

BMC Software A/S

Lottenborgvej 24, st., 2800 Kongens Lyngby

CVR-no. 13 11 58 85

ANNUAL REPORT

1 April 2022 - 31 March 2023

Adopted at the annual general meeting 08 September 2023

Chairman: Arno Jan ter Avest

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Statement by the supervisory and executive boards on the annual report

Management has discussed and approved the annual report of BMC Software A/S (the "Company") for the financial year 1 April 2022 - 31 March 2023.

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

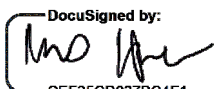
In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 March 2023 and of the results of the Company's operations for the financial year 1 April 2022 - 31 March 2023.

In our opinion, the management's review includes a fair review of the matters dealt with.

We recommend the adoption of the annual report at the annual general meeting.

Lyngby, 08 September 2023

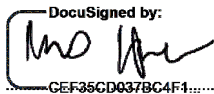
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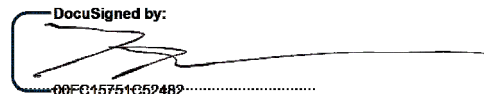
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Supervisory Board :

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Arno Jan ter Avest
Chairman

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Carl Markus Christoffer Kjellner

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Independent auditor's report

To the shareholder of BMC Software A/S

Opinion

We have audited the financial statements of BMC Software A/S for the financial year 1 April 2022 – 31 March 2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2023 and of the results of the Company's operations for the financial year 1 April 2022 – 31 March 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 as to 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 additional requirements applicable in Denmark will always detect a material misstatement when 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 the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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 note 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.

Statement on the management's review

Management is responsible for the management's review.

Our opinion on the financial statements does not cover the 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 the management's review and, in doing so, consider whether the 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 the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 of the management's review.

Vejle, 08 September 2023

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



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Lene Kamper Jørgensen
State Authorized Public Accountant
mne34456

Management's review

Business activities and mission

BMC Software A/S is a member of the BMC Software Group and sells software and cloud-based solutions and services developed by this group on behalf of other group companies. In addition, BMC Software A/S offers professional services to customers to support the implementation of these solutions.

BMC Software A/S does not carry out any research or development activities.

Business review

The Company's income statement for the year ended 31 March 2023 shows a net profit of DKK 1 113 384 and the balance sheet at 31 March 2023 shows an equity of DKK 9 142 577.

Revenue has decreased by 11% compared to the prior year caused by decreased intercompany revenues and lower professional services revenues. External expenses decreased by 27% mainly as a result of lower external professional fees. Staff costs decreased mainly due to lower commission payments.

Post balance sheet events

No events have occurred after the financial year-end which could significantly affect the Company's financial position.

Income statement 1 April - 31 March

	Notes	2022/23 DKK	2021/22 DKK
Revenue		27 113 175	30 244 400
External expenses		<u>-7 694 058</u>	<u>-10 455 727</u>
Gross margin		19 419 117	19 788 673
Staff costs	3	-17 636 238	-18 337 607
Depreciation and write-off's of tangible and intangible assets	5	<u>- 272 845</u>	<u>- 291 177</u>
Profit before financial income and expenses		1 510 034	1 159 889
Financial expenses, net		<u>- 79 420</u>	<u>- 59 587</u>
Profit before tax		1 430 614	1 100 302
Tax for the year	4	<u>- 317 230</u>	<u>- 254 914</u>
Net profit for the year		<u>1 113 384</u>	<u>845 388</u>
 Proposal for the distribution of profit			
To retained earnings		<u>1 113 384</u>	<u>845 388</u>
		<u>1 113 384</u>	<u>845 388</u>

Balance sheet at 31 March

	Notes	2023 DKK	2022 DKK
ASSETS			
Goodwill		1 262 338	1 514 806
Intangible assets	5	1 262 338	1 514 806
Other fixtures and fittings and equipment		16 981	37 358
Tangible assets	5	16 981	37 358
Investment in subsidiary	6	1 606 001	1 606 001
Deposits		79 688	119 522
Investments		1 685 689	1 725 523
Total long term assets		2 965 008	3 277 687
Short term assets			
Receivables from group companies		7 933 255	5 899 990
Corporate income tax		171 688	509 000
Other receivables	7	2 758 965	2 982 918
Deferred tax	8	48 083	75 002
Total receivables		10 911 991	9 466 910
Cash and equivalents		291 349	12 494 172
Total short term assets		11 203 340	21 961 082
TOTAL ASSETS		14 168 348	25 238 769

