

SecureLink Denmark A/S
Roskildevej 522
2605 Brøndby
Central Business Registration No
29776555

Annual report 2016

The Annual General Meeting adopted the annual report on 31.05.2017

Chairman of the General Meeting

Name: Johan Andersson

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Entity details

Entity

SecureLink Denmark A/S
Roskildevej 522
2605 Brøndby

Central Business Registration No: 29776555
Registered in: Brøndby
Financial year: 01.01.2016 - 31.12.2016

Board of Directors

Johan Andersson
Marc Celina Francois Goegebuer
Jørgen Gammelgaard

Executive Board

Jørgen Gammelgaard

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of SecureLink Denmark A/S 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.

Brøndby, 31.05.2017

Executive Board

Jørgen Gammelgaard

Board of Directors

Johan Andersson

Marc Celina Francois Goegebuer

Jørgen Gammelgaard

Independent auditor's report

To the shareholders of SecureLink Denmark A/S

Opinion

We have audited the financial statements of SecureLink Denmark A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared 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 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Independent auditor's report

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

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.

In connection with our audit 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 audit 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.

Independent auditor's report

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.

Copenhagen, 31.05.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Jens Sejer Pedersen

State Authorised Public Accountant

Management commentary

Primary activities

Main activities consist of implementation of IT security and related consulting.

Development in activities and finances

In June 2016 SecureLink Denmark A/S parent company, SecureLink Sweden AB, were acquired by SL Acquisitions B.V which is a company in the SecureLink Group.

2016 was a strong year for Securelink Denmark A/S with increased sales in all areas.

In 2016, SecureLink Denmark A/S continued to be active on the market which has led to new significant customers.

Based on outcome and actions taken during 2016, SecureLink Denmark A/S looks forward with confidence to 2017.

Events after the balance sheet date

In January 2017 the company was renamed from Coresec Systems A/S to SecureLink Denmark A/S.

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</u>
Gross profit		20.377.375	22.513.784
Staff costs	1	(16.740.620)	(17.342.334)
Depreciation, amortisation and impairment losses	2	<u>(55.231)</u>	<u>(137.629)</u>
Operating profit/loss		3.581.524	5.033.821
Other financial income	3	361.146	204.572
Other financial expenses	4	<u>(92.348)</u>	<u>(110.120)</u>
Profit/loss before tax		3.850.322	5.128.273
Tax on profit/loss for the year	5	<u>(864.089)</u>	<u>(1.246.805)</u>
Profit/loss for the year		<u>2.986.233</u>	<u>3.881.468</u>
Proposed distribution of profit/loss			
Retained earnings		<u>2.986.233</u>	<u>3.881.468</u>
		<u>2.986.233</u>	<u>3.881.468</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Other fixtures and fittings, tools and equipment		77.430	99.863
Property, plant and equipment	6	77.430	99.863
Deposits		219.418	216.322
Fixed asset investments		219.418	216.322
Fixed assets		296.848	316.185
Trade receivables		28.997.857	43.099.742
Receivables from group enterprises		11.107.648	9.911.447
Deferred tax		33.000	37.284
Prepayments		176.416	187.121
Receivables		40.314.921	53.235.594
Cash		1.657.357	1.116.377
Current assets		41.972.278	54.351.971
Assets		42.269.126	54.668.156

Balance sheet at 31.12.2016

	Notes	2016 DKK	2015 DKK
Contributed capital	7	679.095	679.095
Retained earnings		13.465.045	10.478.812
Equity		14.144.140	11.157.907
Prepayments received from customers		56.666	204.373
Non-current liabilities other than provisions		56.666	204.373
Prepayments received from customers		3.168.356	2.900.710
Trade payables		18.272.325	31.581.695
Income tax payable		413.500	1.049.743
Other payables		6.214.139	7.773.728
Current liabilities other than provisions		28.068.320	43.305.876
Liabilities other than provisions		28.124.986	43.510.249
Equity and liabilities		42.269.126	54.668.156
Financial instruments	8		
Unrecognised rental and lease commitments	9		
Group relations	10		

Statement of changes in equity for 2016

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	679.095	10.478.812	11.157.907
Profit/loss for the year	0	2.986.233	2.986.233
Equity end of year	679.095	13.465.045	14.144.140

Notes

	2016	2015
	DKK	DKK
1. Staff costs		
Wages and salaries	14.588.415	15.105.157
Pension costs	1.593.872	1.805.509
Other staff costs	558.333	431.668
	16.740.620	17.342.334
 Number of employees at balance sheet date	 22	 25
	2016	2015
	DKK	DKK
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	55.231	143.147
Profit/loss from sale of intangible assets and property, plant and equipment	0	(5.518)
	55.231	137.629
	2016	2015
	DKK	DKK
3. Other financial income		
Financial income arising from group enterprises	277.587	141.976
Exchange rate adjustments	74.516	62.596
Other financial income	9.043	0
	361.146	204.572
	2016	2015
	DKK	DKK
4. Other financial expenses		
Interest expenses	3.157	47.389
Exchange rate adjustments	89.191	0
Other financial expenses	0	62.731
	92.348	110.120

Notes

	2016	2015
	DKK	DKK
5. Tax on profit/loss for the year		
Tax on current year taxable income	861.500	1.262.538
Change in deferred tax for the year	4.284	(18.390)
Adjustment concerning previous years	(1.695)	2.657
	864.089	1.246.805

	Other fixtures and fittings, tools and equipment DKK
6. Property, plant and equipment	
Cost beginning of year	453.134
Additions	32.798
Cost end of year	485.932
Depreciation and impairment losses beginning of the year	(353.271)
Depreciation for the year	(55.231)
Depreciation and impairment losses end of the year	(408.502)
Carrying amount end of year	77.430

	Number	Par value DKK	Nominal value DKK
7. Contributed capital			
A-shares	510.000	1	510.000
B-shares	169.095	1	169.095
	679.095		679.095

8. Financial instruments

As part of hedging of sales and purchases the Company has entered into foreign exchange contracts regarding finalized transactions with their bank. The hedging is therefore composed of trade receivables and payables. The hedged transactions have been made in USD. As of December 31 2016 the fair value regulation of the derivatives is a loss of DKK 72 thousand, which has been recognized as part of the Company's other payables. As the hedge is a fair value hedge, the fair value regulation has been recognized in the income statement.

Notes

	2016	2015
	DKK	DKK
9. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	285.336	352.653

10. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
SL Holdco BV, Trapezium 224 3364 DL Sliedrecht, Holland.

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.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Accounting policies

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of 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 fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

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.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to 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 property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

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.

Accounting policies

Balance sheet

Property, plant and equipment

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	3-5 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

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

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.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Accounting policies

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax