

Quest Software ApS

Arne Jacobsens Allé 7

2300 København S

CVR No. 25620216

Annual Report

1 February 2017 - 31 January 2018

18. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 12 July 2018

Ann-Louise Holmgaard
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of Quest Software ApS for the financial year 1 February 2017 - 31 January 2018.

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 January 2018 and of the results of the Company's operations for the financial year 1 February 2017 - 31 January 2018.

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

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

Copenhagen, 12 July 2018

Executive Board

Bradley Omar Haque
Man. director

Board of Directors

Bradley Omar Haque
Man. director

Jeffrey Scott Hawn

Independent Auditor's Report

To the shareholders of Quest Software ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 January 2018, and of the results of the Company's operations for the financial year 1 February 2017 - 31 January 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Quest Software ApS for the financial year 1 February 2017 - 31 January 2018, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("financial statements").

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities 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, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when

Independent Auditor's Report

it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- * Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- * Obtain an understanding of internal control relevant to the audit 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.
- * Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- * Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 12 July 2018

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no. 33771231

Ole Tjørnelund Thomsen
State Authorised Public Accountant
mne10637

Thomas Lauritsen
State Authorised Public Accountant
mne34342

Management's Review

The Company's principal activities

During the year, the Company's principal activity has consisted of selling software-solutions on a business to business market. Due to restructuring in the Group, the Company has a significantly reduced activity at year-end.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 February 2017 - 31 January 2018 shows a result of DKK 249.989 and the Balance Sheet at 31 January 2018 a balance sheet total of DKK 7.280.371 and an equity of DKK 6.230.080.

The group has undergone a restructuring where its main three business streams, Quest, One Identity and Sonicwall has been split into three separate structures, and consequently, the Company will have a significantly reduced activity going forward. Management will during the next year consider the future of the Company.

Accounting Policies

Reporting Class

The Annual Report of Quest Software ApS for 2017/18 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.

General Information

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.

Quest Software ApS

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.

Gross profit includes net revenue and external costs.

Revenue

Revenue is made up of commission earned on sales in Denmark on behalf of Quest Software International Limited. Revenue in Quest Software ApS is calculated on the basis of the company's operating costs with an addition of 5%, billed to the parent company Quest Software International Limited.

Revenue is measured excl. VAT, fees and discounts relating to the sale.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the company, including gains and losses on the sale of property, plant and equipment.

Other external expenses

Other external expenses comprise expenses regarding sale and administration.

Employee expenses

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

Other employee expenses are recognised in other external expenses.

Amortisation and impairment of tangible assets

Amortisation and impairment of tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

| | Useful life | Residual value |
|--|-------------|----------------|
| Other fixtures and fittings, tools and equipment | 3-7 years | 0% |
| Leasehold improvements | 7 years | 0% |

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

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 capital gains and losses regarding securities, debt and foreign currency transactions, amortisation of financial assets and liabilities 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.

Accounting Policies

Balance Sheet

Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

An impairment test of tangible assets is performed in the event of indications of a decrease in value. The impairment test is performed for each individual asset and group of assets, respectively. The assets are written down to the higher of the asset's or asset group's value in use and the net selling price (recoverable amount) in the event that this one is lower than the carrying amount.

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

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.

Other liabilities

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

Income Statement

| | Note | 2017/18 kr. | 2016/17 kr. |
|--|------|------------------|------------------|
| Gross profit | | 2.907.439 | 8.759.782 |
| Employee benefits expense | 1 | -2.656.595 | -8.101.140 |
| Depreciation, amortisation expense and impairment losses of property, plant and equipment recognised in profit or loss | | -19.808 | -70.786 |
| Other operating expenses | | -42.698 | 0 |
| Profit from ordinary operating activities | | 188.338 | 587.856 |
| Other finance income from group enterprises | | 33.072 | 35.201 |
| Other finance income | | 104.481 | 7.049 |
| Other finance expences | | -1.711 | -9.723 |
| Profit from ordinary activities before tax | | 324.180 | 620.383 |
| Tax expense on ordinary activities | | -74.191 | -151.472 |
| Profit | | 249.989 | 468.911 |
| Proposed distribution of results | | | |
| Retained earnings | | 249.989 | 468.911 |
| Distribution of profit | | 249.989 | 468.911 |

Balance Sheet as of 31 January

| | Note | 2018 kr. | 2017 kr. |
|---|------|------------------|------------------|
| Assets | | | |
| Fixtures, fittings, tools and equipment | | 0 | 62.506 |
| Property, plant and equipment | | 0 | 62.506 |
| Long-term receivables from group enterprises | | 0 | 2.250.000 |
| Investments | | 0 | 2.250.000 |
| Fixed assets | | 0 | 2.312.506 |
| Short-term receivables from group enterprises | | 0 | 103.029 |
| Current deferred tax | | 75.912 | 144.410 |
| Other short-term receivables | | 76.040 | 85.676 |
| Receivables | | 151.952 | 333.115 |
| Cash and cash equivalents | | 7.128.419 | 5.314.923 |
| Current assets | | 7.280.371 | 5.648.038 |
| Assets | | 7.280.371 | 7.960.544 |

Balance Sheet as of 31 January

| | Note | 2018 kr. | 2017 kr. |
|--|------|------------------|------------------|
| Liabilities and equity | | | |
| Contributed capital | | 2.000.000 | 2.000.000 |
| Retained earnings | | 4.230.080 | 3.980.091 |
| Equity | | 6.230.080 | 5.980.091 |
| Trade payables | | 105.828 | 791.893 |
| Payables to group enterprises | | 721.362 | 4.636 |
| Tax payables | | 30.390 | 127.017 |
| Other payables | | 192.711 | 1.056.907 |
| Short-term liabilities other than provisions | | 1.050.291 | 1.980.453 |
| Liabilities other than provisions within the business | | 1.050.291 | 1.980.453 |
| Liabilities and equity | | 7.280.371 | 7.960.544 |
| Contractual obligations | 2 | | |
| Deferred tax assets | 3 | | |
| Related parties | 4 | | |

Notes

1. Employee benefits expense

| | 2017/18 | 2016/17 |
|---------------------------------|-------------------------|-------------------------|
| Wages and salaries | 2.406.312 | 7.484.611 |
| Post-employment benefit expense | 158.198 | 571.800 |
| Social security contributions | 92.085 | 44.729 |
| | <u>2.656.595</u> | <u>8.101.140</u> |
| | | |
| Average number of employees | <u>3</u> | <u>7</u> |

2. Contractual obligations

No Contractual obligations exist at the balance sheet date.

3. Deferred tax assets

The deferred tax assets is expected to be utilised within a period of 4 years based on the activity level at year-end, as there appears to be uncertainties due to the lower activity level.

4. Related parties

The company is a wholly owned subsidiary of Quest Software International Limited, a company incorporated in the Republic of Ireland which is its immediate parent company.

The ultimate and controlling parent undertaking is Francisco Partners IV, L.P. Maples Corporate Services Limited, PO Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands