

Norman Data Defense Systems A/S

Gl. Bogensevej 15
5560 Aarup

CVR No. 25839080

Annual Report 2015

15. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 1 July 2016

Harvey Anderson
Chairman

Norman Data Defense Systems A/S

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Norman Data Defense Systems A/S

Management's Statement

Today, Management has considered and adopted the Annual Report of Norman Data Defense Systems A/S for the financial year 1 January 2015 - 31 December 2015.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2015 and of the results of the Company's operations for the financial year 1 January 2015 - 31 December 2015.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

The Annual General Meeting of the Company decides that the Financial Statements for next year are not to be audited. The conditions for not conducting an audit of the Financial Statements have been met.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Place: Oslo , Date: 30 June 2016

Executive Board

Isabella Sabine Alveberg
General Manager

Supervisory Board

Harvey Anderson
Chairman

Christophe François

Marieëlle Reints

Norman Data Defense Systems A/S

Independent Auditor's Report

To the shareholders of Norman Data Defense Systems A/S

Report on the Financial Statements

We have audited the Financial Statements of Norman Data Defense Systems A/S for the financial year 1 January 2015 - 31 December 2015 comprising Accounting Policies, Income Statement, Balance Sheet and Notes. The Annual Report is presented in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with the Danish Financial Statements Act, and for such internal controls as Management determines is necessary to enable preparation of Financial Statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We have conducted our audit in accordance with international standards on auditing and additional requirements under Danish auditor regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain a high degree of assurance as to whether the Financial Statements are free from material misstatements.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's 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 controls. 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.

In our opinion, the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualifications.

Opinion

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2015 and of the results of the Company's operations for the financial year 1 January 2015 - 31 December 2015 in accordance with the Danish Financial Statements Act.

Norman Data Defense Systems A/S

Independent Auditor's Report

Reports in Accordance with Other Legal and Regulatory Requirements

Emphasis of Matter Related to Other Matters

The equity of the company is negative. Without resulting in any qualifications we refer to note 6, in which it is stated that the parent company has guaranteed to transfer further capital with the purpose of reestablishing the share capital. The letter of support covers the period to 31 December 2016.

Without any qualifications we refer to note 7, in which the management explains the uncertainty connected with recognition and measurement of the deferred tax asset.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Odense, 1 July 2016

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no.: 33771231

Poul Erik Jacobsen
State Authorised Public Accountant

Norman Data Defense Systems A/S

Company details

Company	Norman Data Defense Systems A/S Gl. Bogensevej 15 5560 Aarup
Telephone	63110508
Telefax	65905102
email	accounting.no@avg.com
Website	www.norman.com/dk
CVR No.	25839080
Date of formation	20 December 2000
Registered office	Assens
Financial year	1 January 2015 - 31 December 2015
Supervisory Board	Harvey Anderson, Chairman Christophe François Marieëlle Reints
Executive Board	Isabella Sabine Alveberg, General Manager
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Rytterkasernen 21 5100 Odense C CVR-no.: 33771231
Attorneys	Paragraph3 Kronprinsessegade 6, st. 1306 København K
Bank	Danske Bank Holmens Kanal 2 -12 1092 København K

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Management's Review

The Company's principal activities

The Company's principal activities consist in selling software including licenses, primarily to be used for establishing security for avoiding unauthorised access to IT-systems.

Development in activities and financial matters

The Company's Income Statement of the financial year 1. januar 2015 - 31. december 2015 shows a result of DKK 87.177 and the Balance Sheet at 31. december 2015 a balance sheet total of DKK 3.260.124 and an equity of DKK -8.389.674.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the Company substantially.

Expectations for the future

The Company expects its operations to develop positively next year.

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Accounting Policies

Reporting Class

The Annual Report of Norman Data Defense Systems A/S for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Norman Data Defense Systems A/S

Accounting Policies

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Revenue

Sales of software

Income from the sale of software is recognised in the Income Statement from the date of delivery and when the risk has passed to the buyer if it is possible to calculate the income reliably.

IC Service & Distribution fees

Revenue from intercompany services is recognized when services are delivered. Revenue from charges related to distribution of costs to other companies within the group of AVG is recognized when the invoice to the receiver is processed and sent.

The revenue is calculated exclusive of VAT, charges and discounts.

Other expenses

Other expenses comprise external expenses regarding housing, sale and administration. In addition, other expenses also includes intercompany charges of management- and service fees, charged by the parent company.

Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised gains and losses regarding foreign currency transactions as well as surcharges and allowances under the tax repayment scheme.

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity. The current tax rate is 23.5%. From the fiscal Year 2016 and forth the tax rate is 22%.

