 3 Financial income				
Interest income	189	18	-	-
Foreign exchange gains	3.837	2.339	57	28
Other financial income	226	-	56	-
	<u>4.252</u>	<u>2.357</u>	<u>113</u>	<u>28</u>

Note 4 Financial cost				
Interest expenses and capital gains	-	-	-	-
Foreign exchange losses	3.586	1.399	64	-
Other financial expenses	21.068	15.003	-	141
	<u>24.654</u>	<u>16.402</u>	<u>64</u>	<u>141</u>

Note 5 Tax on profit for the year				
Current tax of the year	-	449	-	-
Changes in deferred tax for the year	14.060	10.601	136	651
Changes in tax of the year from previous years	(713)	761	-	14
	<u>13.347</u>	<u>11.811</u>	<u>136</u>	<u>665</u>

Notes

	Group 2023	Group 2022
Note 6 Intangible assets		
Goodwill		
Cost at 1 January	454.638	454.738
Foreign exchange adjustments	58	(100)
Cost at 31 December	454.696	454.638
Depreciations at 1 January	38.387	13.408
Depreciations	24.963	24.979
Depreciations at 31 December	63.350	38.387
Carrying amount at 31 December	391.346	416.251
Customer relationships		
Cost at 1 January	194.445	194.445
Cost at 31 December	194.445	194.445
Depreciations at 1 January	14.583	4.861
Depreciations	9.723	9.722
Depreciations at 31 December	24.306	14.583
Carrying amount at 31 December	170.139	179.862
Technology		
Cost at 1 January	389.635	389.635
Cost at 31 December	389.635	389.635
Depreciations at 1 January	30.154	10.051
Depreciations	20.103	20.103
Depreciations at 31 December	50.257	30.154
Carrying amount at 31 December	339.378	359.481
Brand		
Cost at 1 January	35.760	35.760
Cost at 31 December	35.760	35.760
Depreciations at 1 January	3.576	1.192
Depreciations	2.384	2.384
Depreciations at 31 December	5.960	3.576
Carrying amount at 31 December	29.800	32.184

Notes

	Group 2023	Group 2022
Note 6 Intangible assets (continued)		
Patents		
Cost at 1 January	4.109	2.493
Additions	2.333	1.616
Cost at 31 December	<u>6.442</u>	<u>4.109</u>
Depreciations at 1 January	536	125
Depreciations	1.103	411
Depreciations at 31 December	<u>1.639</u>	<u>536</u>
Carrying amount at 31 December	<u>4.803</u>	<u>3.573</u>
Completed development projects		
Cost at 1 January	17.151	6.928
Additions	10.833	10.223
Cost at 31 December	<u>27.984</u>	<u>17.151</u>
Depreciations at 1 January	3.100	692
Depreciations	4.514	2.408
Depreciations at 31 December	<u>7.614</u>	<u>3.100</u>
Carrying amount at 31 December	<u>20.370</u>	<u>14.051</u>

The Group's development projects include the development on the main product lines: Key Management, Mobil Security, e-Signing and EMV. The products undergo continuous development to meet market needs. Intangible assets also contain positive differences arising on initial measurement of subsidiaries at net asset value. The company's investment in the subsidiaries is considered to be of strategic importance to the group. Taking the Group's expected plans for increasing activities and earnings into account, the useful life of the goodwill recognised on initial measurement of business acquisitions is considered to be 15-20 years.

Notes

Note 7 Tangible assets

Property, plant and equipment

Cost at 1 January	905	461
Additions	215	444
Cost at 31 December	<u>1.120</u>	<u>905</u>
Depreciations at 1 January	412	144
Foreign exchange adjustments	-	30
Depreciations	250	238
Depreciations at 31 December	<u>662</u>	<u>412</u>
Carrying amount at 31 December	<u>458</u>	<u>493</u>

Leasehold improvements

Cost at 1 January	966	962
Additions	67	4
Cost at 31 December	<u>1.033</u>	<u>966</u>
Depreciations at 1 January	430	224
Depreciations	235	206
Depreciations at 31 December	<u>665</u>	<u>430</u>
Carrying amount at 31 December	<u>368</u>	<u>536</u>

Other fixtures & machinery

Cost at 1 January	34	34
Additions	1	-
Cost at 31 December	<u>35</u>	<u>34</u>
Depreciations at 1 January	28	23
Depreciations	6	5
Depreciations at 31 December	<u>34</u>	<u>28</u>
Carrying amount at 31 December	<u>1</u>	<u>6</u>

