

# iLOQ Danmark ApS

c/o Redmark, Sommervej 31 C, 8210 Aarhus V

Company reg. no. 37 79 33 96

## Annual report

31 May - 31 December 2016

The annual report have been submitted and approved by the general meeting on the



*18th April,  
2017.*

Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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## Management's report

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The board of directors and the managing director have today presented the annual report of iLOQ Danmark ApS for the financial year 31 May to 31 December 2016.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2016 and of the company's results of its activities in the financial year 31 May to 31 December 2016.

At the board meeting it will be decided that the annual accounts for 2017 onwards are not subject to audit. The board of directors and the managing director considers the requirements of omission of audit as met.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Aarhus V, 27 February 2017

### Managing Director



Sirpa Sallanko

### Board of directors



Tomi Karjalainen



Mårten Persson



Sirpa Sallanko

## Independent auditor's report

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### To the shareholder of iLOQ Danmark ApS

#### Opinion

We have audited the annual accounts of iLOQ Danmark ApS for the financial year 31 May to 31 December 2016, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2016 and of the results of the company's operations for the financial year 31 May to 31 December 2016 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

#### The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the annual accounts

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

## Independent auditor's report

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As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

### **Statement on the management's review**

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

## Independent auditor's report

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In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Aarhus, 27 February 2017

### Redmark

State Authorised Public Accountants  
Company reg. no. 29 44 27 89



Morten Ryberg  
State Authorised Public Accountant



Karen Kragesand Thomsen  
State Authorised Public Accountant

## Company data

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<b>The company</b>	iLOQ Danmark ApS c/o Redmark Sommervej 31 C 8210 Aarhus V
	Company reg. no. 37 79 33 96 Established: 31 May 2016 Financial year: 31 May - 31 December 1st financial year
<b>Board of directors</b>	Tomi Karjalainen Mårten Persson Sirpa Sallanko
<b>Managing Director</b>	Sirpa Sallanko
<b>Auditors</b>	Redmark, Statsautoriseret Revisionspartnerselskab Sommervej 31C 8210 Aarhus V
<b>Parent company</b>	iLOQ OY

## **Management's review**

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### **The principal activities of the company**

The goals of the company is marketing and sales of digital locking systems. The market is mainly focused on Denmark and the other Scandinavian countries.

### **Development in activities and financial matters**

The gross profit for the year is DKK 746.561. The results from ordinary activities after tax are DKK 20.332. The management consider the results satisfactory.

It is the company's first financial year.



## **Accounting policies used**

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The annual report for iLOQ Danmark ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

### **Recognition and measurement in general**

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

### **Translation of foreign currency**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

## Accounting policies used

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In case the foreign group enterprises and associated enterprises meet the criteria for being independent units, the profit and loss accounts are translated by using an average exchange rate for the period in question, and the balance sheet items are translated by using the closing rate. Differences arising in connection with the translation of the equity of foreign group enterprises at the beginning of the year to the closing rate are recognised directly in the equity. The same goes for differences arising in connection with translation of the profit and loss accounts from average exchange rate to the closing rate.

At recognition of foreign group enterprises which are integrated units, the monetary items are translated by using the closing rate. Non monetary items are translated by using the exchange rate prevailing at the time of acquisition or at the time of the following depreciation or writedown of the asset. The items of the profit and loss account are translated by using the exchange rate prevailing at the date of the transaction. However, items in the profit and loss account deriving from non monetary items are translated by using historical prices.

Currency adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in the equity. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised in the equity.

### The profit and loss account

#### Gross profit

The gross profit comprises the net turnover, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

When the results of a contract can not be determined reliably, the net turnover is only recognised on a cost basis, however, to the extent that it is probable that the costs will be recovered.

Other external costs comprise costs for sales, advertisement, administration and loss on debtors.

#### Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

## Accounting policies used

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### Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

### Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

## The balance sheet

### Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

### Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

### Available funds

Available funds comprise cash at bank and in hand.

### Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

### Liabilities

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

## Profit and loss account

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All amounts in DKK.

	<b>Gross profit</b>	<b>746.561</b>
1	Staff costs	-711.800
	<b>Operating profit</b>	<b>34.761</b>
2	Other financial costs	-5.959
	<b>Results before tax</b>	<b>28.802</b>
	Tax on ordinary results	-8.470
	<b>Results from ordinary activities after tax</b>	<b>20.332</b>
	<b>Results for the year</b>	<b>20.332</b>
	<b>Proposed distribution of the results:</b>	
	Allocated to results brought forward	20.332
	<b>Distribution in total</b>	<b>20.332</b>

## Balance sheet

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All amounts in DKK.

<b>Assets</b>	<u>31/12 2016</u>
<u>Note</u>	
<b>Current assets</b>	
Trade debtors	315.600
Other debtors	20.136
Accrued income and deferred expenses	<u>694</u>
Debtors in total	<u>336.430</u>
Available funds	<u>154.287</u>
<b>Current assets in total</b>	<b><u>490.717</u></b>
<b>Assets in total</b>	<b><u>490.717</u></b>

## Balance sheet

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All amounts in DKK.

<b>Equity and liabilities</b>		<u>31/12 2016</u>
<u>Note</u>		
<b>Equity</b>		
3	Contributed capital	50.000
4	Results brought forward	20.332
	<b>Equity in total</b>	<b><u>70.332</u></b>
 <b>Liabilities</b>		
	Trade creditors	45.423
	Debt to group enterprises	201.667
	Corporate tax	8.470
	Other debts	164.825
	Short-term liabilities in total	<u>420.385</u>
	<b>Liabilities in total</b>	<b><u>420.385</u></b>
	 <b>Equity and liabilities in total</b>	 <b><u>490.717</u></b>

## Notes

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All amounts in DKK.

	31/5 2016 - 31/12 2016
<b>1. Staff costs</b>	
Salaries and wages	643.988
Pension costs	65.919
Other costs for social security	1.893
	<u>711.800</u>
<b>2. Other financial costs</b>	
Other financial costs	5.959
	<u>5.959</u>
<b>3. Contributed capital</b>	
Contributed capital 31 May	50.000
	<u>50.000</u>
<b>4. Results brought forward</b>	
Profit or loss for the year brought forward	20.332
	<u>20.332</u>