

Cryptomathic A/S

Åboulevarden 22, 2. sal, 8000 Aarhus C,
Denmark

Annual report 2023

Registration No. 17 08 90 05

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

Karsten Langer
Chairman

Contents

Management's Statement	3
Independent Auditor's Report	4
Management's review	6
Income statement 1 January - 31 December	9
Balance sheet at 31 December	10
Equity statement at 31 December	12
Notes	13

Management's Statement

The Executive Board and Board of Directors have today discussed and approved the annual report of Cryptomathic A/S 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

Charlotte Møller Andersen

Emil Kaae Hansen

Board of Directors

Karsten Langer, Chairman

Peter Landrok

Dan Parksjö

Jeroen Hubert Lenssen

Tammy Schuring

Peter Kerstner

Independent Auditor's Report

To the Shareholder Cryptomathic A/S

Opinion

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

We have audited the Financial Statements of Cryptomathic A/S 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 ("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 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 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 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 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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Aarhus, 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	Cryptomathic A/S Åboulevarden 22, 2. sal 8000 Aarhus C Denmark
	Telephone: +45 8676 2288 Fax: +45 8620 2975
	Web site: www.cryptomathic.com
	Registration No.: 17 08 90 05 Established: 2 July 1993 Registered office: Aarhus Financial year: 1 January – 31 December
Board of Directors	Karsten Langer (chairman) Peter Landrok Dan Parksjö Jeroen Hubert Lenssen Tammy Schuring Peter Kerstner
Executive Board	Laurent Lafargue Charlotte Møller Andersen Emil Kaae Hansen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 8000 Aarhus C Denmark

Group key figures

	2023	2022	2021*
Key figures (tDKK):			
Gross profit	51.822	55.479	39.609
Operating profit (EBIT)	-6.443	5.492	2.985
Financial income and cost	-320	8	170
Profit for the year	-8	7.025	2.749
Total assets	53.288	75.545	49.846
Investment in property, plant and equipment			
Total equity	14.126	28.636	28.212
Solvency (Equity/Total assets)	26,5%	37,9%	56,6%
Full time employees	69	63	50

* Cryptomathic A/S stand alone before merger with Cryptomathic Holding

Principal activities

The principal activity of the company is development, sale and maintenance of software related to electronic security (e-Security). The customers are typically banks and financial institutions, telecommunication companies, governments (e-Passport), software houses and system integrators.

Development in the activities and financial affairs

Cryptomathic A/S has merged with Cryptomathic Holding ApS with effect as of 1 January 2023. Comparative numbers have been adjusted to picture this.

Profit before tax is DKK -1.3 million against DKK 8.2 million in 2022.

Tax on profit for the year is a profit of DKK 1.3 million against a cost of DKK -1.2 million in 2022. After this, profit for the year is DKK 0.0 million against DKK 7.0 million in 2022.

The result is below our expectations, but we have invested in future growth and expect further growth in investments and activities in 2024. We expect a result before tax in the range of DKK 8-10 million.

Equity comprises DKK 14.1 million at year-end compared to DKK 28.6 million by the end of 2022.

Uncertainties and estimates

Certain items include by nature certain uncertainties and estimates. We have mainly used estimates in the accounting for fixed assets, where we have estimated the expected useful life for the identified assets and for work in progress, where we have estimated stage of completion.

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	2023	2022
Gross profit		51.822.032	55.478.780
Staff cost	2	(52.218.127)	(46.779.934)
Operating profit before depreciation (EBITDA)		(396.095)	8.698.846
Amortization and depreciation of intangible assets and property, plant and equipment		(6.047.293)	(3.206.810)
Operating profit (EBIT)		(6.443.388)	5.492.036
Profit in subsidiaries after tax	7	5.437.903	2.678.193
Financial income	3	946.264	885.911
Financial cost		(1.266.652)	(877.876)
Profit before tax		(1.325.873)	8.178.264
Tax	4	1.317.474	(1.152.990)
Profit for the year		(8.399)	7.025.274
<i>Proposed profit appropriation:</i>			
Proposed dividends		-	7.025.274
Reserve for development costs		4.928.689	6.096.060
Reserve for net revaluation according to the equity method		(6.600.836)	(3.574.309)
Retained earnings		1.663.749	(2.521.751)
		(8.399)	7.025.274

