
IMMUNE ApS

Valkendorfs­gade 13A, DK-1151 København K

Annual Report for 2023

CVR No. 29 61 03 20

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 21/6 2024

Michael Haldbo
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Annual Report of IMMUNE ApS for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 21 June 2024

Executive Board

Mikkel Drucker

Independent Auditor's report

To the shareholder of IMMUNE ApS

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 IMMUNE ApS 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 ("the 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.

Independent Auditor's report

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.

Hellerup, 21 June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Søren Alexander

State Authorised Public Accountant

mne42824

André Christensen

State Authorised Public Accountant

mne50615

Company information

The Company IMMUNE ApS
Valkendorfsgade 13A
1151 København K
CVR No: 29 61 03 20
Financial period: 1 January - 31 December
Municipality of reg. office: Copenhagen

Executive Board Mikkel Drucker

Auditors PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's review

Key activities

The purpose of the Company is to research and develop core capabilities and products that serve as key components to SIEM and UEBA security and compliance solutions. These are sold to LogPoint A/S that serve the global market for SIEM and UEBA solutions.

Development in the year

The income statement of the Company for 2023 shows a loss of DKK 31,696,401, and at 31 December 2023 the balance sheet of the Company shows a positive equity of DKK 38,628,032.

Capital resources

The Company has reported a negative financial result but has addressed its capital resources in Note 1.

Unusual events

The Company has receivables from group enterprises, which have been impairment at 31. december 2023. The total impairment amounts TDKK 36.787 and relates to subsidiaries with negative profit of primary operations and negative equity.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Gross profit		46,227,087	42,901,136
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-40,986,166	-35,126,086
Impairment of current assets	2	-36,787,321	0
Profit/loss before financial income and expenses		-31,546,400	7,775,050
Financial income	3	2,088,384	1,038,203
Financial expenses	4	-1,836,122	-3,159,629
Profit/loss before tax		-31,294,138	5,653,624
Tax on profit/loss for the year	5	-402,263	2,582,563
Net profit/loss for the year		-31,696,401	8,236,187
 Distribution of profit			
		2023	2022
		DKK	DKK
Proposed distribution of profit			
Retained earnings		-31,696,401	8,236,187
		-31,696,401	8,236,187

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Completed development projects		139,286,376	131,643,346
Development projects in progress		2,269,224	425,480
Intangible assets	6	141,555,600	132,068,826
Investments in subsidiaries	7	1,097,745	1,097,745
Fixed asset investments		1,097,745	1,097,745
Fixed assets		142,653,345	133,166,571
Receivables from group enterprises		4,087,481	79,985,264
Receivables		4,087,481	79,985,264
Cash at bank and in hand		1,540,272	24,618
Current assets		5,627,753	80,009,882
Assets		148,281,098	213,176,453

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		150,000	150,000
Reserve for development costs		110,413,368	103,013,684
Retained earnings		-71,935,336	-32,839,251
Equity		38,628,032	70,324,433
Provision for deferred tax		12,225,271	11,823,008
Provisions		12,225,271	11,823,008
Trade payables		424,565	2,883,886
Payables to group enterprises		80,797,715	114,773,946
Other payables		13,346,863	13,371,180
Deferred income		2,858,652	0
Short-term debt		97,427,795	131,029,012
Debt		97,427,795	131,029,012
Liabilities and equity		148,281,098	213,176,453

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Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	150,000	103,013,684	-32,839,251	70,324,433
Development costs for the year	0	7,399,684	-7,399,684	0
Net profit/loss for the year	0	0	-31,696,401	-31,696,401
Equity at 31 December	150,000	110,413,368	-71,935,336	38,628,032

Notes to the Financial Statements

1. Going concern

The Company's ability to continue operation is reliant on the ultimate parent Company, CyberPeak MidCo ApS's ability to continue operation.

The Board of Directors and Executive Board of the ultimate parent Company has approved the budget for 2024 at the board meeting on December 2023, including the associated capital requirements. As of the financial statement date, a shareholder loan of 5 million EUR has been issued, and a capital increase will be executed for the third quarter in 2024 pending legal formalities.

Based hereon, it is the assessment of the Executive Board that the Company has sufficient capital resources to continue its operations. Management therefore submits the Annual Report on the assumption of going concern.

