

## Interim report 1 July – 30 September 2010

### Cryptzone Group AB (publ) consolidated Reg. No. 556646-3013

*N.B. This is a translation from Swedish. The Swedish version shall always take precedence. Only financial data is translated. For exact information please see the Swedish version.*

#### Summary consolidated group figures for the period (amount in MSEK) (\*)

|                                   | Jul - Sept<br>2010 | Jul - Sept<br>2009 | Jan - Sept<br>2010 | Jan - Sept<br>2009 |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|
| Total operating income            | 9,83               | (-1,41)            | 28,27              | (-3,49)            |
| Net turnover                      | 8,61               | (-1,41)            | 24,36              | (-3,49)            |
| Increase in net turnover          | 510%               |                    | 598%               |                    |
| Result before depreciation EBITDA | 0,36               | (-3,73)            | -0,86              | (-12,76)           |
| Result after tax                  | -1,5               | (-4,63)            | -5,55              | (-14,91)           |
| Cash flow for the period          | 0,087              | (-2,94)            | 1,79               | (-2,91)            |
| Result per share after tax        | -0,002 kr          | (-0,17 kr)         | -0,008 kr          | (-0,056 kr)        |

*\* figures in parenthesis refers to same period last year for Cryptzone Group AB*

#### Income statement

| Amounts in KSEK                          | <u>Jul-sep</u><br><u>2010</u> | <u>Jan-Sep</u><br><u>2010</u> |
|--|-------------------------------|-------------------------------|
| Operating income                         |                               |                               |
| Net turnover                             | 8 610                         | 24 361                        |
| Other income                             | 1 216                         | 3 905                         |
| <b>Total operating income</b>            | <b>9 826</b>                  | <b>28 267</b>                 |
| <b>Operating costs</b>                   |                               |                               |
| Operating costs excl. depreciation       | -9 463                        | -29 130                       |
| <b>Result before depreciation EBITDA</b> | <b>363</b>                    | <b>-863</b>                   |
| Depreciation                             | -1 102                        | -3 289                        |
| <b>Operating result</b>                  | <b>-739</b>                   | <b>-4 152</b>                 |
| Net financial items                      | -766                          | -1 399                        |
| <b>Result before tax</b>                 | <b>-1 505</b>                 | <b>-5 551</b>                 |
| Taxes                                    | 0                             | 0                             |
| <b>Result after tax</b>                  | <b>-1 505</b>                 | <b>-5 551</b>                 |

**Cryptzone Group AB (publ) consolidated**  
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**Balance sheet consolidated**

| <i>Amounts in KSEK</i>                             | <i>Proforma balance</i> |                      |
|--|-------------------------|----------------------|
|  | <u>2010-09-30</u>       | <u>2009-12-31</u>    |
| <b>ASSETS</b>                                      |                         |                      |
| Fixed assets                                       | 77 047                  | 55 486               |
| Current assets                                     | 15 732                  | 13 236               |
| <b>TOTAL ASSETS</b>                                | <b><u>92 779</u></b>    | <b><u>68 722</u></b> |
| <b>SHAREHOLDERS EQUITY &amp; LIABILITIES</b>       |                         |                      |
| <b>Shareholders' equity</b>                        |                         |                      |
| Restricted   | 34 748                  | 14 716               |
| Unrestricted                                       | 34 917                  | 19 453               |
| <b>Total shareholders' equity</b>                  | <b><u>69 665</u></b>    | <b><u>34 169</u></b> |
| Long term liabilities                              | 0                       | 1 574                |
| Short term liabilities                             | 23 114                  | 32 979               |
| <b>Total liabilities</b>                           | <b><u>23 114</u></b>    | <b><u>34 553</u></b> |
| <b>TOTAL SHAREHOLDERS EQUITY &amp; LIABILITIES</b> | <b><u>92 779</u></b>    | <b><u>68 722</u></b> |