Notes

Note 8 Investments

Investments in subsidiaries	Parent company 2023	Parent company 2022
Cost at 1 January	767.593	767.593
Addition	29.568	-
Cost at 31 December	<u>797.161</u>	<u>767.593</u>
Revaluations at 1 January	(103.988)	(44.770)
Foreign exchange adjustments	(39)	(404)
Profit/loss after tax	<u>(67.294)</u>	<u>(58.814)</u>
Revaluations at 31 December	<u>(171.321)</u>	<u>(103.988)</u>
Carrying amount 31 December	<u>625.841</u>	<u>663.606</u>

Name and registered office	Ownership
REF IVV BidCo ApS, Aarhus	100%
Cryptomathic A/S, Aarhus, owned by REF IVV BidCo ApS	100%
Cryptomathic Ltd, Cambridge, UK, owned by Cryptomathic A/S	100%
Cryptomathic GmbH, München, Germany, owned by Cryptomathic A/S	100%
Cryptomathic Inc., San Jose, USA, owned by Cryptomathic A/S	100%
Aconite Technology Ltd., London, UK, owned by Cryptomathic Ltd.	100%
Aconite Solutions Ltd., London, UK, owned by af Aconite Technology Ltd.	100%
Aconite Consulting Ltd., London, UK, owned by af Aconite Technology Ltd.	100%

Investments in associates	Group 2023	Group 2022
Cost at 1 January	30	30
Cost at 31 December	<u>30</u>	<u>30</u>
Carrying amount 31 December	<u>30</u>	<u>30</u>

Deposits given	Group 2023	Group 2022
Cost at 1 January	1.134	902
Addition	288	381
Disposals	(188)	(149)
Cost at 31 December	<u>1.234</u>	<u>1.134</u>
Carrying amount 31 December	<u>1.234</u>	<u>1.134</u>

Notes

	<u>Group</u> 2023	<u>Group</u> 2022
Note 9 Contract work in progress		
Contract work in progress	6.798	3.265
Progress billings and prepayments	<u>(3.863)</u>	<u>(1.494)</u>
	<u>2.935</u>	<u>1.771</u>
Recognised as follows:		
Contract work in progress (assets)	3.510	2.176
Contract work in progress (liabilities)	<u>(575)</u>	<u>(405)</u>
	<u>2.935</u>	<u>1.771</u>
Note 10 Deferred tax		
Deferred tax asset 1 January	4.957	4.860
Addition	-	-
Changes in deferred tax for the year	<u>(935)</u>	<u>97</u>
Deferred tax asset 31 December	<u>4.022</u>	<u>4.957</u>
Expected utilisation:		
Less than 1 year	143	936
More than 1 year and less than 5	<u>3.879</u>	<u>4.021</u>
	<u>4.022</u>	<u>4.957</u>

Deferred tax assets, including the value of tax losses carried forward, are recognised at the value at which they are expected to be used eg. offsetting in future taxable earnings.

Deferred tax liability 1 January	120.676	131.374
Addition	-	-
Changes in deferred tax for the year	<u>(14.060)</u>	<u>(10.698)</u>
Deferred tax liability 31 December	<u>106.616</u>	<u>120.676</u>

Note 11 Prepayments

Prepayments contain prepayments related to insurance, licenses and rent.

Further, it contains prepayments of costs related to customer support.

Notes

	<u>Group</u> 2023	<u>Group</u> 2022
Note 12 Long term liabilities		
Debt settlement:		
More than 1 year and less than 5 years	108.275	115
More than 5 years	<u>2.924</u>	<u>219.411</u>
	<u>111.199</u>	<u>219.526</u>

Note 13 Deferred income

Accruals under liabilities includes prepayments from customers that cannot be recognized as income until next financial year.

Note 14 Contingent liabilities

REF IVV TopCo ApS is jointly and severally liable for tax under the Danish joint taxation with the companies within the group. The known net tax liability of the jointly taxed companies is DKK 0 thousand as at 31st of December 2023. Subsequently corrections of the joint taxable income, if any, could result in an increased liability for the company.

The Group has operating rent commitments totalling DKK 6.2 million.
The Group has operating lease commitments falling due within 5 years totalling DKK 0.1 million.
The parent company does not have operating rent of lease commitments.

The Group is a party in ongoing lawsuits. Management is of the opinion that the outcome of these lawsuits will not affect the Group's financial position in addition to the receivables and liabilities recognized in the balance sheet at 31 December 2023.

Notes

Note 15 Shareholders

The Company has registered the following shareholders to hold at least 5% of the voting share capital or at least 5% of the nominal value of the share capital:

PT af 1. januar 2012 ApS
C/O Cryptomathic A/S
Åboulevarden 22, 2. sal
8000 Aarhus C
Denmark

REF IV In Vino Veritas Holding S.á.r.l.
13-15 Avenue de la Liberté
1931 Luxembourg
Luxembourg

Note 16 Proposed profit appropriation

	Parent	Parent
	2023	2022
<i>Proposed profit appropriation</i>		
Retained earnings	(67.739)	(61.111)
	(67.739)	(61.111)