

Kaspersky Lab Denmark ApS

Sundkrogsgade 21, 2100 København Ø

CVR no. 36 72 23 71

Annual report for 2019

Adopted at the annual general meeting on 9 July
2020

Christopher William Connell
chairman



Table of contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
Management's review	
Company details	5
Management's review	6
Financial statements	
Income statement 1 January - 31 December	7
Balance sheet 31 December	8
Statement of changes in equity	10
Notes to the annual report	11
Accounting policies	14

Statement by management on the annual report

The executive board has today discussed and approved the annual report of Kaspersky Lab Denmark ApS for the financial year 1 January - 31 December 2019.

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 company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 9 July 2020

Executive board

Christopher William Connell

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 2019, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019 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 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 the 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 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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.

Independent auditor's report

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, we conclude that 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 management's review.

Copenhagen, 9 July 2020

Baker Tilly Denmark

Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Ramazan Turan
statsautoriseret revisor
MNE no. mne32779

Ebbe Bendixen
statsautoriseret revisor
MNE no. mne45102

Company details

The company	Kaspersky Lab Denmark ApS Sundkrogsgade 21 2100 København Ø Telephone: 40208868 CVR no.: 36 72 23 71 Reporting period: 1 January - 31 December Incorporated: 23. April 2015 Domicile: Copenhagen
Executive board	Christopher William Connell
Auditors	Baker Tilly Denmark Godkendt Revisionspartnerselskab Poul Bundgaards Vej 1, 1. 2500 Valby

Management's review

Business review

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

Financial review

The company's income statement for the year ended 31 December 2019 shows a profit of DKK 347.723, and the balance sheet at 31 December 2019 shows equity of DKK 2.744.434.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
Gross profit		6.511.133	9.449.878
Staff costs	1	-5.940.300	-8.379.250
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-67.738	-61.921
Profit/loss before net financials		503.095	1.008.707
Financial income		11.555	1.170
Financial costs	2	-65.070	-101.297
Profit/loss before tax		449.580	908.580
Tax on profit/loss for the year	3	-101.857	-214.313
Profit/loss for the year		347.723	694.267
Recommended appropriation of profit/loss			
Retained earnings		347.723	694.267
		347.723	694.267

Balance sheet 31 December

	Note	2019	2018
		DKK	DKK
Assets			
Other fixtures and fittings, tools and equipment		95.673	129.474
Tangible assets	4	95.673	129.474
Deposits		42.041	40.760
Fixed asset investments		42.041	40.760
Total fixed assets		137.714	170.234
Receivables from subsidiaries		5.322.890	4.244.244
Other receivables		304.553	451.352
Deferred tax asset		4.664	0
Corporation tax		60.479	0
Prepayments		48.105	0
Receivables		5.740.691	4.695.596
Cash at bank and in hand		557.706	1.620.311
Current assets total		6.298.397	6.315.907
Assets total		6.436.111	6.486.141

Balance sheet 31 December

	Note	2019 DKK	2018 DKK
Equity and liabilities			
Share capital		50.000	50.000
Retained earnings		2.694.434	2.346.712
Total equity		2.744.434	2.396.712
Provision for deferred tax		0	407
Total provisions		0	407
Banks		95	0
Trade payables		523.115	1.549.695
Payables to subsidiaries		1.137.561	0
Corporation tax		0	44.354
Other payables	5	2.030.906	2.494.973
Total current liabilities		3.691.677	4.089.022
Debt total		3.691.677	4.089.022
Liabilities and equity total		6.436.111	6.486.141
Operating lease obligations	6		
Related parties and ownership structure	7		

Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	50.000	2.346.711	2.396.711
Net profit/loss for the year	0	347.723	347.723
Equity at 31 December	50.000	2.694.434	2.744.434

Notes

	2019	2018
	DKK	DKK
1 Staff costs		
Wages and salaries	5.813.366	7.511.222
Other social security costs	25.329	27.258
Other staff costs	101.605	840.770
	5.940.300	8.379.250
Average number of employees	7	8
2 Financial costs		
Other financial costs	21.292	19.998
Exchange loss	43.778	81.299
	65.070	101.297
3 Tax on profit/loss for the year		
Current tax for the year	106.521	216.062
Deferred tax for the year	-5.071	-4.264
Adjustment of tax concerning previous years	407	2.515
	101.857	214.313

Notes

4 Tangible assets

	Other fixtures and fittings, tools and equipment
	<u>DKK</u>
Cost at 1 January	255.397
Additions for the year	<u>32.854</u>
Cost at 31 December	<u>288.251</u>
Impairment losses and depreciation at 1 January	125.923
Depreciation for the year	<u>66.655</u>
Impairment losses and depreciation at 31 December	<u>192.578</u>
Carrying amount at 31 December	<u><u>95.673</u></u>

	<u>2019</u>	<u>2018</u>
	DKK	DKK
5 Other payables		
Wages/salaries, salary taxes, social security contributions, etc.	1.899	4.639
Compensated absence	813.360	996.527
Other accrued expenses	<u>1.215.647</u>	<u>1.493.807</u>
	<u><u>2.030.906</u></u>	<u><u>2.494.973</u></u>

6 Operating lease obligations

Remaining operating lease obligations at the balance sheet fall due at DKK 44 thousand within 3 months.

Notes

7 Related parties and ownership structure

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.

Accounting policies

The annual report of Kaspersky Lab Denmark ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act concerning reporting class B entities as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2019 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Revenue

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

Accounting policies

Revenue is measured at fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. Revenue is net of all types of discounts granted.

Other external costs

Other external costs include expenses related to sale, advertising, administration, premises, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

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

The depreciable amount is cost less the expected residual value at the end of the useful life.

Accounting policies

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment 5 years

The useful life and residual value of the company's property, plant and equipment is reassessed annually.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Accounting policies

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.