

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2018

LOGPOINT A/S

Jagtvej 169B, 4.

2100 København Ø

CENTRAL BUSINESS REGISTRATION no. 26 30 19 39

Adopted at the Company's
Annual General Meeting,
on 27/5 2019

Jesper Zerlang

The Chairman's name in capital letters

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Company

LogPoint A/S
Jagtvej 169B
2100 København Ø

Central Business Registration no. 26 30 19 39

Registered in: København Ø

Board of Executives

Jesper Zerlang

Søren Laustrop

Board of Directors

Richard Michael Seewald

Karel Obluk

Søren Laustrop

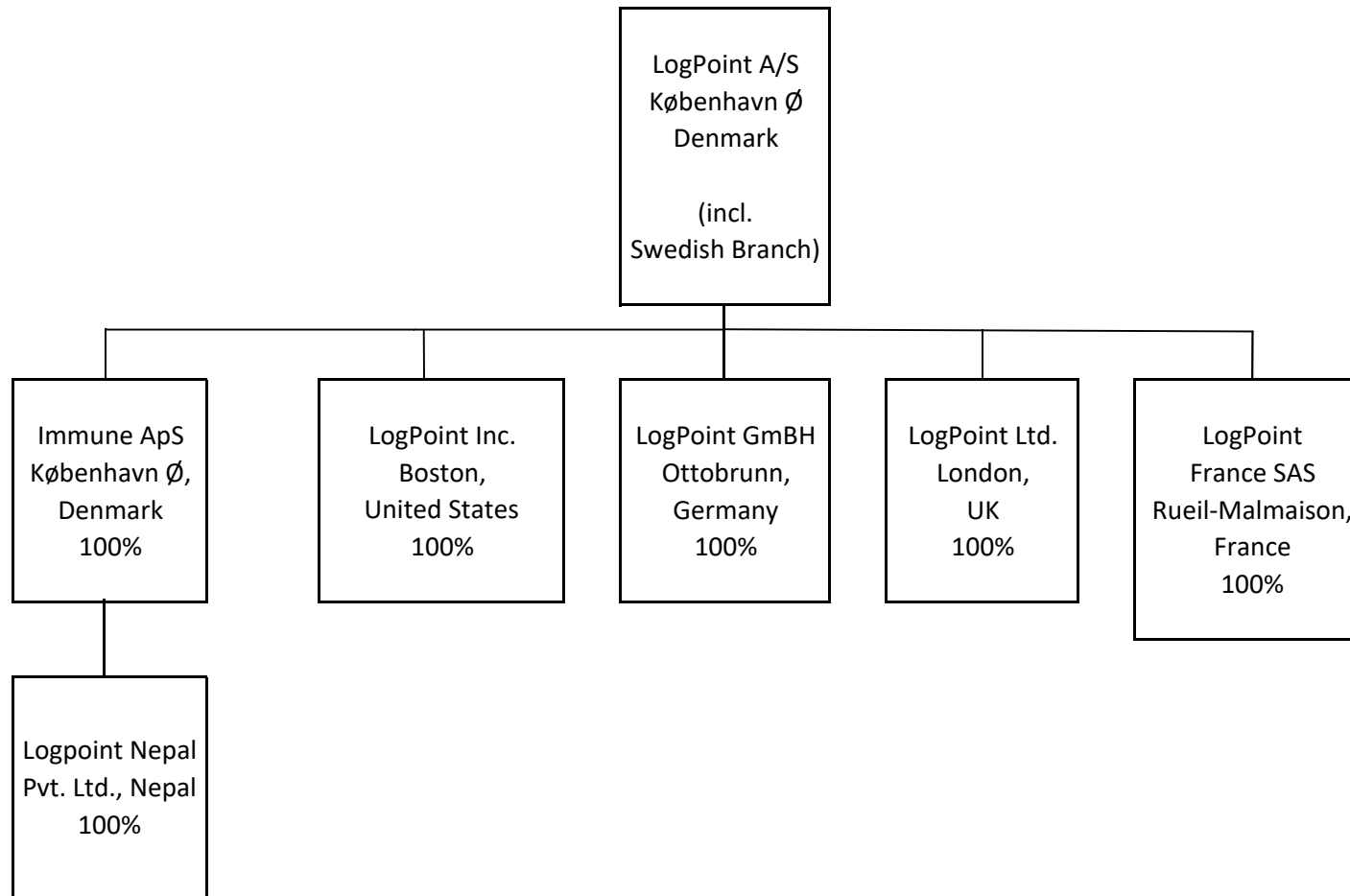
Kåre Bo Jacobsen

Jesper Genter Lohmann

Company auditors

inforevision
statsautoriseret revisionsaktieselskab
Buddingevej 312
2860 Søborg
Central business registration no. 19263096

Kenny Madsen, State Authorized Public Accountant
Lasse Sværke, State Authorized Public Accountant



Primary activities

The Group and company is selling Security Information Event Management (SIEM) solutions worldwide with a strong focus on the European and North American market. LogPoint is a cybersecurity analytical platform and the Group's products are software and related services.

SIEM technologies are in high demand and the market is growing very fast on a global basis. The key driver is that companies want to detect their corporate digital behaviors. This enable customers to protect themselves against internal fraud and industrial espionage. This is possible by the use of the LogPoint technologies that automatically analyze the patterns and recognize the collected digital fingerprints (logs) that is being stored in enterprises and organizations. The results are used for Compliance reasons (GDPR, PCI, SOX, ISO27001 and more), security analytics and operational insights into IT environments.

Development in activities and finances

The result of the year reflects a loss of DKK 72.560k versus a loss of DKK 19.521k in 2017.

