

McAfee Denmark ApS

McAfee Denmark ApS
Arne Jacobsens Alle 7, 2300 København S

CVR no. 21 59 44 31



Annual report 2015

Approved at the annual general meeting of shareholders on

Chairman:

Timothy Daly 21/6/2016



Contents

| | |
|---|---|
| Statement by the Board of Directors | 2 |
| Independent auditors' report on the compilation of financial statements | 3 |
| Management's review | 4 |
| Company details | 4 |
| Operating review | 4 |
| Financial statements for the period 1 January - 31 December | 5 |
| Income statement | 5 |
| Balance sheet | 6 |
| Statement of changes in equity | 8 |
| Notes to the financial statements | 9 |



Statement by the Board of Directors

The Board of Directors has today discussed and approved the annual report of McAfee Denmark ApS for the financial year 1 January - 31 December 2015.

The annual report is 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 financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

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

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

Copenhagen, 21 June 2016
Board of Directors:

DocuSigned by:
Jonathan Park
F9A040F127E9408
Jonathan Park

DocuSigned by:
Tim Daly
FA7FF3CSD0DE446
Timothy James Daly

DocuSigned by:
Paul Walsh
76F19A2CB4544D6
Paul Walsh



Independent auditors' report on the compilation of financial statements

To the general management of McAfee Denmark ApS

We have compiled the financial statements of McAfee Denmark ApS for the financial year 1 January - 31 December 2015 based on the Company's bookkeeping and other information provided.

The financial statements comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies.

We performed this compilation engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant ethical requirements in the Danish act on approved auditors and audit firms and FSR - Danish Auditors' code of ethics, including principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial statements are prepared in accordance with the Danish Financial Statements Act.

Aarhus, 21 June 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28

Hans Peter Roug
state authorised public accountant

Jan Krarup Mortensen
state authorised public accountant



Management's review

Company details

| | |
|----------------------------|--|
| Name | McAfee Denmark ApS |
| Address, Postal code, City | McAfee Denmark ApS Arne Jacobsens Alle 7, 2300 København S |
| CVR No. | 21 59 44 31 |
| Registered office | København |
| Financial year | 1 January - 31 December |
| Board of Directors | Jonathan Park Timothy James Daly Paul Walsh |
| Accountant | Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P O Box 330, 8100 Aarhus C, Denmark |
| Bankers | Royal Bank of Scotland (Danish branch), Sundkrogsgade 9, 4, PO Box 2570, DK-2100 København Ø |

Operating review

The Company's business review

In February 2011 McAfee Inc. was acquired by Intel Corporation. McAfee Denmark ApS is an indirect wholly-owned subsidiary of Intel Corporation Inc. There is no longer any activity in the entity.

Financial review

In 2015, the company's revenue came in at DKK 4,916,144 against DKK 8,879,282 last year. The income statement for 2015 shows a profit of DKK 608,088 against a profit of DKK 587,665 last year, and the balance sheet at 31 December 2015 shows equity of DKK 3,954,003.

Non-financial matters

The company has agreements with intra-group companies regarding compensation of sale and marketing of products on behalf of the owners of the product rights.

Post balance sheet events

No events of material importance for the company's financial position have occurred after the financial year-end.



Financial statements for the period 1 January - 31 December

Income statement

| Note | DKK | 2015 | 2014 |
|------|---|------------------|------------------|
| | Revenue | 4,916,144 | 8,879,282 |
| | Other external expenses | -738,242 | -2,870,942 |
| | Gross profit | 4,177,902 | 6,008,340 |
| 2 | Staff costs | -3,666,626 | -5,173,844 |
| | Amortisation/depreciation and impairment of intangible assets and property, plant and equipment | -20,943 | -27,400 |
| | Operating profit | 490,333 | 807,096 |
| | Financial income | 8,311 | 8,670 |
| | Financial expenses | -43,545 | -2,532 |
| | Profit before tax | 455,099 | 813,234 |
| 3 | Tax for the year | 152,989 | -225,569 |
| | Profit for the year | 608,088 | 587,665 |
| | Proposed profit appropriation | | |
| | Retained earnings | 608,088 | 587,665 |
| | | 608,088 | 587,665 |



