

Mousquetaires Holding ApS

Park Allé 350 D, 2605 Brøndby

CVR no. 25 08 20 01

Annual report 2015

Approved at the Company's annual general meeting on 27 May 2016

Chairman:


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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Mousquetaires Holding ApS for the financial year 1 January – 31 December 2015.

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

It is our opinion that 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.

Brøndby, 27 May 2016
Executive Board:




Edward O. Macnair


Board of Directors:



Edward O. Macnair
Chairman



Lisa J. Davis



Craig Probert

Independent auditors' report

To the shareholders of Mousquetaires Holding ApS

Independent auditors' report on the financial statements

We have audited the financial statements of Mousquetaires Holding ApS for the financial year 1 January – 31 December 2015, which comprise income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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. Management is also responsible 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.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

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 its operations for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 27 May 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Henrik Barner Christiansen
State Authorised
Public Accountant

Anders Flymer-Dindler
State Authorised
Public Accountant

Management's review

Company details

Name	Mousquetaires Holding ApS
Address, zip code, city	Park Allé 350 D, 2605 Brøndby
CVR no.	25 08 20 01
Established	27 June 1999
Registered office	Brøndby
Financial year	1 January - 31 December
Board of Directors	Edward O. Macnair, Chairman Lisa J. Davis Craig Probert
Executive Board	Edward O. Macnair, CEO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg Denmark

Management's review

Operating review

Primary activities

The entity's primary activity is to own shares in SMS Passcode A/S.

Development in activities and finances

The income statement for 2015 shows a loss of DKK 5,767 thousand against a profit of DKK 283 thousand last year, and the balance sheet at 31 December 2015 shows equity of DKK -530 thousand.

The development is primarily due to a change in accounting policy for development projects in the subsidiary, which is accounted for using the equity method. Previously, costs of development projects were capitalised as intangible assets and amortised in the P&L. From 2015, costs of development projects are expensed in the P&L.

Events after the balance sheet date

The shares of Mousquetaires Holding ApS were sold to CensorNet Limited, a UK-based IT Security Company, on 18 February 2016.

Financial statements for the period 1 January – 31 December

Income statement

Note	DKK '000	2015	2014
	Operating expenses	-38	-25
	Operating profit	-38	-25
2	Share of profit from subsidiaries	-5,647	347
3	Financial income	18	65
4	Financial expenses	-100	-107
	Loss/profit before tax	-5,767	280
5	Tax on loss/profit for the year	0	3
	Loss/profit for the year	-5,767	283
	Proposed loss/profit appropriation		
	Dividends for the financial year	0	1,392
	Reserve for net evaluation according to the equity method	-5,112	347
	Retained earnings	-655	-1,456
		-5,767	283

Financial statements for the period 1 January – 31 December

Balance sheet

Note	DKK'000	<u>2015</u>	<u>2014</u>
	ASSETS		
	Non-current assets		
	Investments		
2	Shares in subsidiaries	<u>0</u>	<u>7,047</u>
		<u>0</u>	<u>7,047</u>
	Total non-current assets	<u>0</u>	<u>7,047</u>
	Current assets		
	Receivables		
	Tax receivable	<u>0</u>	<u>392</u>
		<u>0</u>	<u>392</u>
	Cash at hand and in bank	<u>2,177</u>	<u>1,130</u>
	Total current assets	<u>2,177</u>	<u>1,522</u>
	TOTAL ASSETS	<u><u>2,177</u></u>	<u><u>8,569</u></u>

Financial statements for the period 1 January – 31 December

Balance sheet

Note	DKK'000	2015	2014
	EQUITY AND LIABILITIES		
6	Equity		
	Share capital	125	125
	Reserve for net revaluation under the equity method	0	6,512
	Retained earnings	-655	-1,400
	Proposed dividends	0	1,392
	Total equity	<u>-530</u>	<u>6,629</u>
	Liabilities		
	Current liabilities		
	Amounts owed to group companies	1,410	48
	Amounts owed to former owners	1,288	1,883
	Other payables	9	9
	Total liabilities	<u>2,707</u>	<u>1,940</u>
	TOTAL EQUITY AND LIABILITIES	<u>2,177</u>	<u>8,569</u>

- 1 Accounting policies
- 7 Contractual obligations and contingencies, etc.
- 8 Ownership

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

In accordance with section 110(1) of the Danish Financial Statements Act, consolidated financial statements have not been prepared.

The financial statements have been presented in accordance with the same accounting policies as were applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Income statement

Operating expenses

Operating expenses include expenses relating to the entity's ordinary activities, including insurance, audit fee and other external expenses.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on payables and transactions in foreign currencies, etc.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises and net capital losses on payables and transactions in foreign currencies.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The entity is jointly taxed with its Danish subsidiary. The current Danish income tax is allocated among the jointly taxed entities in proportion to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually corresponding to nominal value less write-downs for bad and doubtful debts.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

Liabilities

Financial liabilities are measured at net realisable value.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

2 Going concern assumption

The Company's current liabilities exceed the current assets by DKK 530 thousand. The Company's current liabilities include amounts owed to its wholly owned subsidiary SMS Passcode A/S of DKK 1,410 thousand. The subsidiary has confirmed that it will only require the amount to be repaid within the financial capabilities of the Company. On this basis, the financial statements have been prepared on a going concern basis.

3 Investments in subsidiaries

DKK'000	Investments in subsidiaries
Cost at 1 January 2015	535
Cost at 31 December 2015	535
Value adjustments at 1 January 2015	6,512
Share of net result	-3,937
Other value adjustments	-1,710
Dividend received	-1,400
Value adjustments at 31 December 2015	-535
Carrying amount at 31 December 2015	0

Key figures of the Company's subsidiary at 31 December 2015:

Name and registered office (DKK)	Legal form	Ownership interest
SMS Passcode A/S, Brøndby	A/S	100 %

DKK'000	2015	2014
4 Financial income		
Interest income from group enterprises	18	65
	18	65
5 Financial expenses		
Interest expense to group enterprises and former owners	100	107
	100	107
6 Tax on loss/profit for the year		
Computed tax on the taxable income for the year	0	0
Adjustment to tax relating to previous years	0	-3
	0	-3

Financial statements for the period 1 January – 31 December

Notes to the financial statements

7 Equity

DKK'000	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Proposed dividends	Total
Balance at 1 January 2015	125	6,512	-1,400	1,392	6,629
Dividends received	0	-1,400	1,400	0	0
Dividends paid	0	0	0	-1,392	-1,392
Transferred; see distribution of loss	0	-5,112	-655	0	-5,767
Balance at 31 December 2015	125	0	-655	0	-530

There have been no changes in share capital for the past five years.

The capital is expected to be re-established through future dividends from the subsidiary.

8 Contractual obligations and contingencies, etc.

Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which it serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc. for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

9 Ownership

CensorNet Limited owns 100 % of the shares in the company.