Balance sheet at 31 March

	Notes	2023 DKK	2022 DKK
EQUITY AND LIABILITIES			
Share capital	9	500 000	500 000
Retained earnings		8 642 577	7 529 193
Total equity		<u>9 142 577</u>	<u>8 029 193</u>
Trade payables		9 746	22 141
Payables to group companies		714 496	12 368 818
Other payables	10	4 301 529	4 818 617
Short term liabilities		<u>5 025 771</u>	<u>17 209 576</u>
Total liabilities		<u>5 025 771</u>	<u>17 209 576</u>
TOTAL EQUITY AND LIABILITIES		<u><u>14 168 348</u></u>	<u><u>25 238 769</u></u>
Post balance sheet events	2		
Contingent liabilities	11		
Related parties	12		

Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 April 2021	500 000	6 683 805	7 183 805
Net profit		845 388	845 388
Equity at 1 April 2022	500 000	7 529 193	8 029 193
Net profit		1 113 384	1 113 384
Equity at 31 March 2023	500 000	8 642 577	9 142 577

Notes

Note 1. Accounting policies

Accounting policies

The annual report of BMC Software A/S (the "Company") has been prepared in accordance with the provisions of the Danish Financial Statements Act for Reporting Class B Enterprises and elective choice of certain provisions applying to Reporting Class C entities.

These financial statements present information about the Company as an individual undertaking and not about its group. The Company has availed of the exception to Paragraph 110 of the Danish Financial Statements Act from preparing and delivering consolidated financial statements.

The accounting policies are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner ("DKK").

Foreign currency translation

The financial statements are expressed in DKK, the functional currency of the Company. Transactions denominated in currencies other than the functional currency are initially recorded in the underlying transactional currency and converted into the Company's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to DKK at the rate of exchange ruling at the statement of financial position date. Non-monetary assets and liabilities denominated in foreign currencies are translated to DKK at the rate of exchange ruling on the date on which the transaction giving rise to the non-monetary asset or liability occurred.

Income statement

Revenue

Income from the sale of services is recognized in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be estimated reliably. Revenue also relates to sales and marketing activities performed for group companies. Value added taxes ("VAT"), indirect taxes and discounts are excluded from revenue.

External expenses

External expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, lease payments under operating leases, etc.

Staff costs

Staff costs include wages, commissions, bonuses, holiday pay, pensions fees and employee welfare expenses.

Depreciation and write-off's of tangible and intangible assets

This item includes depreciation and write-off's of intangible and tangible assets. Depreciation is provided on the basis of current assessments of the depreciation profile, useful life and residual value of the assets.

Goodwill is amortized on a straight-line basis over 7 years.

Tangible assets are depreciated to the residual value, measured by reference to the following assessment of useful lives:

	<u>Useful life</u>
Other fixtures and fittings and equipment	3-5 years
Leasehold improvements	5 years

Other fixtures and fittings and equipment are written off to the extent that the carrying amount exceeds the higher of the fair market value and the net selling price. Such assessment is made for individual assets or, if that is not possible, for the smallest group of assets for which a fair market value can be determined.

Financial income and expenses

Other financial income and expenses are recognized in the income statement for the amount that relates to the reporting period. Financial income and expenses include interest income and expenses, realized and unrealized foreign currency exchange gains and losses and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the current year's expected taxable income and the current year's deferred tax adjustments and the share of the tax for the year that concerns changes in equity.

Current and deferred taxes relating to items recognized directly in equity are taken directly to equity.

Balance sheet

Intangible assets

Goodwill is measured at cost less accumulated amortization. Goodwill is amortized on a straight-line basis over the economic useful life, which is estimated at 7 years.

Tangible assets

Property, plant and equipment comprise of other fixtures, fittings and equipment. Property, plant and equipment are measured at cost less accumulated depreciation and write-off's.

Investment in subsidiary

Investment in subsidiary comprises of the investment in the Company's subsidiary in Norway.

The investment in subsidiary is measured at cost. Cost includes the consideration measured at fair value plus direct acquisition costs. In case of indication of impairment, an impairment test is conducted. Investments in subsidiaries are impaired to the lower of the carrying amount and the recoverable amount.

Receivables

Receivables are measured at amortized cost, which usually corresponds to the nominal value. The value is reduced for allowances for bad debt.

Income taxes

Current tax payables and receivables are recognized in the balance sheet as the estimated income tax charge for the year, adjusted for prior year taxes and prepaid taxes.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognized on temporary differences relating to goodwill which is not deductible for tax purposes and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when deferred tax is expected to convert to current tax. Deferred tax assets are recognized at the expected value of their utilization, either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognized in the income statement.