Financial statements for the period 1 January - 31 December

Balance sheet

| Note | DKK | 2015 | 2014 |
|------|---------------------------------|-----------|-----------|
| | ASSETS | | |
| | Non-current assets | | |
| | Property, plant and equipment | | |
| | Plant and machinery | 0 | 106,827 |
| | | 0 | 106,827 |
| | Investments | | |
| | Other receivables | 0 | 63,424 |
| | | 0 | 63,424 |
| | Total non-current assets | 0 | 170,251 |
| | Current assets | | |
| | Receivables | | |
| | Receivables from group entities | 4,064,280 | 4,182,451 |
| | Deferred tax assets | 0 | 13,327 |
| | Other receivables | 0 | 228,238 |
| | Deferred income | 0 | 40,577 |
| | | 4,064,280 | 4,464,593 |
| | Cash | 0 | 864,760 |
| | Total current assets | 4,064,280 | 5,329,353 |
| | TOTAL ASSETS | 4,064,280 | 5,499,604 |



Financial statements for the period 1 January - 31 December

Balance sheet

| Note | DKK | 2015 | 2014 |
|------|--|------------------|------------------|
| | EQUITY AND LIABILITIES | | |
| | Equity | | |
| 4 | Share capital | 125,000 | 125,000 |
| | Retained earnings | 3,829,003 | 3,220,915 |
| | Total equity | 3,954,003 | 3,345,915 |
| | Liabilities other than provisions | | |
| | Current liabilities other than provisions | | |
| | Trade payables | 0 | 116,230 |
| | Payables to group entities | 0 | 150,252 |
| | Income taxes payable | 110,277 | 202,435 |
| | Other payables | 0 | 1,684,772 |
| | | 110,277 | 2,153,689 |
| | Total liabilities other than provisions | 110,277 | 2,153,689 |
| | TOTAL EQUITY AND LIABILITIES | 4,064,280 | 5,499,604 |

- 1 Accounting policies
- 5 Contractual obligations and contingencies, etc.
- 6 Related parties



Financial statements for the period 1 January - 31 December

Statement of changes in equity

| DKK | Share capital | Retained earnings | Total |
|----------------------------|---------------|-------------------|-----------|
| Equity at 1 January 2015 | 125,000 | 3,220,915 | 3,345,915 |
| Profit/loss for the year | 0 | 608,088 | 608,088 |
| Equity at 31 December 2015 | 125,000 | 3,829,003 | 3,954,003 |



Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of McAfee Denmark ApS for 2015 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

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

Reporting currency

The financial statements are presented in Danish kroner.

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 at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and 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 at 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

Revenue

The compensation model used by McAfee Ireland Limited for McAfee Denmark ApS is a cost plus method.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, lease 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 of intangible assets and property, plant and equipment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

| | |
|--|-----------|
| Plant and machinery | 3-4 years |
| Other fixtures and fittings, tools and equipment | 2 years |

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, realised and unrealised exchange rate adjustments and surcharges and allowances under the tax on account scheme.



Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

Cash at hand and in bank

Cash at hand and in bank comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

Equity

Proposed dividends

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

Corporation 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.



Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the parent is liable for the subsidiaries' income taxes vis-à-vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivables are recognised in the balance sheet as income tax receivable or payable.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual liability in respect of finance leases.

Other liabilities are measured at net realisable value.



Financial statements for the period 1 January - 31 December

Notes to the financial statements

| | | |
|--|------------------|------------------|
| 2 Staff costs | | |
| Wages/salaries | 3,434,769 | 4,854,807 |
| Pensions | 211,126 | 301,906 |
| Other social security costs | 20,731 | 17,131 |
| | <u>3,666,626</u> | <u>5,173,844</u> |
| 3 Tax for the year | | |
| Estimated tax charge for the year | 110,277 | 202,435 |
| Deferred tax adjustments in the year | 13,327 | 9,183 |
| Tax adjustments, prior years | -276,593 | 13,951 |
| | <u>-152,989</u> | <u>225,569</u> |
| 4 Share capital | | |
| The share capital consists of the following: | | |
| 1,250 A- shares of DKK 100.00 each | 125,000 | 125,000 |
| | <u>125,000</u> | <u>125,000</u> |

The share capital has remained DKK 125 thousand in the last 5 years.

5 Contractual obligations and contingencies, etc.

Other contingent liabilities

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally with other jointly taxed group entities for payment of income taxes for the income year 2013 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.



Financial statements for the period 1 January - 31 December

Notes to the financial statements

6 Related parties

McAfee Denmark ApS' related parties comprise the following:

Information about consolidated financial statements

| <u>Parent</u> | <u>Domicile</u> | <u>Requisitioning of the parent's consolidated financial statements</u> |
|--|--|--|
| Network Associates Holding Company, Inc. | 2821 Mission College Blvd., Santa Clara, California, United States | 2821 Mission College Blvd., Santa Clara, California, United States |

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

| <u>Name</u> | <u>Domicile</u> |
|--|---|
| Network Associates Holding Company, Inc. | 2821 Mission College Blvd., Santa Clara, California, United States |