The balance sheet total amounted to DKK 107.868k at the end of 2018 versus DKK 87.927k at the end of 2017. The Equity at the end of 2018 amounted to DKK -67.968 versus DKK 4.624k at the end of 2017.

The number of employees has increased to 152 and is expected to increase further in 2019 as LogPoint keeps growing in all its major markets.

The above is in line with the growth strategy the Group has outlined and is a result from increased investments in products development, sales and marketing and the general growth of the Group. During 2018 the Group has obtained financing of DKK 47.5 million from existing investors and Vækstfonden to strengthen the Group and continue the strategy of international growth, including the North American market. The management considers the result as satisfactory under these circumstances.

LogPoint has a strong sales representation in all the major European markets and the pipeline is very strong and constantly building momentum.

Particular risks

Because of its operations, investments and financing, LogPoint is exposed to volatility in terms of exchange rates and the level of interest. The fiscal policy pursued by LogPoint involves operating with a low risk profile, so that risks concerning exchange rates, interest rates and credit only arise, should commercial conditions occur. The combined risk is currently at a level where hedging is not deemed economical viable.

Intellectual capital resources

LogPoint's ambition is to be in the lead of technological development within the SIEM security space. LogPoint has considerable intellectual capital resources within its field of activity, which may be divided into following categories: Customers, Technology, and Staff relations.

Customers

LogPoint aims at creating value for its customers by providing intelligent software solutions, implemented in cooperation with the individual customer, meeting the customers' expectations through the delivery of high-quality products. The key performance indicators in this respect include customer satisfaction and customer loyalty. Follow-up is made regularly through close dialogue with the customers.

Technology

It is important for the LogPoint – in both the short and long term – to ensure the right portfolio of products is brought to the market to protect our customers in the best possible way.

Staff relations

In order to constantly be able to deliver and develop competitive solutions, it is crucial that the LogPoint is capable of recruiting, retaining and developing highly qualified employees. Failure to do so can potentially impact the expected development of LogPoint.

Research and development activities

Research and Development is a key contributor to the continued positive development of LogPoint. It is expected that LogPoint will continue to invest in R&D capabilities and further expand to cater for future customer and market demands. This work places great demands on knowledge resources in the company.

Most of the development in 2018 has been focused on the LogPoint 6 released in autumn 2018, and LogPoint UEBA products which is expected to be released during 2019.

Disclosures about treasury shares

The company holds a portfolio of 2,348 treasury shares of each DKK 1, corresponding to 0,17% of the total share capital. All the treasury shares have been acquired in 2018.

Group financial highlights

Amounts in DKK '000	2018	2017
Income statement		
Gross profit/loss	6.712	19.585
Profit/loss from primary activities	-70.301	-17.383
Net financials	-6.191	-2.137
Profit/loss for the year	-72.560	-19.521
Balance sheet		
Balance sheet total	107.868	87.928
Investments in intangible assets	24.742	14.253
Investments in property, plant and equipment	3.517	2.113
Invested capital	-1.540	7.575
Equity	-67.968	4.624
Cash flow		
Cash from operating activities	-34.069	-20.552
Cash from investing activities	-28.460	-16.366
Cash from financing activities	45.026	58.671
Changes for the year in cash and cash equivalents	-17.503	21.753
Ratios		
Return on invested capital (ROIC)	-	-
Solvency ratio	-	5,26%

The Board of Directors and Board of Executives have today discussed and approved the annual report for the financial year 1 January - 31 December 2018 of LogPoint A/S.

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

In our opinion the consolidated financial statements and the Parent Company's financial statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2018 and of the result of the Group and the Parent Company's operations and the Group's cash flow for the financial year 1 January-31 December 2018.

In our opinion the management's review includes a fair review about the matters the review deals with.

We recommend that the Annual Report be approved at the annual general meeting.

København Ø, 27th May 2019

Board of Executives

Jesper Zerlang
CEO

Søren Lastrup
MD LogPoint US

Board of Directors

Richard Michael Seewald
Chairman

Karel Obluk
Boardmember

Søren Lastrup
Boardmember

Kåre Bo Jacobsen
Boardmember

Jesper Genter Lohmann
Boardmember

To the shareholders of LogPoint A/S**Opinion**

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of LogPoint A/S for the financial year 1 January to 31 December 2018, which comprise the accounting policies applied, the income statement, the balance sheet, statement of changes in equity and notes for both the Group and the Parent Company as well as the cash flow statement for the Group.

The Consolidated Financial Statements and the Parent Company Financial Statements are prepared under the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31. december 2018, and of the results of the Group and Parent Company's operations and the Group's cash flows for the financial year 1 January to 31 December 2018 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 the Parent Company Financial Statements" section of our report.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and Parent Company Financial Statements.

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

- * Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company 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 Consolidated 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 Company to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements, continued

- * Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolidated Financial Statements and the Parent Company 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.

Statement on the Management's review

Management is responsible for Management's Review.

Our opinion on the Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Consolidated Financial Statements or the Parent Company Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not identify any material misstatement of Management's Review.

Søborg, 27th May 2019

inforevision

statsautoriseret revisionsaktieselskab
(CVR-nr. 19263096)

Kenny Madsen
State Authorized Public Accountant
mne33718

Lasse Sværke
State Authorized Public Accountant
mne34318

The annual report has been prepared in accordance with the reporting requirements of the Danish Financial Statements Act of class C medium size enterprises.

The accounting policies have not been changed from last year.

RECOGNITION AND MEASUREMENT

The financial statements have been prepared based on historical cost.

