

Immune ApS

Jagtvej 169 B, 4.

2100 København Ø


Central Business Registration No

29610320

Annual report 2016

The Annual General Meeting adopted the annual report on 31.05.2017

Chairman of the General Meeting



Name: Jesper Zerlang

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Entity details

Entity

Immune ApS
Jagtvej 169 B, 4.
2100 København Ø

Central Business Registration No: 29610320

Founded: 01.06.2006

Registered in: København

Financial year: 01.01.2016 - 31.12.2016

Board of Directors

Kåre Jacobsen, chairman
Søren Lastrup
Jesper Zerlang

Executive Board

Jesper Zerlang, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 København S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Immune ApS for the financial year 01.01.2016 - 31.12.2016.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

København, 31.05.2017

Executive Board



Jesper Zerlang
CEO

Board of Directors

Kåre Jacobsen
chairman



Søren Lastrup



Jesper Zerlang

Independent auditor's reports

To the shareholders of Immune ApS

Report on extended review of the financial statements

We have performed an extended review of the financial statements of Immune ApS for the financial year 01.01.2016 - 31.12.2016. The financial statements, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes, are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements. We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

This requires that we comply with the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Conclusion

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's assets, liabilities and financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Management is responsible for the management commentary.

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

Independent auditor's reports

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

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

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

København, 31.05.2017

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Christian Sanderhage
statsautoriseret revisor

Management commentary

Primary activities

The purpose of the company is to develop and sell Security Information and Event Management (SIEM) software and solutions connected to the SIEM market.

Development in activities and finances

The result of the period shows a gain of EUR 812.369 (2015: EUR 306.325). The management considers the result as satisfactory.

The balance sheet total amounted to EUR 3.634.024 at the end of 2016 (2015: EUR 2.349.208). The equity at the end of 2016 amounted to EUR 2,586,477 (2015: EUR 563.521).

The number of employees is now 70 people and this expected to increase in 2017/18 as LogPoint keeps growing in all its major markets. The management is very confident that LogPoint will continue to grow and still being recognized as one of the best SIEM solutions in the world.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Gross profit		12.575.238	5.667.904
Depreciation, amortisation and impairment losses	1	<u>(4.885.567)</u>	<u>(2.360.401)</u>
Operating profit/loss		7.689.671	3.307.503
Other financial expenses	2	<u>(181.454)</u>	<u>(346.126)</u>
Profit/loss before tax		7.508.217	2.961.377
Tax on profit/loss for the year	3	<u>(1.468.744)</u>	<u>(684.036)</u>
Profit/loss for the year		<u>6.039.473</u>	<u>2.277.341</u>
Proposed distribution of profit/loss			
Retained earnings		<u>6.039.473</u>	<u>2.277.341</u>
		<u>6.039.473</u>	<u>2.277.341</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Completed development projects		15.614.948	16.526.309
Development projects in progress		8.161.887	0
Intangible assets	4	<u>23.776.835</u>	<u>16.526.309</u>
Other fixtures and fittings, tools and equipment		54.130	73.305
Property, plant and equipment	5	<u>54.130</u>	<u>73.305</u>
Investments in group enterprises		865.082	865.082
Fixed asset investments	6	<u>865.082</u>	<u>865.082</u>
Fixed assets		<u>24.696.047</u>	<u>17.464.696</u>
Receivables from group enterprises		2.320.738	0
Receivables		<u>2.320.738</u>	<u>0</u>
Cash		0	255
Current assets		<u>2.320.738</u>	<u>255</u>
Assets		<u>27.016.785</u>	<u>17.464.951</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Contributed capital		150.000	125.000
Share premium		8.975.000	0
Retained earnings		<u>10.103.910</u>	<u>4.064.437</u>
Equity		<u>19.228.910</u>	<u>4.189.437</u>
Deferred tax	7	<u>5.005.292</u>	<u>2.181.116</u>
Provisions		<u>5.005.292</u>	<u>2.181.116</u>
Trade payables		31.625	6.598
Payables to group enterprises		772.357	10.234.148
Other payables	8	<u>1.978.601</u>	<u>853.652</u>
Current liabilities other than provisions		<u>2.782.583</u>	<u>11.094.398</u>
Liabilities other than provisions		<u>2.782.583</u>	<u>11.094.398</u>
Equity and liabilities		<u>27.016.785</u>	<u>17.464.951</u>
Contingent liabilities	9		
Mortgages and securities	10		