Balance Sheet

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Norman Data Defense Systems A/S

Accounting Policies

Provisions

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Financial liabilities

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

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Norman Data Defense Systems A/S

Income Statement

	Note	2015 kr.	2014 kr.
Gross profit		87.992	1.051.618
Employee benefits expense	1	<u>0</u>	<u>-1.127.391</u>
Profit from ordinary operating activities		87.992	-75.773
Finance expences	2	<u>-815</u>	<u>-138.533</u>
Profit from ordinary activities before tax		87.177	-214.306
Profit		87.177	-214.306
Proposed distribution of results			
Retained earnings		<u>87.177</u>	<u>-214.306</u>
		87.177	-214.306

Norman Data Defense Systems A/S

Balance Sheet as of 31. December

	Note	2015 kr.	2014 kr.
Assets			
Other long-term receivables		0	1.000
Investments		<u>0</u>	<u>1.000</u>
Fixed assets		<u>0</u>	<u>1.000</u>
Short-term trade receivables		448.554	738.686
Short-term receivables from associates		681.511	0
Current deferred tax	3	1.592.679	1.592.679
Receivables		<u>2.722.744</u>	<u>2.331.365</u>
Cash and cash equivalents		<u>537.380</u>	<u>360.161</u>
Current assets		<u>3.260.124</u>	<u>2.691.526</u>
Assets		<u>3.260.124</u>	<u>2.692.526</u>

Norman Data Defense Systems A/S

Balance Sheet as of 31. December

	Note	2015 kr.	2014 kr.
Liabilities and equity			
Contributed capital		500.200	500.200
Retained earnings		-8.889.874	-8.977.051
Equity	4	-8.389.674	-8.476.851
Payables to group enterprises		7.643.926	7.993.926
Deferred income, liabilities		602.084	597.323
Long-term liabilities other than provisions	5	8.246.010	8.591.249
Trade payables		1.986	10.144
Payables to group enterprises		1.996.922	832.211
Other payables		87.269	317.235
Deferred income, liabilities		1.317.611	1.418.538
Short-term liabilities other than provisions		3.403.788	2.578.128
Liabilities other than provisions within the business		11.649.798	11.169.377
Liabilities and equity		3.260.124	2.692.526
Uncertainties relating to going concern	6		
Uncertainty connected with recognition or measurement	7		
Contingent liabilities	8		
Collaterals and assets pledges as security	9		
Ownership	10		
Related parties	11		

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Notes

	2015	2014
1. Employee benefits expense		
Wages and salaries	0	1.078.371
Post-employment benefit expense	0	49.020
	<u>0</u>	<u>1.127.391</u>
Average number of employees	<u>0</u>	<u>1</u>

With reference to Statements Act § 98 B, pcs. 3, salaries to the management is not disclosed.

2. Finance expenses

Finance expenses arising from group enterprises	0	131.674
Other finance expenses	815	6.859
	<u>815</u>	<u>138.533</u>

3. Deferred tax asset

Taxable loss carried forward	-2.660.691	-2.862.588
Transferred to deferred tax asset	2.660.691	2.862.588
	<u>0</u>	<u>0</u>
Deferred tax asset	2.660.691	2.862.588
Estimated Impairment	-1.068.012	-1.269.909
	<u>1.592.679</u>	<u>1.592.679</u>

4. Statement of changes in equity

	Contributed capitall	Retained earnings	I alt
Equity, beginning balance	500.200	-8.977.051	-8.476.851
Proposed distribution of results		87.177	87.177
	<u>500.200</u>	<u>-8.889.874</u>	<u>-8.389.674</u>

The share capital consists of 1,000,400 shares in DKK 0.5 denominations. All shares carries the same voting rights.

The share capital has remained unchanged for the last 5 years.

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Notes

2015

2014

5. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Payables to group enterprises	7.643.926	1.996.922	0
Deferred income	602.084	1.317.611	0
	8.246.010	3.314.533	0

6. Uncertainties relating to going concern

It is the intention of the company to continue distributing Norman's Products in Denmark through Norway. Norman Defense Systems A/S will continue as an active company, and it is expected that the company will also make a profit in 2016. The Parent Company has issued a letter of support in which the Parent Company commits to restoring equity.

The letter of support covers the period to 31 December 2016.

Company Management expects the Parent Company to support the Company with the required liquidity also after 31 December 2016.

7. Uncertainty connected with recognition or measurement

The company has chosen to recognise deferred tax. As at 31 December 2015, DKK 1,592,679, is recognised as a tax asset. With reference to Note 6, it is Management's assessment that the valuation is fair and sound, as Management expect future profit that will enable use of the deferred tax asset.

8. Contingent liabilities

The company has liabilities related to maintenance of sold antivirus software subscriptions for a period of up to 3 years from date of invoicing. Income from the sale of antivirus subscriptions are distributed over the subscription period.

9. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

10. Ownership

The following capital owner is registered in the Register of Owners as owing a minimum of 5% of the voting rights or a minimum of 5% of the share capital:

AVG Technologies Norway AS

The company is a wholly owned subsidiary of AVG Technologies Norway AS, reg. no. NO 998 527 864 with its registered office in Lysaker, Norway.

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Notes

2015

2014

11. Related parties

The smallest group in which the company is included is the consolidated accounts for AVG Technologies N.V. AVG Technologies Holdings B.V. acquired AVG Technologies Norway AS in 2014.

The consolidated accounts for the AVG Group is available on www.avg.com.

Controlling interests:

Parent Company - AVG Technologies Norway AS

Transactions with related party disclosures:

Except from transactions with related companies and regular management fees there has been no transactions with the Board, Management, key employees, shareholders, related companies or other related parties.