Balance sheet at 31 December

ASSETS	Note	2023	2022
Patents		4.803.401	3.573.263
Completed development projects		20.369.632	14.050.800
Total intangible assets	5	25.173.033	17.624.063
Fixtures and fittings, tools and equipment		365.096	364.748
Leasehold improvements		367.959	535.959
Total property, plant and equipment	6	733.055	900.707
Investments in subsidiaries	7	14.051.259	25.662.892
Investments in associates	8	280.759	280.759
Deposits	9	980.775	936.301
Total investments		15.312.793	26.879.952
TOTAL FIXED ASSETS		41.218.882	45.404.722
Inventories		401.455	164.751
Trade receivables		1.165.446	233.256
Contract work in progress	10	687.653	1.371.576
Amounts owed group enterprises		6.993.496	23.920.919
Other receivables		603.339	1.554.821
Prepayments		1.209.891	1.663.710
Total receivables		10.659.824	28.744.282
Cash at bank and in hand		1.007.631	1.231.614
TOTAL CURRENT ASSETS		12.068.910	30.140.647
TOTAL ASSETS		53.287.792	75.545.369

Balance sheet at 31 December

EQUITY AND LIABILITIES	Note	2023	2022
Share capital		800.000	800.000
Net revaluation according to the equity method		-	6.637.245
Net revaluation regarding development assets		15.888.313	10.959.624
Retained earnings		(2.562.498)	3.213.753
Proposed dividends for the year		-	7.025.274
TOTAL EQUITY		14.125.814	28.635.896
Deferred tax	11	1.240.430	2.713.179
Total provisions		1.240.430	2.713.179
Other payables		3.005.642	2.904.002
Total long-term liabilities	12	3.005.642	2.904.002
Credit institutions		13.309.732	14.307.595
Trade payables		1.264.333	1.475.970
Amounts owed to group enterprises		13.436.843	20.540.169
Corporation tax liability		299.830	-
Other payables		4.954.326	3.945.067
Deferred income	13	1.650.841	1.023.491
Total short-term liabilities		34.915.905	41.292.292
TOTAL LIABILITIES		39.161.977	46.909.473
TOTAL EQUITY AND LIABILITIES		53.287.792	75.545.369
Accounting policies	1		
Contingent liabilities	14		
Shareholders	15		
Consolidated financial statements	16		
Proposed profit appropriation	17		

Equity statement at 31 December

	Share capital	Retained earnings	Reserve for development costs	Net revaluation acc. to the equity method	Proposed dividend	Total
Equity at 1 January	772.224	6.945.789	-	6.637.245	-	14.355.258
Net effect of merger according to the combination method	27.776	(3.732.036)	10.959.624	-	7.025.274	14.280.638
Adjusted equity at 1 January	800.000	3.213.753	10.959.624	6.637.245	7.025.274	28.635.896
Paid dividend		(7.440.000)	-	-	(7.025.274)	(14.465.274)
Foreign exchange adjustments, foreign subsidiaries	-	-		(36.409)	-	(36.409)
Profit for the year	-	1.663.749	4.928.689	(6.600.836)	-	(8.399)
Equity at 31 December	800.000	(2.562.498)	15.888.313	-	-	14.125.814

Share capital

The share capital comprises 800,000 shares of DKK 1 each.

The share capital has been changed in relation to the merger in 2023.

Apart from that, the share capital has been unchanged in the last five years.

Notes

Note 1 Accounting policies

The annual report of Cryptomathic A/S has been prepared in accordance with the provisions applying to reporting class C medium enterprises under the Danish Financial Statements Act.

In accordance with section 86 (4) of the Danish Financial Statements Act the company has omitted the presentation of the cash flow statement.

