

# **Norman Data Defense Systems A/S**

Gl. Bogensevej 15  
5560 Aarup

CVR No. 25839080

## **Annual Report 2017**

17. financial year

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 28 February 2018

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Alan Arthur Rassaby  
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 2017 - 31 December 2017.

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 2017 and of the results of the Company's operations for the financial year 1 January 2017 - 31 December 2017.

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

The conditions for not conducting an audit of the Financial Statement have been met.

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

Oslo, 28 February 2018

### **Executive Board**

Børre Hoff Borgersen  
General Manager

### **Supervisory Board**

Alan Arthur Rassaby  
Chairman

Rene Heinrich Bienz

Kelby Frederick Barton

## **Norman Data Defense Systems A/S**

### **Auditor's Report on Compilation of Financial Statements**

#### **To the day-to-day management of Norman Data Defense Systems A/S**

We have compiled the Financial Statements of Norman Data Defense Systems A/S for the financial year 1 January 2017 - 31 December 2017 based on the Company's bookkeeping and other information provided by it.

The Financial Statements comprise Accounting Policies, Income Statement, Balance Sheet and Notes.

We have completed the engagement of Compiling Financial Information in accordance with The International Standards on Related Services, ISRS 4410 (Revised), Compilation Engagements.

We have applied our professional expertise to assist you in the preparation and presentation of these Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions in the Danish Act on Auditors and Audit Firms as well as Danish Auditors' (FSR) ethical rules for auditors, including principles of integrity, objectivity, professional competence and due care.

The Financial Statement and the accuracy and completeness of the information used to compile them are your responsibility.

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

Bogense, 28 February 2018

**Kreston JC**  
**Statsautoriseret Revisionsanpartsselskab**  
CVR-no. 27619096

Jan Christiansen  
State Authorised Public Accountant

## **Norman Data Defense Systems A/S**

### **Company details**

<b>Company</b>	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 2017 - 31 December 2017
<b>Supervisory Board</b>	Alan Arthur Rassaby, Chairman Rene Heinrich Bienz Kelby Frederick Barton
<b>Executive Board</b>	Børre Hoff Borgersen, General Manager
<b>Auditors</b>	Kreston JC Statsautoriseret Revisionsanpartsselskab Vestre Engvej 3 5400 Bogense CVR-no.: 27619096
<b>Attorneys</b>	Paragraph3 Kronprinsessegade 6, st. 1306 København K

## **Norman Data Defense Systems A/S**

### **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.

According to the below mentioned regarding termination of the company, all assets and liabilities are recognised at expected break-up value. Therefore deferred tax asset is written down and this is the main reason why the significant negative profit for the year.

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

The Company's Income Statement of the financial year 1 January 2017 - 31 December 2017 shows a result of DKK -896.052 and the Balance Sheet at 31 December 2017 a balance sheet total of DKK 799.383 and an equity of DKK -9.310.845.

#### **Post financial year events**

The company will be terminated in 2018 and the Danish activities will be transferred to related companies in Scandinavia..

#### **Expectations for the future**

The Company will be terminated in 2018.

## **Norman Data Defense Systems A/S**

### **Accounting Policies**

#### **Reporting Class**

The Annual Report of Norman Data Defense Systems A/S for 2017 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 AVAST 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 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	2017 kr.	2016 kr.
<b>Gross profit</b>		<b>584.421</b>	<b>-17.728</b>
<b>Profit from ordinary operating activities</b>		<b>584.421</b>	<b>-17.728</b>
Finance expences	1	-19.794	-7.391
<b>Profit from ordinary activities before tax</b>		<b>564.627</b>	<b>-25.119</b>
Other tax expenses		-1.460.679	0
<b>Profit</b>		<b>-896.052</b>	<b>-25.119</b>
<b>Proposed distribution of results</b>			
Retained earnings		-896.052	-25.119
<b>Distribution of profit</b>		<b>-896.052</b>	<b>-25.119</b>

## Norman Data Defense Systems A/S

### Balance Sheet as of 31 December

	Note	2017 kr.	2016 kr.
<b>Assets</b>			
Short-term trade receivables		667.383	221.422
Current deferred tax	2	132.000	1.592.679
<b>Receivables</b>		<u>799.383</u>	<u>1.814.101</u>
<b>Current assets</b>		<u>799.383</u>	<u>1.814.101</u>
<b>Assets</b>		<u>799.383</u>	<u>1.814.101</u>

## Norman Data Defense Systems A/S

### Balance Sheet as of 31 December

	Note	2017 kr.	2016 kr.
<b>Liabilities and equity</b>			
Contributed capital		500.200	500.200
Retained earnings		-9.811.045	-8.914.993
<b>Equity</b>	3	<b>-9.310.845</b>	<b>-8.414.793</b>
Payables to group enterprises		0	7.643.926
Deferred income, liabilities		0	773.969
<b>Long-term liabilities other than provisions</b>		<b>0</b>	<b>8.417.895</b>
Trade payables		22.900	29.120
Payables to group enterprises		9.411.088	1.202.758
Other payables		290.375	207.364
Deferred income, liabilities		385.865	371.757
<b>Short-term liabilities other than provisions</b>		<b>10.110.228</b>	<b>1.810.999</b>
<b>Liabilities other than provisions within the business</b>		<b>10.110.228</b>	<b>10.228.894</b>
<b>Liabilities and equity</b>		<b>799.383</b>	<b>1.814.101</b>
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Contingent liabilities	6		
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## Norman Data Defense Systems A/S

### Notes

	2017	2016
<b>1. Finance expenses</b>		
Other finance expenses	19.794	7.391
	<b>19.794</b>	<b>7.391</b>
<b>2. Deferred tax asset</b>		
Taxable loss carried forward	-2.541.207	-2.666.217
Transferred to deferred tax asset	2.541.207	2.666.217
	<b>0</b>	<b>0</b>
Deferred tax asset	2.541.207	2.666.217
Estimated Impairment	-2.409.207	-1.073.538
	<b>132.000</b>	<b>1.592.679</b>

### 3. Statement of changes in equity

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Alt</b>
Equity, beginning balance	500.200	-8.914.993	-8.414.793
Proposed distribution of results		-896.052	-896.052
	<b>500.200</b>	<b>-9.811.045</b>	<b>-9.310.845</b>

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.

## **Norman Data Defense Systems A/S**

### **Notes**

#### **4. Uncertainties relating to going concern**

The company will be terminated in 2018 and activities transferred to related companies.

Company Management expects the Parent Company to support the Company until termination in 2018.

#### **5. Uncertainty connected with recognition or measurement**

The company has chosen to recognise deferred tax. As at 31 December 2017, DKK 132,000, is recognised as a tax asset. With reference to Note 5, it is Management's assessment that the valuation is fair and sound, as Management expect future taxable profit that will enable use of the deferred tax asset.

#### **6. 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.

#### **7. Collaterals and securities**

No securities or mortgages exist at the balance sheet date.

#### **8. Ownership**

The following capital owner is registered in the Register of Owners as owning 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.

#### **9. Related parties**

The smallest group in which the company is included is the consolidated accounts for Avast Holding B.V.

Since Avast is a private company the consolidated financial statements can be obtained from the Dutch Chamber of Commerce, where they can be downloaded after registering and paying a fee.

Controlling interests:

Parent Company - AVG Technologies Norway AS

Transactions with related party disclosures:

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