

exceet Card Denmark A/S

Literbuen 7, 2740 Skovlunde
CVR no. 83 11 04 14

Annual report for 2023

This annual report has been adopted at the
annual general meeting on 11.06.24

Ulrich Reutner

Chairman of the meeting

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The company

exceet Card Denmark A/S
Literbuen 7
2740 Skovlunde
Tel.: 63 16 80 80
Registered office: Ballerup
CVR no.: 83 11 04 14
Financial year: 01.01 - 31.12

Executive Board

Martin Riis Vesterager

Board of Directors

Ulrich Reutner
Charlotte Friis
Karl Maximilian Rickl

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 01.01.23 - 31.12.23 for exceet Card Denmark A/S.

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

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.23 and of the results of the company's activities for the financial year 01.01.23 - 31.12.23.

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

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

Skovlunde, June 11, 2024

Executive Board

Martin Riis Vesterager

Board of Directors

Ulrich Reutner
Chairman

Charlotte Friis

Karl Maximilian Rickl

To the Shareholder of exceet Card Denmark A/S**Opinion**

We have audited the financial statements of exceet Card Denmark A/S for the financial year 01.01.23 - 31.12.23, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion the financial statements give a true and fair view of the company's financial position at 31.12.23 and of the results of the company's operations for the financial year 01.01.23 - 31.12.23 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

Statement on the management's review

Management is responsible for the management's review.

Our opinion on the financial statements does not cover the management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, it is our responsibility to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management's review.

Management's 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.

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Odense, June 11, 2024

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Jacob Pedersen

State Authorized Public Accountant
MNE-no. mne33725

Primary activities

The company's purpose is manufacturing and trading as well as other related business.

Development in activities and financial affairs

The income statement for the period 01.01.23 - 31.12.23 shows a profit/loss of DKK 5,732,693 against DKK 5,888,365 for the period 01.01.22 - 31.12.22. The balance sheet shows equity of DKK 14,764,545.

Subsequent events

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

Income statement

Note		2023 DKK	2022 DKK
	Gross profit	26,653,247	29,764,844
1	Staff costs	-14,319,886	-16,382,097
	Profit before depreciation, amortisation, write-downs and impairment losses	12,333,361	13,382,747
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-4,307,999	-4,925,946
	Operating profit	8,025,362	8,456,801
2	Financial income	277,546	113,984
3	Financial expenses	-925,533	-941,406
	Profit before tax	7,377,375	7,629,379
	Tax on profit for the year	-1,644,682	-1,741,014
	Profit for the year	5,732,693	5,888,365
Proposed appropriation account			
	Extraordinary dividend for the financial year	4,500,000	0
	Retained earnings	1,232,693	5,888,365
	Total	5,732,693	5,888,365
	Extraordinary dividend distributed after the balance sheet date	4,180,954	0

Balance sheet

ASSETS		31.12.23	31.12.22
		DKK	DKK
Note			
	Completed development projects	2,828,938	2,980,050
4	Total intangible assets	2,828,938	2,980,050
	Leasehold improvements	2,867,909	3,600,210
	Plant and machinery	17,314,451	18,228,028
	Other fixtures and fittings, tools and equipment	409,390	221,964
5	Total property, plant and equipment	20,591,750	22,050,202
6	Deposits	501,317	484,074
	Total investments	501,317	484,074
	Total non-current assets	23,922,005	25,514,326
	Manufactured goods and goods for resale	2,852,070	2,906,166
	Total inventories	2,852,070	2,906,166
	Trade receivables	10,199,689	10,243,233
	Receivables from group enterprises	3,968,758	3,946,855
	Other receivables	0	55,590
	Prepayments	481,533	724,322
	Total receivables	14,649,980	14,970,000
	Cash	1,796,590	695,816
	Total current assets	19,298,640	18,571,982
	Total assets	43,220,645	44,086,308

EQUITY AND LIABILITIES		31.12.23	31.12.22
		DKK	DKK
Note			
	Share capital	700,000	700,000
	Reserve for development costs	2,206,587	2,324,439
	Retained earnings	11,857,958	10,507,413
	Total equity	14,764,545	13,531,852
	Provisions for deferred tax	1,776,621	1,891,528
	Total provisions	1,776,621	1,891,528
7	Payables to other credit institutions	0	62
7	Lease commitments	10,359,038	11,727,036
7	Other payables	441,446	431,743
	Total long-term payables	10,800,484	12,158,841
7	Short-term part of long-term payables	2,659,295	2,379,973
	Payables to other credit institutions	2,679	325,393
	Trade payables	7,999,592	6,107,172
	Payables to group enterprises	1,848,657	3,294,113
	Income taxes	1,759,589	1,580,895
	Other payables	1,572,678	2,724,674
	Deferred income	36,505	91,867
	Total short-term payables	15,878,995	16,504,087
	Total payables	26,679,479	28,662,928
	Total equity and liabilities	43,220,645	44,086,308
8	Contingent liabilities		
9	Charges and security		

Statement of changes in equity

Figures in DKK	Share capital	Reserve for developmen t costs	Retained earnings	Total equity
Statement of changes in equity for 01.01.23 - 31.12.23				
Balance as at 01.01.23	700,000	2,324,439	10,507,413	13,531,852
Extraordinary dividend paid	0	0	-4,500,000	-4,500,000
Other changes in equity	0	-117,852	117,852	0
Net profit/loss for the year	0	0	5,732,693	5,732,693
Balance as at 31.12.23	700,000	2,206,587	11,857,958	14,764,545