The income is recognised in the income statement as earned. Further to this, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Furthermore, all costs incurred to earn the profit or loss for year have been recognised in the income statement, including amortisation, depreciation, write-down and provisions as well as reversals as a consequence of changed accounting estimates of amounts previously recognised in the income statement.

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

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each financial statement item.

Certain financial assets and liabilities are measured at amortised cost, by which a constant redemption yield is recognised over the term. Amortised cost is calculated as original cost less instalments and addition/deduction of the accumulated amortisation of the difference between cost and the nominal amount. Thereby, capital and exchange losses or gains are allocated over the term.

On recognition and measurement, anticipated losses and risks that appear before presentation of the annual report and which confirm or invalidate affairs or conditions existing at the balance sheet date are considered.

The functional currency is Danish kroner, DKK. All other currencies are considered foreign currencies.

CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statements comprise the parent company and the enterprises (group enterprises) controlled by the parent company. The parent company is deemed to be controlling an enterprise when it directly or indirectly controls more than 50 % of the voting rights or is otherwise able to exercise control more than 50 % of the voting rights or is otherwise able to exercise control or de facto control with respect to the economic and operational decisions in the enterprise.

The consolidated financial statements are prepared on the basis of the financial statements of the parent company and the Group enterprises by the adding together of items of a uniform nature.

In the preparation of the consolidated financial statements, all intercompany balances, income and expenses as well as gains and losses arising from transactions between the group enterprises have been eliminated.

Equity investments in the group enterprises have been eliminated by the group enterprises' proportionate shares of the equity value.

The financial statements used for the purpose of consolidation have been prepared in accordance with the consolidated accounting policies. The net profit or loss for the year and the equity of foreign enterprises have been expressed in Danish kroner. Foreign currency translation adjustments arising as a result of translation of the equity of the foreign enterprises at the beginning of the financial year and translation of the net profit or loss for the year from the average rate of exchange to the closing rate are charged directly to equity.

Where group enterprises have been acquired, the balance resulting from the elimination has to the extent possible been distributed on the assets and liabilities of the group enterprises whose value is above or below the amount at which they were booked when the group relation was established. Any remaining positive balance is treated as consolidated goodwill and stated under intangible assets. Any negative balance which is equal to an expected cost or an adverse development in the group enterprises is stated under provisions. The amount is recognised as income in the income statement to the extent that the expected cost or adverse development is realised.

FOREIGN CURRENCY TRANSLATION

During the year, transactions in foreign currencies have been translated applying the exchange rate at the transaction date. If currency positions are considered hedge of future cash flows, the value adjustments are recognised directly in equity.

Receivables and debt denominated in foreign currencies have been recognised at the exchange rate of the balance sheet date.

Realised and unrealised exchange gains and losses have been recognised in the income statement under other financial income and expenses.

INCOME STATEMENT

The income statement has been classified by nature.

Gross profit/loss

The Company has aggregated the items "revenue", "other operating income" and "external expenses".

Revenue

Revenue from sale of licenses on a subscription model which provides the customer with a right to access the software as it exist at anytime in the subscription period is recognized in the income statement on a straight line during the subscription period.

As income recognition criterion for sale of perpetual licenses and hardware, the completed contract method is applied so that revenue comprises invoiced revenue for the year. Revenue from the sale is recognised in the income statement when delivery is made and risk has passed to the buyer before the end of the financial year.

As income recognition criterion for sale of consulting services, the production criterion is applied so that revenue comprises the invoiced revenue for the year reduced by prepayments and with addition for work in progress measured at market value.

Revenue is measured at fair value excl. VAT and less granted products and customer discounts.

External expenses

External expenses comprise selling costs, facility costs and administrative expenses.

Staff costs

Staff costs include wages and salaries including holiday pay and pensions and other social security costs etc. to the Company's employees. Staff costs are reduced with payments received from public authorities.

Income from investments in group enterprises

Income from investments in group enterprises comprises the dividends received for the year.

Other financial income and other financial expenses

Financial income and expenses is recognised with amounts concerning the financial year. Financial items comprise interest, realised and unrealised exchange gains and losses, realised and unrealised gains and losses on sale of other securities and investments, dividends, amortised interest on lease commitments as well as interest surcharge and interest reimbursements under the Danish Tax Prepayment Scheme.

Tax on profit or loss for the year income taxes

Tax on profit or loss for the year represents 22% of the book profit or loss adjusted for non-taxable and non-deductible items.

Tax on profit or loss for the year consists of the anticipated tax portion of the taxable income for the year adjusted for the changes for the year in deferred tax. Changes in deferred taxes due to adjustments of tax rates is recognised in the income statement.

The Company is jointly taxed with other Danish group enterprises with Logpoint A/S as management company. The tax effect of the joint taxation is allocated among the group enterprises in ratio to their taxable income according to the rules on full allocation with a refund for tax losses of the Danish Corporation Tax Act.

Corporation tax relating to the financial year which has not been settled at the balance sheet date is to be classified as corporation tax in receivables or liabilities other than provisions.

Joint tax contributions between the jointly taxed companies which have not been settled at the balance sheet date are classified as joint tax contributions in receivables or liabilities.

The Company is subject to the Danish Tax Prepayment Scheme. Interest reimbursement and interest surcharge have been recognised in financial income and expenses.

BALANCE SHEET

The balance sheet has been presented in account form.

ASSETS**Intangible assets**

Intangible assets are measured at cost less accumulate amortisation.

Cost comprises the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation.

Assets are amortised on a straight-line basis over their estimated useful lives:

Completed development projects	5 y.
--------------------------------	------

As the intangible assets are not being traded in an active and effective market, no residual values after end of use are included when determining the depreciation period.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulate amortisation and depreciation. The basis of amortisation and depreciation is cost less estimated residual value after the end of useful life.