In accordance with section 112 (1) of the Danish Financial Statements Act the company has omitted the presentation of consolidated financial statements.

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

Business combinations

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognized directly in equity.

The pooling-of-interests method is applied at the date of acquisition, and comparative figures have been restated.

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.

On recognition of foreign subsidiaries, the income statements are translated at the average exchange rates for the year, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date are recognized directly in equity.

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 external cost 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, IT cost office cost 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 in subsidiaries after tax

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 comprise interest income and cost, 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

The company is covered by the Danish regulations concerning compulsory joint taxation with the parent company REF IVV TopCo ApS and 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

Licenses, patents, software, development assets etc. are measured at cost and are amortized on a straight-line basis over the estimated useful life, although not exceeding ten years. The intellectual property rights acquired are expected to be in use for a period of at least ten years, corresponding to the amortization period used.

The amortization period is usually 3-10 years for intangible assets.

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.

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.

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.

Notes

Note 1 Accounting policies (continued)

Intangible assets (continued)

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.

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.

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.

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.

Notes

Note 1 Accounting policies (continued)

Lease contracts

All lease contracts are considered to be operating leases. Operating lease and rent expenses are recognized in the income statement over the lease term. The aggregate amounts of the company's lease commitments are disclosed in contingent liabilities.

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.

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.

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.

Notes

Note 1 Accounting policies (continued)

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.

Securities

Listed Danish securities, recognized in current assets, are measured at fair value at the balance sheet date. Changes in fair value are recognized in the income statement.

Cash at bank and in hand

Cash at bank and in hand include bank deposits.

Equity

Proposed dividends are recognized as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

The reserve for development costs comprises recognized development costs. The reserve cannot be used to distribute dividends or cover losses. The reserve will be reduced or dissolved if the recognized development costs are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Notes

Note 1 Accounting policies (continued)

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

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.

Other liabilities

Other liabilities are measured at net realizable value.

Deferred income

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

Notes

	2023	2022
Note 2 Staff cost		
Wages and salaries	41.929.206	39.273.089
Pensions	3.159.635	2.507.486
Social security cost	965.327	459.686
Other staff cost	6.163.959	4.539.673
	<u>52.218.127</u>	<u>46.779.934</u>
Management remuneration:		
Wages and salaries to the registered management	3.958.896	2.663.947
Fees to the registered Board of Directors	439.800	401.950
Average number of employees (FTEs)	<u>69</u>	<u>63</u>
Employees by the end of the year	<u>73</u>	<u>71</u>
Note 3 Financial income		
Interest income and capital gains from group enterprise:	234.163	-
Foreign exchange gains	571.790	885.911
Other financial income	140.311	-
	<u>946.264</u>	<u>885.911</u>
Note 4 Tax		
Current tax for the year	-	869.329
Changes in deferred tax for the year	1.472.749	(2.040.953)
Adjustment related to previous years - current tax	(155.275)	18.634
	<u>1.317.474</u>	<u>(1.152.990)</u>

Notes

Note 5 Intangible assets

	<u>Patents</u>	<u>Trademarks</u>	<u>Development projects</u>	<u>Total</u>
Cost at 1 January	9.859.777	2.429.000	41.223.452	53.512.229
Additions	2.332.753	-	10.832.389	13.165.142
Disposals during the year	-	-	-	-
Cost at 31 December	<u>12.192.530</u>	<u>2.429.000</u>	<u>52.055.841</u>	<u>66.677.371</u>
Depreciation at 1 January	6.286.514	2.429.000	27.172.652	35.888.166
Depreciation for the year	<u>1.102.615</u>	<u>-</u>	<u>4.513.557</u>	<u>5.616.172</u>
Depreciation at 31 December	<u>7.389.129</u>	<u>2.429.000</u>	<u>31.686.209</u>	<u>41.504.338</u>
Carrying amount at 31 December	<u>4.803.401</u>	<u>-</u>	<u>20.369.632</u>	<u>25.173.033</u>
Depreciation period	<u>10 years</u>	<u>5 years</u>	<u>3-10 years</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