	2023	2022
	DKK	DKK
1. Staff costs		
Wages and salaries	12,511,230	14,547,578
Pensions	956,901	1,052,863
Other social security costs	51,627	66,837
Other staff costs	800,128	714,819
Total	14,319,886	16,382,097
Average number of employees during the year	23	29

2. Financial income

Interest, group enterprises	222,633	113,927
Other interest income	46,429	57
Foreign currency translation adjustments	8,484	0
Other financial income	54,913	57
Total	277,546	113,984

	2023 DKK	2022 DKK
3. Financial expenses		
Interest, group enterprises	39,321	84,541
Other interest expenses	829,322	642,071
Foreign exchange losses	0	1,442
Other financial expenses	56,890	213,352
Other financial expenses total	886,212	856,865
Total	925,533	941,406

4. Intangible assets

Figures in DKK	Completed development projects
Cost as at 01.01.23	5,054,375
Additions during the year	601,128
Cost as at 31.12.23	5,655,503
Amortisation and impairment losses as at 01.01.23	-2,074,325
Amortisation during the year	-752,240
Amortisation and impairment losses as at 31.12.23	-2,826,565
Carrying amount as at 31.12.23	2,828,938

The company's development projects relate to the creation of production flows that ensure the company's ability to grow and remain competitive in the market. The calculated value pertains to costs for IT systems as well as expenses for consultants and internal hours spent on developing new production flows. Development costs are depreciated from the time they are implemented in production and over their expected lifespan. The included projects proceed as planned and are depreciated over a period of 3-7 years.

5. Property, plant and equipment

Figures in DKK	Leasehold improvements	Plant and machinery	Other fixtures and fittings, tools and equipment
Cost as at 01.01.23	6,782,124	28,736,018	1,134,709
Additions during the year	101,000	1,627,862	368,445
Cost as at 31.12.23	6,883,124	30,363,880	1,503,154
Depreciation and impairment losses as at 01.01.23	-3,181,914	-10,507,990	-612,744
Depreciation during the year	-833,301	-2,541,439	-481,020
Depreciation and impairment losses as at 31.12.23	-4,015,215	-13,049,429	-1,093,764
Carrying amount as at 31.12.23	2,867,909	17,314,451	409,390
Carrying amount of assets held under finance leases as at 31.12.23	0	11,548,804	0

6. Non-current financial assets

Figures in DKK	Deposits
Cost as at 01.01.23	484,074
Additions during the year	17,243
Cost as at 31.12.23	501,317
Carrying amount as at 31.12.23	501,317

7. Long-term payables

Figures in DKK	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.23	Total payables at 31.12.22
Payables to credit institutions	943	0	943	53,062
Lease commitments	2,658,352	190,512	13,017,390	14,054,009
Other payables	0	441,446	441,446	431,743
Total	2,659,295	631,958	13,459,779	14,538,814

8. Contingent liabilities

Lease commitments

The company has concluded lease agreements with terms to maturity of 12-24 months and total lease payments of DKK 59k.

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and is liable for income taxes on a pro rata basis and must comply with any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The maximum liability totals an amount corresponding to the share of the capital in the company which is owned directly or indirectly by the ultimate parent. 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 JEMAG Invest ApS.

9. Charges and security

As security for debt to credit institutions of DKK 4,350k, a company charge has been provided comprising goodwill, intellectual property rights, motor vehicles, other plant, fixtures and fittings, tools and equipment, inventories and agricultural stock, trade receivables as well as fuels and other ancillary materials.

For the security of debt to credit institutions, there is a lien on DKK 192. The total accounting value of the covered assets amounts to DKK 0.

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

10. Accounting policies - continued -**LEASES**

Leases relating to assets where the company has substantially all the risks and benefits incidental to the ownership of the asset (finance leases) are recognised in the balance sheet. On initial recognition, assets held under finance leases and related lease commitments are measured at the lower of the fair value of the leased asset and the present value of future lease payments. Subsequently, assets held under finance leases are treated like other similar assets.

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as payables. Subsequent to initial recognition, lease commitments are measured at amortised cost according to which the interest element of the lease payment is recognised in the income statement over the lease term.

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, other operating income and raw materials and consumables 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.

Other operating income

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

10. Accounting policies - continued -**Costs of raw materials and consumables**

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables 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.

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, per cent
Completed development projects	3-7	0
Leasehold improvements	3-6	0
Plant and machinery	3-8	0-50
Other plant, fixtures and fittings, tools and equipment	3-5	0

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other net financials

Interest income and interest expenses, the interest element of finance lease payments, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Interest income and interest expenses, the interest element of finance lease payments, 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.

The company is jointly taxed with Danish consolidated enterprises.

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.

10. Accounting policies - continued -

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 or losses on the disposal of intangible assets

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

10. Accounting policies - continued -**Property, plant and equipment**

Property, plant and equipment comprise leasehold improvements, plant and machinery as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

10. Accounting policies - continued -**Inventories**

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Prepayments

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

Cash

Cash includes deposits in bank account.

Equity

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

10. Accounting policies - continued -

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.

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

Deferred income

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