

## **Outpost24 Denmark ApS**

Højbro Plads 21, 2. tv.  
1200 København K  
Business Registration No  
35517936

## **Annual report 2018**

The Annual General Meeting adopted the annual report on 04.07.2019

### **Chairman of the General Meeting**

---

Name: Carl Jonas Alfredson

# Contents

	<b><u>Page</u></b>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's extended review report	3
Management commentary	5
Income statement for 2018	6
Balance sheet at 31.12.2018	7
Statement of changes in equity for 2018	9
Notes	10
Accounting policies	12

## Entity details

### Entity

Outpost24 Denmark ApS  
Højbro Plads 21, 2. tv.  
1200 København K

Central Business Registration No (CVR): 35517936

Registered in: København

Financial year: 01.01.2018 - 31.12.2018

### Executive Board

Martin Ulf Henricson  
Carl Jonas Alfredson

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
Postboks 1600  
0900 København 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 Outpost24 Denmark ApS for the financial year 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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.

Copenhagen, 04.07.2019

### **Executive Board**

Martin Ulf Henricson

Carl Jonas Alfredson

# Independent auditor's extended review report

## To the shareholders of Outpost24 Denmark ApS

### Conclusion

We have performed an extended review of the financial statements of Outpost24 Denmark ApS for the financial year 01.01.2018 - 31.12.2018, 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

### Basis for conclusion

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. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements". We are independent of the Entity 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Emphasis of matter affecting the financial statements

We draw attention to the disclosures given in note 1 stating that the financing requirement at group level, as well as the assumptions and expectations of the refinancing, is unsettled, including the effect on Outpost24 Denmark ApS's ability to continue as a going concern and on the valuation of the Company's receivables from group enterprises if the Group does not receive the additional refinancing necessary. When presenting the financial statements, Management has assumed that the refinancing can be carried out as planned and that is why it has decided to present the financial statements on the assumption that the Company is a going concern. As stated in note 1, this indicates a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. However, our opinion has not been modified in this respect.

### 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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

# Independent auditor's extended review report

## **Auditor's responsibilities for the extended review of the financial statements**

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the 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.

## **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 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 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, 04.07.2019

## **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR) 33963556

Torben Skov  
State Authorised Public Accountant  
Identification No (MNE) mne19689

## Management commentary

### Primary activities

The Company's main activity is sales and marketing of products and services regarding IT security in Denmark, as well as related activities. ([www.outpost24.com](http://www.outpost24.com)).

### Development in activities and finances

The Company's income statement for the year ended 31 December shows a gain of DKK 1.917.622, and the balance sheet at 31 December 2018 shows equity of DKK 3.460.713.

The uncertainty inherent in the ability of the Parent to carry out the planned refinancing is material and may cast doubt upon the Company's ability to continue as a going concern. Management is confident that the Parent will be able to implement the plan and, consequently, it has decided to present the financial statements on the assumption that the Company is a going concern.

### 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 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
<b>Gross profit</b>		<b>14.697.725</b>	<b>14.290.806</b>
Staff costs	2	(12.635.911)	(13.110.131)
Depreciation, amortisation and impairment losses		<u>(43.404)</u>	<u>(15.099)</u>
<b>Operating profit/loss</b>		<b>2.018.410</b>	<b>1.165.576</b>
Other financial income	3	566.349	376.096
Other financial expenses	4	<u>(667.137)</u>	<u>(793.453)</u>
<b>Profit/loss before tax</b>		<b>1.917.622</b>	<b>748.219</b>
Tax on profit/loss for the year	5	<u>0</u>	<u>254.000</u>
<b>Profit/loss for the year</b>		<b><u>1.917.622</u></b>	<b><u>1.002.219</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>1.917.622</u>	<u>1.002.219</u>
		<b><u>1.917.622</u></b>	<b><u>1.002.219</u></b>



## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Other fixtures and fittings, tools and equipment		80.016	91.856
<b>Property, plant and equipment</b>	6	<b>80.016</b>	<b>91.856</b>
Deposits		154.958	153.436
Deferred tax		254.000	254.000
<b>Fixed asset investments</b>		<b>408.958</b>	<b>407.436</b>
<b>Fixed assets</b>		<b>488.974</b>	<b>499.292</b>
Receivables from group enterprises		11.209.662	8.812.542
Other receivables		263.737	202.197
Prepayments		197.035	276.153
<b>Receivables</b>		<b>11.670.434</b>	<b>9.290.892</b>
<b>Cash</b>		<b>389.883</b>	<b>357.255</b>
<b>Current assets</b>		<b>12.060.317</b>	<b>9.648.147</b>
<b>Assets</b>		<b>12.549.291</b>	<b>10.147.439</b>

## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital		80.000	80.000
Retained earnings		<u>3.380.713</u>	<u>1.463.091</u>
<b>Equity</b>		<b><u>3.460.713</u></b>	<b><u>1.543.091</u></b>
Bank loans		14.174	49.622
Trade payables		815.052	158.905
Payables to group enterprises		6.367.966	5.837.927
Other payables		<u>1.891.386</u>	<u>2.557.894</u>
<b>Current liabilities other than provisions</b>		<b><u>9.088.578</u></b>	<b><u>8.604.348</u></b>
<b>Liabilities other than provisions</b>		<b><u>9.088.578</u></b>	<b><u>8.604.348</u></b>
<b>Equity and liabilities</b>		<b><u>12.549.291</u></b>	<b><u>10.147.439</u></b>
Going concern	1		
Unrecognised rental and lease commitments	7		

## Statement of changes in equity for 2018

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	80.000	1.463.091	1.543.091
Profit/loss for the year	0	1.917.622	1.917.622
<b>Equity end of year</b>	<b>80.000</b>	<b>3.380.713</b>	<b>3.460.713</b>

## Notes

### 1. Going concern

#### Financing and capital structure

From note 27 to the parent Outpost24 AB financial statements for 2018 the following appears:

*"The Board of Directors continuously assesses the Group's cash position and financial resources both in the short and long run. In connection with the presentation of the financial statements, the Board of Directors shall evaluate this matter separately from a 12-month perspective. In 2018 as well as the period from January to May 2019, the Company and the Group have reported about continued negative earnings and cash flows.*

*The Group's cash funds amounted to SEK 5,788 thousand at 31 December 2018, which alone is insufficient to support the operations in 2019. In April 2019, the Group had spent the credit facility of SEK 15 million provided by external lenders which existed at the end of the financial year.*

*Given that the market for IT security products is expected to grow in the coming year and that the Company's sales and marketing activities have increased, the Company's future development is expected to be positive. The Company's sales have increased in 2018 and 2019, and are expected to increase even more in the future. During the period from January to May 2019, sales increased by more than 18% compared to the same period last year.*

*The Company needs additional capital to be able to fulfil its commitments and to expand its business. Outpost24 plans to carry through a combination of an issue of new shares and a borrowing during the summer of 2019. The issue and the loan intend to increase investments in further growth and give the Company the economic latitude required to make a small profit.*

*The Board of Directors has taken these facts and circumstances into account and, on this basis, believes that the Company's ability to continue as a going concern is possible and recommended, and the accounting policies applied in these financial statements are based on the assumption that the Company is a going concern."*

The majority of the Company's revenue is generated through the Group just as the value of the Company's receivables from group enterprises will be subject to material uncertainty. The net receivable from the Parent, Outpost24 AB, amounts to DKK 11,116 thousand at 31 December 2018. If the Parent, Outpost24 AB, is unable to implement the refinancing plan mentioned above, the Danish company, Outpost24 Denmark ApS, will not be able to continue its activities.

The uncertainty inherent in the ability of the Parent to carry out the planned refinancing is material and may cast significant doubt upon the Company's ability to continue as a going concern. Management considers that the Parent will be able to implement the plan and, consequently, it has decided to present the financial statements on the assumption that the Company is a going concern.

## Notes

	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Staff costs</b>		
Wages and salaries	10.901.531	11.723.124
Pension costs	710.912	511.192
Other social security costs	118.165	115.808
Other staff costs	905.303	760.007
	<b>12.635.911</b>	<b>13.110.131</b>
Average number of employees	<b>15</b>	<b>16</b>
	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>3. Other financial income</b>		
Financial income arising from group enterprises	210.411	290.345
Exchange rate adjustments	355.938	85.751
	<b>566.349</b>	<b>376.096</b>
	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>4. Other financial expenses</b>		
Financial expenses from group enterprises	65.444	109.627
Exchange rate adjustments	601.693	683.826
	<b>667.137</b>	<b>793.453</b>
	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>5. Tax on profit/loss for the year</b>		
Change in deferred tax	0	(254.000)
	<b>0</b>	<b>(254.000)</b>

## Notes

	<b>Other fixtures and fittings, tools and equipment DKK</b>
	<u>DKK</u>
<b>6. Property, plant and equipment</b>	
Cost beginning of year	123.984
Additions	<u>31.564</u>
<b>Cost end of year</b>	<b><u>155.548</u></b>
Depreciation and impairment losses beginning of year	(32.128)
Depreciation for the year	<u>(43.404)</u>
<b>Depreciation and impairment losses end of year</b>	<b><u>(75.532)</u></b>
<b>Carrying amount end of year</b>	<b><u>80.016</u></b>

### 7. Unrecognised rental and lease commitments

The Company has signed a rent agreement that can be cancelled with a 6 month notice. The obligation amounts to DKK 296.555.

## 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.

### Income statement

#### Gross profit or loss

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue. Gross profit or loss comprises revenue, other operating income and external expenses.

#### Revenue

Revenue from the sale of 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.

#### 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.

## Accounting policies

### 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 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 other investments, interest income, including interest income on receivables from group enterprises, 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, 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

#### 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
--	-----------

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.



## Accounting policies

### 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.

### Receivables

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

### 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.