Cost comprises the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation.

The cost price for an asset is divided into separate components, and are depreciated separately, if the useful life of the individual components is significantly different.

Depreciation is initiated when the assets are ready to be taken into operation. Assets are depreciated on a straight-line basis over their estimated useful lives with following residual values:

	Useful lives	Residual value
Leasehold improvements	5 y.	0,0%
Other fixtures, etc.	5 y.	0,0%

Minor purchases with useful lives below one year have been recognised as an expense in the income statement in external expenses.

Profit/loss on sale or retirement has been included in the income statement under gross profit.

Impairment of intangible assets and property, plant and equipment

The carrying amount of intangible assets and property plant and equipment is reviewed annually for indication of impairment for losses, apart from what is expressed by usual amortisation and depreciation. If this applies, impairment for loss is made of each asset or group of assets, respectively, to lower recoverable amount.

As recoverable amount, the higher of expected net selling price and net present value is applied. The net present value is calculated as the present value of the anticipated cash flows from the use of the asset or the group of assets.

Impairment for loss for the year is recognised in the income statement as amortisation, depreciation and impairment for losses.

Investments in group enterprises

Investments in group enterprises have been measured at cost.

In the event, the cost exceeds the recoverable amount, a write-down is made to this lower value. Indications of impairment exists for example when dividends exceeds the accumulated earnings since the acquisition or when the cost exceeds the net asset value of the companies. Recoverable amount used is the highest value of the expected net sales price and capital value. Capital value is determined as the present value of the expected net cash flow from the possession of the individual investments. Impairment is recognized in the income statement as impairment of financial assets.

Other receivables (fixed assets)

Other receivables recognised under fixed assets comprise rental deposits measured at amortised cost. In events when the carrying amount exceeds the recoverable amount, impairment for loss is made to such lower value. Impairment for loss for the year is recognised in the income statement as impairment for loss of financial assets.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down for bad debt according to an individual assessment.

Prepayments

Prepayments comprise costs incurred relating to subsequent financial years.

EQUITY AND LIABILITIES**Equity**

Management's proposed dividends for the financial year is disclosed as a separate item in equity.

Expenses related to capital increases is recognised directly in equity.

Provision for deferred tax

Deferred tax is measured according to the liability method. Provision has been made for deferred tax by 22 % on all temporary differences between carrying amount and tax-based value of assets and liabilities.

Deferred tax is also measures with respect of the planned use of the asset and the settlement of the liability. The tax value of the tax losses to be carried forward are included in the calculation of deferred taxes if it is probable that the losses can be used.

The tax-based values of tax losses carried forward are included in the statement of deferred tax if it is probable that the losses can be utilised.

Deferred tax assets which are not expected utilised within a few years have been disclosed in notes under contingent assets.

Financial liabilities

Other liabilities other than provisions have been measured at amortised cost which corresponds to nominal value.

CASH FLOW STATEMENT

The cash flow statement shows the Group's cash flows for the year as well as the Group's cash and cash equivalents at year-end.

Cash flows from acquisitions and divestments are shown separately under cash flows from investing activities. In the cash flow statement, cash flows regarding acquired companies are recognized from the date of acquisition and cash flows from divested companies are recognized until the transfer date.

Cash flows from operating activities have been calculated as profit or loss adjusted for non-cash operating items, financial income and expenses paid, corporation taxes as well as increase and decrease in inventories, trade receivables, trade payables and other changes in assets and liabilities other than provisions deriving from operations.

Cash flows from investing activities comprise payments in connection with acquisition and sale of fixed assets as well as payments in connection with acquisition and divestment of companies.

Cash flows from financing activities comprise payments from inception and repayment of long-term liabilities other than provisions as well as payments made to and received from shareholders.

Cash and cash equivalents comprise cash funds as well as short-term securities recognised under current assets, which are available for conversion into cash funds.

In accordance with the Danish Financial Statements Act §86,4 the Parent Company has not prepared cash flow statement.

FINANCIAL HIGHLIGHTS

The ratios have been prepared in accordance with the online version of "Guidelines and ratios" from The Danish Finance Analysts Society.

The ratios have been calculated as follows:

Return on invested capital =	$\frac{\text{Operating profit} * 100}{\text{Av. invested capital}}$
Solvency =	$\frac{\text{Equity at year-end} * 100}{\text{Total assets}}$

* Invested capital = Intangible and fixed assets relating to the activities + net working capital.

<u>Note</u>	<u>2018</u>	<u>2017</u>
GROSS PROFIT/LOSS	6.712.160	19.584.735
1 Staff costs	-66.352.554	-29.721.703
6, 7 Amortisation, depreciation and impairment losses	<u>-10.660.763</u>	<u>-7.246.522</u>
OPERATING PROFIT/LOSS	-70.301.157	-17.383.491
2 Other financial income	157.910	764.035
3 Other financial expenses	<u>-6.348.505</u>	<u>-2.901.114</u>
PROFIT/LOSS BEFORE TAX	-76.491.753	-19.520.569
4 Tax on profit/loss for the year	<u>3.931.571</u>	<u>-457</u>
5 PROFIT/LOSS FOR THE YEAR	<u><u>-72.560.182</u></u>	<u><u>-19.521.026</u></u>

