

Kaspersky Lab Denmark ApS

c/o Harbour House
Sundkrogsgade 21
2100 København Ø

CVR no. 36 72 23 71

Annual report 2017

The annual report was presented and approved at the
Company's annual general meeting on

11 June 2018

Leif Jensen
chairman



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Kaspersky Lab Denmark ApS
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Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Kaspersky Lab Denmark ApS for the financial year 1 January – 31 December 2017.

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

In my opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.

Further, in my opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

I recommend that the annual report be approved at the annual general meeting.

Copenhagen, 11 June 2018

Executive Board:



Leif Jensen



Independent auditor's report

To the shareholder of Kaspersky Lab Denmark ApS

Opinion

We have audited the financial statements of Kaspersky Lab Denmark ApS for the financial year 1 January – 31 December 2017 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 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 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' 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 that 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 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.



Independent auditor's report

- 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 of the Management's review.

Copenhagen, 11 June 2018

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Mark Palmberg
State Authorised
Public Accountant
MNE no. 34319

Kaspersky Lab Denmark ApS
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Management's review

Company details

Kaspersky Lab Denmark ApS
c/o Harbour House Sundkrogsgade 21
2100 København Ø

CVR no.:	36 72 23 71
Established:	23 April 2015
Registered office:	Copenhagen
Financial year:	1 January – 31 December

Executive Board

Leif Jensen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
2100 København Ø
Denmark

Annual general meeting

The annual general meeting will be held on 11 June 2018.

Management's review

Operating review

Principal activities

The principal activities of the Company comprise marketing of technology-based products and services also including activities related for these activities.

Development in activities and financial position

The Company's income statement for the period 1 January - 31 December 2017 shows a profit of DKK 866,613 (2016: DKK 440,102), and the balance sheet at 31 December 2017 shows assets DKK 5,415,705 (2016: DKK 3,961,920) and an equity of DKK 1,702,445 (2016: DKK 835,833).

Management considers the results for the year satisfactory.

Events after the balance sheet date

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2017	2016
Gross profit		8,464,805	6,587,095
Staff costs	2	-7,169,523	-5,884,409
Depreciation, amortisation and impairment		-43,126	-16,896
Operating profit		1,252,156	685,790
Financial income		554	1,864
Financial expenses		-104,602	-99,396
Profit before tax		1,148,108	588,258
Tax on profit for the year	3	-281,495	-148,156
Profit for the year		<u>866,613</u>	<u>440,102</u>
Proposed profit appropriation			
Retained earnings		<u>866,613</u>	<u>440,102</u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2017	2016
ASSETS			
Fixed assets			
Property, plant and equipment	4		
Fixtures and fittings, tools and equipment		<u>140,473</u>	<u>129,413</u>
		<u>140,473</u>	<u>129,413</u>
Investments			
Deposits		<u>40,760</u>	<u>40,260</u>
		<u>40,760</u>	<u>40,260</u>
Total fixed assets		<u>181,233</u>	<u>169,673</u>
Current assets			
Receivables			
Receivables from group entities		744,290	2,965,348
Other receivables		<u>481,983</u>	<u>277,368</u>
		<u>1,226,273</u>	<u>3,242,716</u>
Cash at bank and in hand		<u>4,008,199</u>	<u>549,531</u>
Total current assets		<u>5,234,472</u>	<u>3,792,247</u>
TOTAL ASSETS		<u><u>5,415,705</u></u>	<u><u>3,961,920</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2017	2016
EQUITY AND LIABILITIES			
Equity			
Contributed capital		50,000	50,000
Retained earnings		1,652,445	785,833
Total equity		<u>1,702,445</u>	<u>835,833</u>
Provisions			
Provisions for deferred tax		4,671	5,414
Total provisions		<u>4,671</u>	<u>5,414</u>
Liabilities other than provisions			
Current liabilities other than provisions			
Trade payables		2,142,789	1,423,625
Other payables, including tax payables		1,565,800	1,697,048
		<u>3,708,589</u>	<u>3,120,673</u>
Total liabilities other than provisions		<u>3,708,589</u>	<u>3,120,673</u>
TOTAL EQUITY AND LIABILITIES		<u><u>5,415,705</u></u>	<u><u>3,961,920</u></u>
Contractual obligations, contingencies, etc.	5		
Related party disclosures	6		

Financial statements 1 January – 31 December

Statement of changes in equity

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2017	50,000	785,832	835,832
Profit for the year	<u>0</u>	<u>866,613</u>	<u>866,613</u>
Equity at 31 December 2017	<u><u>50,000</u></u>	<u><u>1,652,445</u></u>	<u><u>1,702,445</u></u>

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Kaspersky Lab Denmark ApS for 2017 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with option from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reclassification

In the comparatives for 2016 a reclassification has been made in the balance sheet from the financial statement caption "Other provision" to "Trade payables" and "Other payables".

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross Profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Income from sale of services is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place, the income may be reliably measured and is expected to be received.

Revenue is measured at fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All forms of discounts granted are deducted from revenue.

Other external costs

Other external costs comprise distribution costs and costs related to marketing campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	5 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Liabilities are measured at net realisable value.

2 Staff costs

DKK	2017	2016
Wages and salaries	6,945,947	5,476,253
Other staff costs	223,576	408,156
	<u>7,169,523</u>	<u>5,884,409</u>
Average number of full-time employees	<u>8</u>	<u>6</u>

3 Tax on profit for the year

DKK	2017	2016
Current tax for the year	282,238	148,156
Deferred tax for the year	-743	0
	<u>281,495</u>	<u>148,156</u>

4 Property, plant and equipment

DKK	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2017	150,289	150,289
Additions for the year	54,186	54,186
Cost at 31 December 2017	<u>204,475</u>	<u>204,475</u>
Depreciation and impairment losses at 1 January 2017	-20,676	-20,676
Depreciation for the year	-43,326	-43,326
Depreciation and impairment losses at 31 December 2017	<u>-64,002</u>	<u>-64,002</u>
Carrying amount at 31 December 2017	<u>140,473</u>	<u>140,473</u>

5 Contractual obligations, contingencies, etc.

Operating lease obligations

Remaining operating lease obligations at the balance sheet date fall due at DKK 90 thousand within 1 year (2016: DKK 87 thousand).

6 Related party disclosures

Kaspersky Lab Denmark ApS is part of the consolidated financial statements of Kaspersky Labs Limited, London, which is the smallest group in which the Company's included as a subsidiary.

The consolidated financial statements of Kaspersky Labs Limited. can be obtained by contacting the Company.