Deferred revenue

Deferred revenue, included in other payables, is recognized as a liability and comprises payments received for revenue of future reporting years.

Other liabilities

Other liabilities are measured at the nominal value.

Note 2. Post balance sheet events

No events have occurred after the financial year-end which could significantly affect the Company's financial position.

Note 3. Staff costs	2022/23	2021/22
	DKK	DKK
Wages and salaries	16 694 952	17 445 360
Pension costs	811 120	788 065
Other social security costs	133 369	108 887
Other staff costs / (benefits)	- 3 203	- 4 705
	<u>17 636 238</u>	<u>18 337 607</u>
 Average number of employees	 <u><u>8</u></u>	 <u><u>8</u></u>

Note 4. Tax for the year	2022/23	2021/22
	DKK	DKK
Calculated tax for the year's taxable income	290 311	0
Previous year income tax expense	0	2 579
Deferred tax expense	26 919	252 335
	<u><u>317 230</u></u>	<u><u>254 914</u></u>

Note 5. Intangible and tangible assets

	Goodwill	Other fixtures and fittings and equipment
	DKK	DKK
Cost		
Balance at 1 April 2022	1 767 273	281 545
Retirements	0	0
Additions	0	0
Cost at 31 March 2023	1 767 273	281 545
Accumulated depreciation and write-off's		
Balance at 1 April 2022	- 252 467	- 244 187
Depreciation	- 252 468	- 20 377
Retirements	0	0
Accumulated depreciation and write-off's at 31 March 2023	- 504 935	- 264 564
Carrying amount at 31 March 2023	1 262 338	16 981
Depreciation rate (straight-line)	14%	20-33%

Note 6. Investment in subsidiary

Specification of shares in subsidiary:

Subsidiary	Share holding	Voting right	Number of shares	Book value DKK
BMC Software AS, Norway	100%	100%	12	1 606 001

Note 7. Other receivables

	2023	2022
	DKK	DKK
As per 31 March		
Prepayments	2 715 579	2 814 724
VAT receivable	43 387	168 194
	2 758 966	2 982 918

Note 8. Deferred tax	Book value	Tax value	Temporary difference
Deferred tax relates to:			
Other fixtures and fittings and equipment	16 981	209 270	192 289
Deferred revenue	26 271	0	26 271
			218 560
Deferred tax assets (22%)			48 083

Deferred tax assets total 48 083 DKK per 31 March 2023, of which 15 000 DKK is expected to be realized as current tax in the next fiscal year.

Note 9. Share capital

As per 31 March	2023	2022
	DKK	DKK
3 shares of DKK 100 000 each	300 000	300 000
2 shares of DKK 50 000 each	100 000	100 000
2 shares of DKK 25 000 each	50 000	50 000
3 shares of DKK 10 000 each	30 000	30 000
2 shares of DKK 5 000 each	10 000	10 000
10 shares of DKK 1 000 each	10 000	10 000
Total share capital	<u>500 000</u>	<u>500 000</u>

There have been no changes in share capital in the past five years. No shares carry special voting rights.

Note 10. Other payables

As per 31 March	2023	2022
	DKK	DKK
Deferred revenue	26 271	16 273
Other payables	4 275 258	4 802 344
	<u>4 301 529</u>	<u>4 818 617</u>

Note 11. Operating lease obligations

The Company entered into a lease concerning premises on 1 September 2019. The lease is subject to termination upon three months notice period. The annual rent amounts to 303 865 DKK. The remaining lease liability amounts to 175 038 DKK.

In addition, the Company has entered into leases concerning cars. The annual rent amounts to 360 620 DKK. The remaining lease liability amounts to 442 668 DKK.

The total remaining lease liability for premises and car leases amounts to 617 706 DKK (previous year 186 480 DKK).

Note 12. Related parties

Related parties having a controlling interest in the Company refer to the Company's parent, BMC Software, Inc. The registered office of BMC Software, Inc. is at 2103 CityWest Boulevard, Houston, Texas, 77042, USA.

The Company performs extensive sales and marketing services in Denmark for another group company. The Company is compensated for those services by a group company based on the costs to perform the services plus a margin and such remuneration is included in the Company's revenue. These services account for approximately 87% of total revenue.

The results of the Company and its subsidiary are included in the consolidated financial statements of Banff Parent Inc., which have been prepared in accordance with U.S. generally accepted accounting principles. The consolidated financial statements of Banff Parent Inc. are available from 2103 CityWest Boulevard, Houston, Texas, 77042, USA.