<u>Note</u>		<u>31/12 2018</u>	<u>31/12 2017</u>
6	Completed development projects	34.439.374	29.259.495
6	Development projects in progress	<u>10.351.585</u>	<u>0</u>
	INTANGIBLE ASSETS	<u>44.790.958</u>	<u>29.259.495</u>
7, 9	Other fixtures and fittings, tools and equipment	4.579.574	2.660.321
7, 9	Leasehold improvements	<u>232.909</u>	<u>180.645</u>
	PROPERTY, PLANT AND EQUIPMENT	<u>4.812.482</u>	<u>2.840.966</u>
	Deposits	670.561	471.340
4	Deferred tax assets	<u>4.438.603</u>	<u>2.991.876</u>
	FIXED ASSET INVESTMENTS	<u>5.109.164</u>	<u>3.463.215</u>
	FIXED ASSETS	<u>54.712.605</u>	<u>35.563.677</u>
9	Trade receivables	37.094.338	20.177.151
	Receivables from owners and management	4.996.341	4.801.643
	Other receivables	3.325.175	3.384.902
	Prepayments	<u>3.072.473</u>	<u>1.755.465</u>
	RECEIVABLES	<u>48.488.327</u>	<u>30.119.162</u>
	CASH	<u>4.667.248</u>	<u>22.244.705</u>
	CURRENT ASSETS	<u>53.155.575</u>	<u>52.363.867</u>
	TOTAL ASSETS	<u><u>107.868.180</u></u>	<u><u>87.927.543</u></u>

<u>Note</u>	<u>31/12 2018</u>	<u>31/12 2017</u>
Share capital	1.408.324	1.408.324
Share premium	52.340.637	52.340.637
Retained earnings	-121.716.685	-49.125.452
Proposed dividends for the financial year	<u>0</u>	<u>0</u>
EQUITY	<u>-67.967.724</u>	<u>4.623.509</u>
8 Other payables	33.280.470	8.585.076
8 Convertible loan	<u>13.429.964</u>	<u>21.631.779</u>
LONG-TERM LIABILITIES OTHER THAN PROVISIONS	<u>46.710.434</u>	<u>30.216.854</u>
8 Current portion of long-term liabilities other than provisions	34.379.863	2.964.000
Prepayments received from customers	59.987.720	32.357.986
Trade payables	13.499.267	3.722.973
4 Income taxes	109.843	280.040
Other payables	<u>21.148.776</u>	<u>13.762.179</u>
SHORT-TERM LIABILITIES OTHER THAN PROVISIONS	<u>129.125.470</u>	<u>53.087.179</u>
LIABILITIES OTHER THAN PROVISIONS	<u>175.835.904</u>	<u>83.304.033</u>
TOTAL EQUITY AND LIABILITIES	<u><u>107.868.180</u></u>	<u><u>87.927.543</u></u>
9 Assets charged and security		
10 Contractual obligations		
11 Significant events occurring after end of reporting period		

	Share Capital	Share premium	Retained earnings	TOTAL
Equity at 1/1 2017	941.704	0	-29.918.826	-28.977.122
Increase of capital	466.620	55.300.380		55.767.000
Expenses related to capital increase		-2.959.743		-2.959.743
Exchange rate adjustments			314.399	314.399
Transferred from distribution of profit/loss			-19.521.025	-19.521.025
Equity at 1/1 2018	1.408.324	52.340.637	-49.125.452	4.623.509
Acquisition of treasury shares			-150.000	-150.000
Exchange rate adjustments			118.949	118.949
Transferred from distribution of profit/loss			-72.560.182	-72.560.182
Equity at 31/12 2018	<u>1.408.324</u>	<u>52.340.637</u>	<u>-121.716.685</u>	<u>-67.967.724</u>

Warrants

In the period up until 2018, certain key employees and equity investors have been granted warrants in LogPoint A/S. The warrants have been granted with a fixed strike price ranging from EUR 6.67 to EUR 35.00. No warrants have been exercised during 2018. Each warrant granted up until 2018 is subject to a vesting period of approximately 36 months running from time of allocation and can be exercised, in whole or in part, to purchase shares up until 2023.

In total the company has 137,166 outstanding warrant corresponding to 9.74% of the share capital.

Convertible notes

The company has issued Convertible notes to selected existing shareholders in 2018. In total the company has issued convertible notes amounted to USD 7.210k (DKK 47.5m). The convertible notes can be exercised between March 2018 to December 2019 at a share price of USD 29.



CONSOLIDATED CASH FLOW STATEMENT
1 JANUARY - 31 DECEMBER 2018

21

	2018	2017
Profit/loss for the year before tax	-76.491.753	-19.520.569
Amortisation and depreciation of intangible and tangible fixed assets	10.660.763	7.246.522
Other adjustments	4.409.855	2.796.821
Change in work in progress	0	-1.531.130
Change in trade receivables	-16.917.187	-8.903.911
Change in trade payables	9.776.294	1.771.680
Change in other payables	21.249.866	5.828.668
Change in other working capital items	12.466.880	-7.004.015
Cash from operating profit/loss	-34.845.282	-19.315.934
Financial income	0	0
Financial expenses	-1.548.377	-2.023.012
Income tax paid/refund	2.325.114	786.476
CASH FLOWS FROM OPERATING ACTIVITIES	-34.068.546	-20.552.470
Acquisition of intangible assets	-24.741.995	-14.253.430
Acquisition of property, plant and equipment	-3.526.102	-2.112.893
Acquisition of fixed asset investments	-192.245	0
CASH FLOWS FROM INVESTING ACTIVITIES	-28.460.343	-16.366.322
Payment of other long-term liabilities	-2.463.652	-16.114.041
Inception of other long-term liabilities	47.489.396	21.978.203
Cash payment share capital increase	0	52.807.257
CASH FLOWS FROM FINANCING ACTIVITIES	45.025.744	58.671.419
CHANGES FOR THE YEAR IN CASH AND CASH EQUIVALENTS	-17.503.144	21.752.627
Exchange adjustments of the year	-74.312	-18.421
Cash and cash equivalents at 1/1 2018	22.244.705	510.499
CASH AND CASH EQUIVALENTS AT 31/12 2018	4.667.248	22.244.705
Cash	4.667.248	22.244.705
CASH AND CASH EQUIVALENTS AT 31/12 2018	4.667.248	22.244.705