Statement of changes in equity for 2016

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125.000	0	4.064.437	4.189.437
Increase of capital	25.000	8.975.000	0	9.000.000
Profit/loss for the year	0	0	6.039.473	6.039.473
Equity end of year	150.000	8.975.000	10.103.910	19.228.910

Notes

	2016	2015
	DKK	DKK'000
1. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	4.866.392	2.341.278
Depreciation of property, plant and equipment	19.175	19.123
	4.885.567	2.360.401
	2016	2015
	DKK	DKK'000
2. Other financial expenses		
Financial expenses from group enterprises	123.784	335.052
Interest expenses	47.415	10.456
Other financial expenses	10.255	618
	181.454	346.126
	2016	2015
	DKK	DKK'000
3. Tax on profit/loss for the year		
Change in deferred tax for the year	1.468.744	684.036
	1.468.744	684.036
	Completed	Develop-
	develop-	ment
	ment	projects in
	projects	progress
	DKK	DKK
4. Intangible assets		
Cost beginning of year	25.007.950	0
Additions	3.955.031	12.116.918
Disposals	0	(3.955.031)
Cost end of year	28.962.981	8.161.887
Amortisation and impairment losses beginning of year	(8.481.641)	0
Amortisation for the year	(4.866.392)	0
Amortisation and impairment losses end of year	(13.348.033)	0
Carrying amount end of year	15.614.948	8.161.887

Notes

Development projects in progress

Development costs are activated and is being depreciated over 60 months as this is the lifespan of all major releases of the LogPoint software. During 2016 a massive amount of work has been put into the development of version 5.6 as well as the new major release of 6.0 and LogPoint director due in the summer of 2017.

	Other fixtures and fittings, tools and equipment DKK		
5. Property, plant and equipment			
Cost beginning of year	113.059		
Cost end of year	113.059		
Depreciation and impairment losses beginning of the year	(39.754)		
Depreciation for the year	(19.175)		
Depreciation and impairment losses end of the year	(58.929)		
Carrying amount end of year	54.130		
			Investment s in group enterprises DKK
6. Fixed asset investments			
Cost beginning of year	997.190		
Cost end of year	997.190		
Impairment losses beginning of year	(132.108)		
Impairment losses end of year	(132.108)		
Carrying amount end of year	865.082		
			Equity inte- rest %
	Registered in	Corpo- rate form	
Investments in group enterprises comprise:			
Immune ApS Nepal PVT. Ltd.	Nepal	Ltd.	100,0

Notes

	2016	2015
	DKK	DKK'000
7. Deferred tax		
Intangible assets	5.230.904	3.883.683
Property, plant and equipment	5.179	(12.516)
Tax losses carried forward	(230.791)	(1.690.051)
	5.005.292	2.181.116

	2016	2015
	DKK	DKK'000
8. Other payables		
VAT and duties	1.807.430	341.345
Other costs payable	171.171	512.307
	1.978.601	853.652

9. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Søren Lastrup Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed entities, and from 1 July 2012 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

10. Mortgages and securities

The company has issued letter of indemnity (in Danish: skadeløsbrev) with a company loan of DKK 3.0 million. The pant includes operating equipment and equipment, simple receivables, stocks and goodwill etc.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue includes other operating income and external expenses.

Revenue

Revenue from services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at a fair value of the consideration fixed.

Accounting policies

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects, protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Property, plant and equipment

Accounting policies

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5 years
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Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount. Cost is reduced with declared dividend that exceeds accumulated earnings after the date of acquisition.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.