**Cash Flow Statement**

|  | <u>Jul -Sep</u> | <u>Jan -Sep</u> |
|--|-----------------|-----------------|
|  | <u>2010</u>     | <u>2010</u>     |
| <b>Cash flow from operating activities before changes in working capital</b> | <b>-403</b>     | <b>-2 261</b>   |
| Changes in working capital   | -3 268          | -11 502         |
| <b>Cash flow from operating activities</b>                                   | <b>-3 671</b>   | <b>-13 763</b>  |
| Cash flow from investment activities   | -1 246          | -24 851         |
| Cash flow from financing activities  | 5 004           | 39 473          |
| <b>Cash flow for the period</b>  | <b>87</b>       | <b>859</b>      |
| <b>Cash and cash equivalents at beginning of period</b>                      | <b>2 559</b>    | <b>1 787</b>    |
| <b>Cash and cash equivalents at end of period</b>                            | <b>2 646</b>    | <b>2 646</b>    |

**Share capital**

The number of shares the 30 December 2010 amounted to 681 281 607 (267 676 667) whereof 17 676 667 A-shares (17 676 667). The share capital amounted to 34 364 080 (13 383 833) SEK and total shareholders' equity the 30 September 2010 amounted to 67 241 572 (34 244 190) SEK. At full conversion of outstanding share options the number of B-shares will increase with 103 100 shares.

Average number of shares during 2010 amounts to 454 953 323 (92 396 857) before dilution of outstanding share options.

Cryptzone has in January to September issued new shares at a total of 43,6 MSEK excluding issuing costs.

# Cryptzone Group AB

## Auditing

This report has not been reviewed by the company's auditors

## Significant risks and uncertainty factors

Cryptzone's operation is affected by many different factors of which some are within and some outside the control of the company. A company like Cryptzone is affected by operational risks like new laws and regulations, competition both company wise and prices.

Market related risks include business cycle and project risks. Financial risks include exchange rates and interest changes.

A more thorough description of significant risks and uncertainty factors can be found in Cryptzones Investeringsprospekt maj 2010, p. 10.

([http://www.cryptzone.com/download/ir/2010/Cryptzone\\_prospekt\\_nyemission\\_maj\\_2010.pdf](http://www.cryptzone.com/download/ir/2010/Cryptzone_prospekt_nyemission_maj_2010.pdf))

## Accounting principles

This interim report has been prepared in accordance with Årsredovisningslagen and Bokföringsnämndens general advices. The principles have not changed since last year.

Accounts receivables are valued at the expected discounted value at the time of payment. Other receivables and liabilities are valued at their accrued acquisition value.

## Annual shareholders meeting

Annual shareholders meeting will be held the 21st May 2008 at 16.00 hrs.

## Forthcoming reports 2010

Interim annual report 2010

4 February 2010

Annual report for 2009 is available at the Company's website.

## The Company's Certified Adviser is:

Thenberg & Kinde Fondkommission AB  
Box 2108  
403 12 Göteborg, Sweden  
Tel. +46 31 745 50 00

The board of directors and the CEO certify that this Interim Report provides a true and fair overview of the Company's operations, financial position and results and presents the material risks and uncertainty factors facing the Company.

Göteborg the October 2010

## Cryptzone Group AB (publ)

## The Board of Directors

*For further information please contact*

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Björn Muchow, CFO, Cryptzone AB, Tel: +46 31 773 86 03

[www.cryptzone.com](http://www.cryptzone.com)

## About the Cryptzone Group:

The Cryptzone Group (OMX: CZON B) supplies systems for Data Loss Prevention in three categories: role-based access control, encryption of sensitive information, as well as Java-based point-to-point communications. The Cryptzone Group's goal is to offer user-friendly security solutions in order to increase the overall information security, thereby minimizing the risk of information leakage, while IT administrators have complete control over user rights. The company has offices in Sweden, UK, USA and Poland. More information about the company and its solutions can be found on [www.cryptzone.com](http://www.cryptzone.com), [www.appgate.com](http://www.appgate.com), [www.mindterm.com](http://www.mindterm.com) & [www.controlguard.com](http://www.controlguard.com).

Cryptzone's share is listed on First North in Stockholm, Sweden. First North is an alternative market, operated by the different exchanges within NASDAQ OMX.

Certified Adviser is Thenberg & Kinde Fondkommission AB, +46 31-745 50 00.