1	Staff costs	2018	2017
	Wages and salaries	56.637.378	25.352.864
	Pensions	5.488.210	3.700.011
	Other social security costs	4.226.966	668.827
	TOTAL	66.352.554	29.721.702
	Average number of full-time employees	152	123
	Management's remuneration:		
	Executive Board	3.572.663	3.965.158
	Board of Directors	0	0
	TOTAL	3.572.663	3.965.158

In 2017 Executive board was granted 21.125 warrants in LogPoint A/S. The warrants have been granted with a fixed strike price USD 9,71. The warrants shall be allotted equally every 12 month with 1/3 over er period of 36 months starting 1 April 2017. The warrants can be exercised after they are allotted and up until 2023.

2	Other financial income	2018	2017
	Other financial income	157.910	764.035
	TOTAL	157.910	764.035

3	Other financial expenses	2018	2017
	Other financial expenses	6.348.505	2.901.114
	TOTAL	6.348.505	2.901.114

4 Tax on profit/loss for the year,
corporation tax and deferred tax

	Income taxes	Deferred tax	Acc. to the inc. statement	2017
Payable at 1/1 2018	280.040	-2.991.876		
Exchange rate adjustments	-12.284	1.816		
Adjustment, previous years	2.787.405	2.787.405		
Received 2018	-2.787.405			
Prepaid tax	-462.291			
Tax for the year	304.378	-4.235.949	-3.931.571	457
PAYABLE AT 31/12 2018	109.843	-4.438.603		
TAX ON PROFIT/LOSS FOR THE YEAR			-3.931.571	457

Deferred tax is incumbent upon the following assets and liabilities:

	31/12 2018	31/12 2017
Intangible assets	9.966.257	6.437.088
Tangible assets	-195.997	-155.033
Liabilities other than provisions	-3.295.348	-2.857.651
Unutilised losses	-10.913.515	-6.416.280
TOTAL	-4.438.603	-2.991.876

Deferred tax assets are measured at net realizable value, and are based on Management's best estimate of the ability to use losses etc. carried forward within a 3-5 years period. In the assessment, management has paid special attention to the initiatives implemented to reduce cash burn and the continuance in revenue growth, which is expected to make the Group profitable in 2021.

5 Distribution on profit/loss

Proposed dividends for the financial year	0	0
Retained earnings	-72.560.182	-19.521.026
PROFIT/LOSS FOR THE YEAR	-72.560.182	-19.521.026

6 List of fixed assets, amortisation and impairment,
intangible assets

	Completed development projects	Development projects in progress	TOTAL	31/12 2017
Cost at 1/1 2018	47.867.632	0	47.867.632	33.614.203
Additions for the year	970.935	23.771.061	24.741.995	14.253.430
Transferred in the year from other postings	13.419.476	-13.419.476	0	0
COST AT 31/12 2018	62.258.043	10.351.585	72.609.628	47.867.632
Amortisation and impairment at 1/1 2018	18.608.138	0	18.608.138	12.054.635
Amortisation for the year	9.210.532	0	9.210.532	6.553.503
AMORTISATION AND IMPAIRMENT AT 31/12 2018	27.818.669	0	27.818.669	18.608.138
CARRYING AMOUNT AT 31/12 2018	34.439.374	10.351.585	44.790.958	29.259.495

Development costs are capitalized and is being depreciated over 5 years as this is the lifespan of all major releases.

7 List of fixed assets, amortisation and depreciation,
property, plant and equipment

	Leasehold improvements	Other fixtures, etc.	TOTAL	31/12 2017
Cost at 1/1 2018	694.636	4.966.895	5.661.531	3.718.066
Exchange rate adjustments	-16.227	-79.734	-95.961	-169.428
Additions for the year	124.087	3.392.666	3.516.753	2.112.893
Disposals for the year	0	-540.977	-540.977	0
COST AT 31/12 2018	802.495	7.738.850	8.541.345	5.661.531
Depreciation and impairment at 1/1 2018	513.992	2.306.573	2.820.564	2.213.627
Exchange rate adjustments	-12.317	-31.798	-44.115	-86.082
Depreciation for the year	67.913	1.382.319	1.450.231	693.019
Depreciation and impairment, disposals for the year	0	-497.817	-497.817	0
DEPRECIATION AND IMPAIRMENT AT 31/12 2018	569.587	3.159.276	3.728.863	2.820.564
CARRYING AMOUNT AT 31/12 2018	232.909	4.579.574	4.812.482	2.840.966

8 Long-term liabilities other than provisions

	31/12 2018	31/12 2017
<u>Total debt:</u>		
Other payables	34.085.424	11.549.076
Convertible loan	47.004.874	21.631.779
TOTAL	34.085.424	11.549.076
<u>Instalments next financial year:</u>		
Other payables	804.953	2.964.000
Convertible loan	33.574.910	0
TOTAL	34.379.863	2.964.000
<u>Debt outstanding after 5 years:</u>		
Other payables	6.710.877	2.091.000
Convertible loan	0	0
TOTAL	6.710.877	2.091.000

9 Assets charged and security

Company pledge, nom. DKK 33.500.000, in the Group's operating equipment, inventory, debtors, goodwill etc has been deposited as security for the Group's engagement with Vækstfonden.

10 Contractual obligations

The Group has entered into irrevocable leases concerning office rent. The remaining obligation amounts to DKK 3.185k.

The Group has entered into an irrevocable lease concerning equipment. The remaining obligation amounts to DKK 412k for the remaining 6-25 months.

11 Significant events occurring after end of reporting period

After the end of the reporting period the parent company has completed a debt to equity conversion of a total of DKK 34.072.847.

<u>Note</u>		<u>2018</u>	<u>2017</u>
	GROSS PROFIT/LOSS	-8.467.901	8.811.662
12	Staff costs	-29.756.909	-15.606.224
17	Amortisation, depreciation and impairment losses	<u>-873.746</u>	<u>-272.778</u>
	OPERATING PROFIT/LOSS	-39.098.555	-7.067.340
	Income from investments in group enterprises	-33.750	0
13	Other financial income	1.788.769	1.457.425
	Impairment for loss of financial assets	-8.491.031	0
14	Other financial expenses	<u>-6.342.408</u>	<u>-2.267.161</u>
	PROFIT/LOSS BEFORE TAX	-52.176.975	-7.877.076
15	Tax on profit/loss for the year	<u>7.028.884</u>	<u>1.172.034</u>
16	PROFIT/LOSS FOR THE YEAR	<u><u>-45.148.091</u></u>	<u><u>-6.705.042</u></u>

Note	31/12 2018	31/12 2017
17,21 Other fixtures and fittings, tools and equipment	2.438.698	686.540
17,21 Leasehold improvements	36.603	337.561
PROPERTY, PLANT AND EQUIPMENT	2.475.301	1.024.101
Deposits	364.627	357.991
18 Investments in group enterprises	9.270.947	9.420.947
15 Deferred tax assets	12.971.911	8.274.356
FIXED ASSET INVESTMENTS	22.607.485	18.053.294
FIXED ASSETS	25.082.786	19.077.395
21 Trade receivables	22.962.770	9.574.129
Receivables from group enterprises	63.646.746	40.725.418
Receivables from owners and management	4.996.341	4.801.643
Other receivables	1.972.603	1.380.510
Prepayments	2.168.972	1.114.000
RECEIVABLES	95.747.432	57.595.700
CASH	972.706	17.497.433
CURRENT ASSETS	96.720.138	75.093.133
TOTAL ASSETS	121.802.924	94.170.528

Note		31/12 2018	31/12 2017
	Share capital	1.408.324	1.408.324
	Share premium	52.340.637	52.340.637
	Retained earnings	-66.012.233	-20.901.758
	Proposed dividends for the financial year	0	0
	EQUITY	-12.263.272	32.847.203
19	Other payables	33.280.471	8.585.075
	Convertible loan	13.429.964	21.631.779
	LONG-TERM LIABILITIES OTHER THAN PROVISIONS	46.710.435	30.216.854
19	Current portion of long-term liabilities other than provisions	34.379.863	2.964.000
	Other credit institutions	0	208
	Prepayments received from customers	32.840.094	19.788.188
	Trade payables	9.273.918	3.271.369
	Payables to group enterprises	2.732.569	1.459.463
	Other payables	8.129.317	3.623.243
	SHORT-TERM LIABILITIES OTHER THAN PROVISIONS	87.355.762	31.106.471
	LIABILITIES OTHER THAN PROVISIONS	134.066.197	61.323.325
	TOTAL EQUITY AND LIABILITIES	121.802.924	94.170.528
20	Contingent liabilities		
21	Assets charged and security		
22	Contractual obligations		
23	Significant events occurring after end of reporting period		
24	Related parties		

	Share capital	Share premium	Retained earnings	Proposed dividends	TOTAL
Equity at 1/1 2017	941.704	0	-14.257.613	0	-13.315.909
Increase of capital	466.620	55.300.380			55.767.000
Expenses related to capital increase		-2.959.743			-2.959.743
Exchange rate adjustments			60.897		60.897
Transferred from distribution of profit/loss			-6.705.042		-6.705.042
Equity at 1/1 2018	1.408.324	52.340.637	-20.901.758	0	32.847.203
Acquisition of treasury shares			-150.000		-150.000
Exchange rate adjustments			187.616		187.616
Transferred from distribution of profit/loss			-45.148.091	0	-45.148.091
Equity at 31/12 2018	<u>1.408.324</u>	<u>52.340.637</u>	<u>-66.012.233</u>	<u>0</u>	<u>-12.263.272</u>

Warrants

In the period up until 2018, certain key employees and equity investors have been granted warrants in LogPoint A/S. The warrants have been granted with a fixed strike price ranging from EUR 6.67 to EUR 35.00. No warrants have been exercised during 2018. Each warrant granted up until 2018 is subject to a vesting period of approximately 36 months running from time of allocation and can be exercised, in whole or in part, to purchase shares up until 2023.

In total the company has 137,166 outstanding warrant corresponding to 9.74% of the share capital.

Convertible notes

The company has issued Convertible notes to selected existing shareholders in 2018. In total the company has issued convertible notes amounted to USD 7.210k (DKK 47.5m). The convertible notes can be exercised between March 2018 to December 2019 at a share price of USD 29.



12 Staff costs	2018	2017
Wages and salaries	24.688.254	13.285.142
Pensions	2.203.393	1.162.584
Other social security costs	1.948.203	145.815
Other staff costs	917.059	1.012.683
TOTAL	29.756.909	15.606.224
Average number of full-time employees	21	15

Referring to section 98 b(3) of the Danish Financial Statements Act, remuneration of Executive and Supervisory Boards has not been disclosed.