	2023	2022
Note 6 Property plant and equipment		
Fixtures and fittings, tools and equipment		
Cost at 1 January	1.089.082	802.307
Additions	196.470	286.775
Cost at 31 December	1.285.552	1.089.082
Depreciation at 1 January	724.334	541.920
Depreciation for the year	196.122	182.414
Depreciation at 31 December	920.456	724.334
Carrying amount at 31 December	365.096	364.748
Leasehold improvements		
Cost at 1 January	965.485	961.485
Additions	67.000	4.000
Cost at 31 December	1.032.485	965.485
Depreciation at 1 January	429.526	223.982
Depreciation for the year	235.000	205.544
Depreciation at 31 December	664.526	429.526
Carrying amount at 31 December	367.959	535.959

Notes

	2023	2022
Note 7 Investments in subsidiaries		
Cost at 1 January	19.025.647	19.025.647
Cost at 31 December	19.025.647	19.025.647
Revaluations at 1 January	6.637.245	10.609.778
Foreign exchange adjustments	(36.409)	(398.224)
Profit/loss after tax	5.437.903	2.678.193
Dividend	(17.013.127)	(6.252.502)
Revaluations at 31 December	(4.974.388)	6.637.245
Carrying amount at 31 December	14.051.259	25.662.892

Name and registered office	Ownership
Cryptomathic Ltd, Cambridge, UK	100%
Cryptomathic GmbH, München, Germany	100%
Cryptomathic Inc., San Jose, USA	100%

Note 8 Investments in associates

Cost at 1 January	280.759	280.759
Cost at 31 December	280.759	280.759
Carrying amount at 31 December	280.759	280.759

	2023	2022
Note 9 Deposits		
Cost at 1 January	936.301	892.692
Additions	44.474	43.609
Cost at 31 December	980.775	936.301
Carrying amount at 31 December	980.775	936.301

Notes

	<u>2023</u>	<u>2022</u>
Note 10 Contract work in progress		
Contract work in progress	3.976.179	2.460.951
Progress billings and prepayments	<u>(3.288.526)</u>	<u>(1.089.375)</u>
	687.653	1.371.576
recognised as follows:		
Contract work in progress (assets)	687.653	1.371.576
Contract work in progress (liabilities)	<u>-</u>	<u>-</u>
	687.653	1.371.576
	<u>2023</u>	<u>2022</u>
Note 11 Deferred tax		
Deferred tax 1 January	2.713.179	1.610.200
Deferred tax for the year	(1.472.749)	1.102.979
Changes in deferred tax for previous year	<u>-</u>	<u>-</u>
Deferred tax 31 December	1.240.430	2.713.179
	<u>2023</u>	<u>2022</u>
Note 12 Long term liabilities		
Debt settlement:		
More than 1 year and less than 5 years	81.764	78.999
More than 5 years	<u>2.923.878</u>	<u>2.825.003</u>
	3.005.642	2.904.002

Note 13 Deferred income

Deferred income relates to contracts with customers in future periods.

Notes

Note 14 Contingent liabilities

The company has operating rent commitments totalling DKK 3.9 million.
The company has operating lease commitments falling due within 5 years totalling DKK 0.1 million.

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

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:

REF IVV BidCo ApS
c/o Cryptomathic A/S
Åboulevarden 22, 2. sal
8000 Aarhus C
Denmark

Note 16 Consolidated financial statements

Cryptomathic A/S and subsidiaries are included in the consolidated financial statements for REF IVV TopCo ApS
c/o Cryptomathic A/S
Åboulevarden 22, 2. sal
8000 Aarhus C
Denmark
Registration no.: 42 43 54 30

Note 17 Proposed profit appropriation

	2023	2022
<i>Proposed profit appropriation</i>		
Proposed dividend	-	7.025.274
Reserve for development costs	4.928.689	6.096.060
Net revaluation according to the equity method	(6.600.836)	(3.574.309)
Retained earnings	1.663.749	(2.521.751)
	(8.399)	7.025.274