PKF Munkebo Vindelev
Statsautoriseret Revisionsaktieselskab

PKF
Accountants &
business advisers

Annual report 2014

Company reg. no. 26 29 50 92

Neupart A/S

Hollandsvej 12

DK - 2800 Kgs. Lyngby

The annual report has been submitted and approved by the general meeting on 26 February 2015.

Lars Neupart
Chairman of the meeting

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Notes:

- *To ensure the greatest possible applicability of this document, British English terminology has been used.*
- *Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.*

Management's report

The board of directors and the managing director have today presented the annual report of Neupart A/S for the financial year 1 January to 31 December 2014.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2014 and of the company's results of its activities in the financial year 1 January to 31 December 2014.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Kgs. Lyngby, 26 February 2015

Managing Director

Lars Neupart

Board of directors

Stig Bøgh Karlsen | Lars Neupart | Søren Leth Truelsen

The independent auditor's reports

To the shareholders of Neupart A/S

Report on the annual accounts

We have audited the annual accounts of Neupart A/S for the financial year 1 January to 31 December 2014, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

The management's responsibility for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for such internal control as it determines necessary in order to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts 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 about whether the annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of annual accounts 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 the management, as well as the overall presentation of the annual accounts.

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

The audit has not resulted in any qualification.

Opinion

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2014 and of the results of the company's operations for the financial year 1 January to 31 December 2014 in accordance with the Danish Financial Statements Act.

The independent auditor's reports

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 further procedures in addition to the audit of the annual accounts. On this basis, it is our opinion that the information provided in the management's review is consistent with the annual accounts.

Glostrup, 26 February 2015

PKF Munkebo Vindelev
State Authorised Public Accountants

H. Munkebo Christiansen
State Authorised Public Accountant

Company data

The company	Neupart A/S Hollandsvej 12 DK - 2800 Kgs. Lyngby
	Company reg. no.: 26 29 50 92 Established: 29 October 2001 Domicile: Lyngby-Taarbæk Financial year: 1 January - 31 December 13th financial year
Board of directors	Stig Bøgh Karlsen Lars Neupart Søren Leth Truelsen
Managing Director	Lars Neupart
Auditors	PKF Munkebo Vindelev, Statsautoriseret Revisionsaktieselskab, Hovedvejen 56, 2600 Glostrup
Bankers	Nykredit, Nørgaardsvej 2, 2800 Kgs. Lyngby Danske Bank, Lyngby Hovedgade 25, 2800 Kgs. Lyngby

Management's review

The principal activities of the enterprise

Neupart develops and markets SecureAware, an efficient information security management solution. Delivered as a cloud service or on premise software, SecureAware makes it simpler to manage risk and information security requirements in organisations.

Through the automation of information security management processes, companies can comply with best practices and manage their business risks more efficiently.

Neupart also offers SecureConsult professional services in the information security management space.

More than 200 organisations worldwide are Neupart customers, including governments, utilities, financial services, and IT service providers

Development in activities and financial affairs

The net turnover for the year is 15,1 MDKK, up from 14,5 MDKK the year before. EBITDA is 6,1 MDKK. The results from ordinary activities after tax are 2.791.176 DKK against 1.691.694 DKK last year. The management consider the results satisfactory.

Events subsequent to the end of the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies used

The annual report for Neupart A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to loose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

THE PROFIT AND LOSS ACCOUNT

Net turnover

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Accounting policies used

Subscriptions

Subscriptions are recognized in revenue according to which the income is reported by 70% of the contract sum in the first year and the remaining 30% is distributed over the remaining contract period.

Cost of sales

Sales related costs include costs for consulting, sales commission, media and royalties

Other external costs

Other external costs comprise costs for distribution, sales, advertisement, administration, premises and loss on debtors.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation and amortisation.

Net financials

Net financials include interest income, interest expenses, and realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

THE BALANCE SHEET

Intangible fixed assets

Development project

Development costs comprise e.g. salaries, wages, and amortisation which directly and indirectly refer to the development activities.

Clearly defined and identifiable development projects are recognised as intangible fixed assets provided that the technical utilisation, sufficient resources, and a potential, future market can be demonstrated, and provided that it is the intention to produce, market, or utilise the project. It is, however, a condition that the cost can be calculated reliably and that a sufficiently high degree of certainty indicates that future earnings will cover the costs for production, sales, and administration. Other development costs are recognised in the profit and loss account concurrently with their realisation.

Capitalised development costs are measured at cost with deduction of accrued amortisation or at the recoverable value, if this is lower.

After completion of the development work, capitalised development costs are amortised on a straight line basis over the estimated financial useful life. Usually, the amortisation period is 5 years and does not exceed 20 years.

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method. Newly established companies are recognized at cost until the first financial reporting.

Group enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

Profit or loss in connection with the sale of group enterprises are measured as the difference between the sales amount and the book value of net assets at the time of the sale, inclusive of remaining consolidated goodwill and expected costs for sale and cession. Profit and loss are recognised in the profit and loss account under net financials.

In connection with the take over of new group enterprises and associated enterprises, the acquisition method is applied, by which the taken over companies' assets and liabilities are measured at fair value at the time of take over. Provisions are made for covering costs in connection with decided restructuring projects in the taken over enterprise in connection with the take-over. The tax effect of the revaluation carried out is taken into consideration, cf. the below description of goodwill.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Equity - dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Neupart A/S is proportionally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax. In the period 2014 to 2016, the corporate tax rate will be reduced gradually from 24,5 % to 22 %, which will affect the deferred tax liabilities and deferred tax assets. Unless a recognition with a different tax rate than 22 % will result in a significant material deviation in the estimated deferred tax liability or tax asset, deferred tax liabilities and assets are recognised by 22 %.

Liabilities

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

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

Profit and loss account 1 January - 31 December

All amounts in DKK.

Note		2014	2013
	Net turnover	15.081.137	14.539.449
	Sales related costs	-191.168	-283.645
	Other external costs	-2.939.806	-3.279.395
	Gross results	**11.950.163**	**10.976.409**
1	Staff costs	-5.800.361	-5.660.360
	Amortisation and writedown relating to intangible fixed assets	-2.639.516	-2.539.936
	Results before net financials	**3.510.286**	**2.776.113**
	Other financial income	1.020	7.177
2	Other financial costs	-288.084	-500.668
	Results before tax	**3.223.222**	**2.282.622**
3	Tax on ordinary results	-504.899	-590.928
	Results for the year	**2.718.323**	**1.691.694**
	Proposed disposal of the results:		
	Dividend for the financial year	400.000	0
	Disposed to results brought forward	2.318.323	1.691.694
	Disposals in total	**2.718.323**	**1.691.694**

Balance sheet 31 December

All amounts in DKK.

Assets

Note		2014	2013
	Fixed assets		
4	Completed development projects, including concessions, trade marks and similar rights arising from development projects	7.343.886	6.833.970
	Intangible fixed assets in total	7.343.886	6.833.970
5	Other plants, operating assets, and fixtures and furniture	0	0
	Tangible fixed assets in total	0	0
6	Equity investments in group enterprises	88.530	0
	Other debtors	91.832	91.140
	Financial fixed assets in total	180.362	91.140
	Fixed assets in total	**7.524.248**	**6.925.110**
	Current assets		
	Trade debtors	2.533.557	3.693.768
	Amounts owed by group enterprises	142.327	703.959
	Other debtors	2.284	3.622
	Accrued income and deferred expenses	8.698.432	6.868.811
	Debtors in total	11.376.600	11.270.160
	Cash funds	3.319	0
	Current assets in total	**11.379.919**	**11.270.160**
	Assets in total	**18.904.167**	**18.195.270**

Balance sheet 31 December

All amounts in DKK.

Liabilities

Note		2014	2013
	Equity		
7	Contributed capital	595.619	595.619
8	Share premium account	0	705.617
9	Results brought forward	6.379.965	3.356.025
10	Proposed dividend for the financial year	400.000	0
	Equity in total	**7.375.584**	**4.657.261**
	Provisions		
11	Provisions for deferred tax	2.362.248	1.674.707
	Provisions in total	**2.362.248**	**1.674.707**
	Liabilities		
	Bank debts	1.944.297	3.431.690
	Trade creditors	55.218	1.277.874
	Debt to group enterprises	72.553	91.578
12	Corporate tax	0	215.975
	Other debts	2.024.387	2.165.420
	Deferred income	5.069.880	4.680.765
	Short-term liabilities in total	9.166.335	11.863.302
	Liabilities in total	**9.166.335**	**11.863.302**
	Liabilities in total	**18.904.167**	**18.195.270**
13	Contingencies		
14	Related parties		

Notes

All amounts in DKK.

		2014	2013
1.	**Staff costs**		
	Salaries and wages	4.793.573	4.767.389
	Pension costs	675.667	537.725
	Other costs for social security	38.880	42.030
	Other staff costs	292.241	313.216
		5.800.361	**5.660.360**
	Staff costs amount to DKK 8.949.793 of which DKK 3.149.432 is activated as completed development projects.		
2.	**Other financial costs**		
	Other interest costs	288.084	500.668
		288.084	**500.668**
3.	**Tax on ordinary results**		
	Tax of the results for the year, parent company	33.333	215.975
	Adjustment for the year of deferred tax	471.566	374.953
		504.899	**590.928**
4.	**Completed development projects, including concessions, trade marks and similar rights arising from development projects**		
	Cost 1 January 2014	23.251.256	20.273.032
	Additions during the year	3.149.432	2.978.224
	Cost 31 December 2014	**26.400.688**	**23.251.256**
	Amortisation and writedown 1 January 2014	-16.417.286	-13.891.190
	Amortisation for the year	-2.639.516	-2.526.096
	Amortisation and writedown 31 December 2014	**-19.056.802**	**-16.417.286**
	Book value 31 December 2014	**7.343.886**	**6.833.970**

Notes

All amounts in DKK.

		31/12 2014	31/12 2013
5.	**Other plants, operating assets, and fixtures and furniture**		
	Cost 1 January 2014	567.211	567.211
	Cost 31 December 2014	**567.211**	**567.211**
	Amortisation and writedown 1 January 2014	-567.211	-567.211
	Amortisation and writedown 31 December 2014	**-567.211**	**-567.211**
	Book value 31 December 2014	**0**	**0**
6.	**Equity investments in group enterprises**		
	Additions during the year	88.530	0
	Cost 31 December 2014	**88.530**	**0**
	Book value 31 December 2014	**88.530**	**0**
7.	**Contributed capital**		
	Contributed capital 1 January 2014	595.619	595.619
		595.619	**595.619**
8.	**Share premium account**		
	Share premium account 1 January 2014	705.617	705.617
	Transferred to results brought forward	-705.617	0
		0	**705.617**
9.	**Results brought forward**		
	Results brought forward 1 January 2014	3.356.025	1.664.331
	Profit or loss for the year brought forward	2.318.323	1.691.694
	Transferred from share premium account	705.617	0
		6.379.965	**3.356.025**

Notes

All amounts in DKK.

		31/12 2014	31/12 2013
10.	**Proposed dividend for the financial year**		
	Dividend 1 January 2014	0	0
	Dividend for the financial year	400.000	0
		400.000	**0**
11.	**Provisions for deferred tax**		
	Provisions for deferred tax 1 January 2014	1.674.707	1.299.754
	Adjustment of deferred tax, opening account	215.975	0
	Deferred tax of the results for the year	471.566	374.953
		2.362.248	**1.674.707**
	The following items are subject to deferred tax:		
	Intangible fixed assets	1.615.655	1.708.494
	Tangible fixed assets	-14.288	-21.287
	Current assets	-37.400	-12.500
	Net capital loss balance	798.281	0
		2.362.248	**1.674.707**

In the period 2014-2016, the corporate tax rate will be reduced gradually from 24,5 % to 22 %, which will affect the extent of deferred tax liabilities and deferred tax assets. In the accounts, changes in the tax rates are treated as a change in financial estimates.

		31/12 2014	31/12 2013
12.	**Corporate tax**		
	Receivable corporate tax 1 January 2014	215.975	0
	Adjustment of previous years' tax	-215.975	0
	Calculated corporate tax for the present year	0	215.975
		0	**215.975**

Notes

All amounts in DKK.

13. Contingencies

Joint taxation

Neupart Invest ApS being the administration company, the company is subject to the Danish scheme of joint taxation and, as from the financial year 2012, it is proportionally liable for tax claims within the joint taxation scheme.

As from 1 July 2012, the company is proportionally liable for any obligation to withhold tax on interest, royalties and dividends of the jointly taxed companies.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

14. Related parties

Ownership

According to the company's list of shareholders, the following shareholders own a minimum of 5 % of the voting rights or a minimum of 5 % of the share capital:

Neupart Invest ApS, CVR-nr. 26 29 50 84, Hollandsvej 12, 2800 Lyngby

NK Invest ApS, CVR-nr. 25 16 64 26, Fossgårdsvej 30,2720 Vanløse

Noka Holding, CVR-nr. 26 23 62 58, Fredheimvej 4, 2950 Vedbæk

Mogens Dall ApS, CVR-nr. 30 73 38 43, Adelgade 11C, 8400 Ebeltoft

CapaCity Holding ApS, CVR-nr. 20 15 65 03, Søholmvej 31, 3480 Fredensborg