13 Other financial income	2018	2017
Interest income from group enterprises	1.788.769	1.315.470
Other financial income	0	141.955
TOTAL	1.788.769	1.457.425

14 Other financial expenses	2018	2017
Interest expenses to group enterprises	23.700	42.848
Other financial expenses	6.318.708	2.224.313
TOTAL	6.342.408	2.267.161

15 Corporation tax and deferred tax

	<u>Income taxes</u>	<u>Deferred tax</u>	<u>Acc. to the inc. statement</u>	<u>2017</u>
Payable at 1/1 2018	0	-8.274.356		
Adjustment, previous years	-2.331.329	2.331.329	0	402.342
Received 2018	2.331.329			
Tax for the year		-7.028.884	-7.028.884	-1.574.376
PAYABLE AT 31/12 2018	<u>0</u>	<u>-12.971.911</u>		
TAX ON PROFIT/LOSS FOR THE YEAR			<u>-7.028.884</u>	<u>-1.172.034</u>

Deferred tax is incumbent upon the following assets and liabilities:

	<u>31/12 2018</u>	<u>31/12 2017</u>
Tangible assets	-80.941	-91.604
Liabilities other than provisions	-3.295.348	-2.857.651
Unutilised losses	<u>-9.595.621</u>	<u>-5.325.100</u>
TOTAL	<u>-12.971.911</u>	<u>-8.274.356</u>

Deferred tax assets are measured at net realizable value, and are based on Management's best estimate of the ability to use losses etc. carried forward within a 3-5 years period. In the assessment, management has paid special attention to the initiatives implemented to reduce cash burn and the continuance in revenue growth, which is expected to make the Group profitable in 2021.

16 Distribution on profit/loss

Proposed dividends for the financial year	0	0
Retained earnings	<u>-45.148.091</u>	<u>-6.705.042</u>
PROFIT/LOSS FOR THE YEAR	<u>-45.148.091</u>	<u>-6.705.042</u>

17 List of fixed assets, amortisation and depreciation,
property, plant and equipment

	Leasehold improvements	Other fixtures, Etc	TOTAL	31/12 2017
Cost at 1/1 2018	218.843	2.049.890	2.268.733	1.783.668
Exchange rate adjustments	0	-17.014	-17.014	-6.738
Additions for the year	0	2.379.168	2.379.168	738.236
Disposals for the year	0	-523.533	-523.533	-246.433
COST AT 31/12 2018	218.843	3.888.511	4.107.354	2.268.733
Depreciation and impairment at 1/1 2018	163.011	1.081.621	1.244.632	1.127.746
Exchange rate adjustments	0	-5.951	-5.951	-3.942
Depreciation for the year	19.229	854.517	873.746	272.778
Depreciation and impairment, disposals for the year	0	-480.373	-480.373	-151.950
DEPRECIATION AND IMPAIRMENT AT 31/12 2018	182.240	1.449.813	1.632.053	1.244.632
CARRYING AMOUNT AT 31/12 2018	36.603	2.438.698	2.475.301	1.024.101

18 Investments in group enterprises

	Group enterprises
Cost at 1/1 2018	9.420.947
Additions for the year	0
Disposals for the year	-150.000
COST AT 31/12 2018	9.270.947
CARRYING AMOUNT AT 31/12 2018	9.270.947

Investments in group enterprises comprise:

	Registered in	Corporate form	Equity interest %
Immune ApS	Denmark	ApS	100
LogPoint GmbH	Germany	GmbH	100
LogPoint Ltd.	UK	Ltd.	100
LogPoint France SAS	France	SAS	100
LogPoint Inc	USA	Inc	100
Logpoint Nepal Pvt. Ltd.	Nepal	Ltd.	100

19 Long-term liabilities other than provisions

	31/12 2018	31/12 2017
<u>Total debt:</u>		
Other payables	34.085.424	11.549.075
Convertible loan	47.004.874	21.631.779
TOTAL	81.090.298	33.180.854
<u>Instalments next financial year:</u>		
Other payables	804.953	2.964.000
Convertible loan	33.574.910	0
TOTAL	34.379.863	2.964.000
<u>Debt outstanding after 5 years:</u>		
Other payables	6.710.877	2.091.000
Convertible loan	0	0
TOTAL	6.710.877	2.091.000

20 Contingent liabilities

The company is jointly taxed with other danish group companies and is jointly liable with the other danish group companies for payable and unsettled corporation and withholding taxes. The total amount for payable corporate tax is shown in the annual report for LogPoint A/S. Any subsequent corrections to the corporate tax and withholding taxes on royalties, interest and dividends can lead to a higher liability for the Company.

21 Assets charged and security

Company pledge, nom. DKK 30.500.000, in the Company's operating equipment, inventory, debtors, goodwill etc has been deposited as security for the parent company's engagement with Vækst-fonden.

22 Contractual obligations

The Company has entered into an irrevocable lease concerning the office at Jagtvej 169 B, 4. The remaining obligation amounts to DKK 1.156k for the remaining 19 months.

The Company has entered into an irrevocable lease concerning equipment. The remaining obligation amounts to DKK 412k for the remaining 6-25 months.

23 Significant events occurring after end of reporting period

After the end of the reporting period the company has completed a debt to equity conversion of a total of DKK 34.072.847.

24 Related parties

The Company's related parties comprise management, shareholders and subsidiaries.

No disclosures of transactions with related parties as Management believes that all transactions with related parties has been carried out on arms length basis.