

Press release

For immediate release

Scandinavian Ven-Cap Firm Slottsbacken Concludes Follow-On Investment of 5 MSEK In Promising Internet Guardian Company Secode

[Stockholm, Sweden, October 8th, 2001.] **The Scandinavian venture-capital firm Slottsbacken has concluded a second investment of 5 million SEK in the Swedish-based Internet guardian company Secode. This new investment supplements the initial Slottsbacken funding of 8 MSEK in October last year, bringing the total investment in Secode by Slottsbacken to 13 MSEK.**

"Although still in its early years, Secode is a highly successful company with a very bright future. This follow-on investment is carried out to enable Secode to strengthen its market position in Scandinavia and eventually expand abroad, bringing its proven '24/7 Internet Guardian' concept to a broader market. We are very pleased with Secode's progress so far", said Slottsbacken's President Ulf Svensson.

The new 5 MSEK funds will be used to consolidate Secode's existing market positions and to lay the foundation for a global market expansion. The company already shows a positive cash-flow and expects a healthy profit this year based on a faster-than-expected increase in sales to approximately 25 MSEK this year, in only the company's second year in operation.

Secode has attracted several large and prestigious international corporations as its customers, in diverse industries such as: finance, manufacturing, insurance, professional services, trade, the public sector, dotcom and e-commerce companies, energy, and IT/data. Secode recently announced partnerships with Nordic telecom giant Telenordia and the large IT company Eterra that have chosen Secode as their security partner for guardian services.

The Slottsbacken investment is made through its successful first ven-cap fund, Slottsbacken Fund I, launched in 1996 and containing 17 companies (including exits). Slottsbacken recently launched its second ven-cap fund, Slottsbacken Fund II. Both funds have distinct Nordic strategies for finding the most promising telecom, computer and media companies in the Nordic region.

Secode AB is a Stockholm-based Internet guardian company focused on continuous surveillance and protection of business-critical systems and information exposed to the Internet. Secode provides subscribed 24x7 security monitoring services for optimized business protection. The company's core is a unique own developed software system for real time detection and response to computer intrusion and misuse. Secode has put together the most skilled security technical expertise, focusing on computer security only. These two parts form the unique profile of the 'Internet Guardian Secode'. See www.secode.com.

Secode was founded in the spring of 2000, and went active in May the same year. Secode has 23 employees and operations in Stockholm and Gothenburg. The partners and employees are highly experienced and have been working with IP security since 1992. The company is owned by Slottsbacken and by its founders and employees.

Slottsbacken Funds I and II are managed by ACR Capital AB with offices in Stockholm, Sweden, Copenhagen, Denmark, and Helsinki, Finland. Slottsbacken's both funds invest in growth companies in the entire Nordic telecom, IT and media industries.

About Slottsbacken and ACR Capital:

Slottsbacken Venture Capital has been investing in growth companies in the telecom, datacom and media industries throughout the Nordic region since 1996. Slottsbacken Fund I's capital totals EUR 35 million with Telia and AP Sixth Fund as investors. Slottsbacken Fund II's total capital amounts to around EUR 100 million with AP Sixth Fund, AFA Insurance, Alecta, Telia Pension Board, Telia, Sampension, Merita Life Assurance, Industrial Investment and Local Government Pension Institution as investors.

A dozen people are involved in the fund's management company, ACR Capital AB. ACR was founded in 1995 and today has offices in Stockholm, Copenhagen and Helsinki.

Investments through Slottsbacken Fund I have been very successful and the portfolio companies have in many cases grown from small "embryo" businesses into large, market-leading IT companies on the brink of IPOs or other exits. Several successful exits have been carried through.

*Slottsbacken's both funds include companies such as **UDS Entertainment Group**, the Nordic region's leading computer games developer, **Marratech**, which develops web based software for e-meetings, and **Digiscope**, a leading provider of solutions for the new digital media. Recent investments also include **Finansium**, an international company for production of financial information services and technology, **Reddo Networks**, developers of the next generation of carrier grade IP multiservice equipment and products, and **TiFiC**, which develops and markets software for digital support.*

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