2. Special items

	2023	2022
	DKK	DKK
Write-downs of current assets, that exceed normal write-downs	36,787,321	0
	<u>36,787,321</u>	<u>0</u>

3. Financial income

	2023	2022
	DKK	DKK
Interest received from group enterprises	1,921,920	920,832
Other financial income	20,090	0
Exchange gains	146,374	117,371
	<u>2,088,384</u>	<u>1,038,203</u>

4. Financial expenses

	2023	2022
	DKK	DKK
Interest paid to group enterprises	1,251,249	2,662,442
Other financial expenses	373,239	379,322
Exchange loss	211,634	117,865
	<u>1,836,122</u>	<u>3,159,629</u>

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
5. Income tax expense		
Deferred tax for the year	402,263	-2,582,563
	<u>402,263</u>	<u>-2,582,563</u>

Notes to the Financial Statements

6. Intangible fixed assets

	Completed development projects	Develop- ment projects in progress
	DKK	DKK
Cost at 1 January	247,843,134	425,480
Additions for the year	48,203,716	2,269,224
Transfers for the year	425,480	-425,480
Cost at 31 December	<u>296,472,330</u>	<u>2,269,224</u>
Impairment losses and amortisation at 1 January	116,199,788	0
Amortisation for the year	40,986,166	0
Impairment losses and amortisation at 31 December	<u>157,185,954</u>	<u>0</u>
Carrying amount at 31 December	<u>139,286,376</u>	<u>2,269,224</u>
Amortised over	<u>5 years</u>	

Overall the development activities in the Company have expanded extensively to cover taking LogPoint to the Cloud across all applications from SIEM, UEBA, Automatic Investigation, LogPoint Director for MSSP's and MDR's and LogPoint for SAP integrations. The embedding of SOAR (Security Orchestration Automation and Response) is now completed and part of CORE LPT.

These are key products for Logpoint A/S who is selling all the solutions primarily in Europe but with a global reach.

This market continued the acceleration from 2021 into 2022 due to the increased need for digitalization and the overall need for protecting personal data. Furthermore the crisis in Ukraine has accelerated the need to protect critical infrastructures with Logpoint.

All projects are managed from an Agile perspective and the Company has detailed time and material monitoring which enable a tight management of project costs. The costs of the development projects are primarily salaries and other costs, which are directly traceable to the actual projects which are organized by product. The intangible assets are recognized based on the management assessments with the following overall criteria's:

- The development projects are based on clear functional specifications and corresponding tickets that are monitored in a timeline and are technically possible to complete with full transparency
- Intention to market the products as soon as they are completed and released
- Ability of applying the products to the Partners and customers of LogPoint mostly in Europe and the US
- Based on a plan of how the future economic benefits will be exploited
- LogPoint have sufficient resources to complete the projects
- The value is calculated reliably based on future projected cash flows and the capitalized costs related to the individual projects

Notes to the Financial Statements

	2023	2022
	DKK	DKK
7. Investments in subsidiaries		
Cost at 1 January	1,229,853	1,229,853
Cost at 31 December	1,229,853	1,229,853
Value adjustments at 1 January	-132,108	-132,108
Value adjustments at 31 December	-132,108	-132,108
Carrying amount at 31 December	1,097,745	1,097,745

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership	Equity	Net profit/loss for the year
LogPoint Nepal Pvt. Ltd.	Nepal	100%	18,822,770	10,877,563
LogPoint ERP GmbH	Germany	100%	-24,464,310	-19,619,596

8. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of CyberPeak MidCo ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

9. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
CyberPeak MidCo ApS CVR: 43869752	Bryggervangen 55, 4. th 2100 Copenhagen

Notes to the Financial Statements

10. Accounting policies

The Annual Report of IMMUNE ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

Income statement

Revenue

As income recognition criterion, the completed contract method is applied so that revenue comprises invoiced revenue for the year. Revenue from royalties is recognised in the income statement when delivery is made and risk has passed to the buyer before the end of the financial year. Revenue is measured at fair value excl. VAT and less granted customer discounts.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income and other external expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets, property, plant and equipment and receivables.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with LogPoint A/S. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 year.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.