

Attachmate Group Denmark A/S

Lyngsø Alle 3 B, DK-2970 Hørsholm

Company reg. no. 18 21 52 76

Annual Report

1 May 2016 - 30 April 2017

The annual report have been submitted and approved by the general meeting on the 23 October 2017.

Graham Howard Norton
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 Executive Board and Board of Directors have today considered and adopted the Annual Report of Attachmate Group Denmark A/S for the financial year 1 May 2016 - 30 April 2017.

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 financial position at 30 April 2017 of the Company and of the results of the Company operations for 2016/17.

In our opinion, 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.

Hørsholm, 23 October 2017

Executive Board

Graham Howard Norton

Board of Directors

Jane Caroline Grantham Smithard Graham Howard Norton

Darren Mark Curtis

Independent auditor's report

To the shareholder of Attachmate Group Denmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 April 2017, and of the results of the Company's operations for the financial year 1 May 2016 - 30 April 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of B-Company for the financial year 1 May 2016 - 30 April 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for 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.

Independent auditor's report

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 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 the 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.

Independent auditor's report

- 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 the internal control that we identify during our audit.

Hellerup, 23 October 2017

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
Company reg. no. 33 77 12 31

Niels Henrik B. Mikkelsen
State Authorised Public Accountant

James Liang
State Authorised Public Accountant

Company data

The Company

Attachmate Group Denmark A/S
Lyngsø Alle 3 B
DK-2970 Hørsholm

Company reg. no. 18 21 52 76
Municipality of reg.
office: Hørsholm
Financial year: 1 May - 30 April

Board of Directors

Jane Caroline Grantham Smithard
Graham Howard Norton
Darren Mark Curtis

Executive Board

Graham Howard Norton

Auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's review

Main activity

The Company's business activity is the marketing of Attachmates Software products in Denmark.

The Company's income primary consists of a commission, which has been agreed between Attachmate Group Denmark A/S and affiliated company Micro Focus Software (Ireland) Limited.

Development in activities and financial matters

The income statement of the Company for 2016/17 shows a profit of DKK 433.747, and at 30 April 2017 the balance sheet of the Company shows equity of DKK 5.861.547.

Subsequent events to the financial year

The Company's parent company Micro Focus International Plc merged with HPE Software on 1st September 2017.

Income Statement 1 May - 30 April

All amounts in DKK.

<u>Note</u>	<u>2016/17</u>	<u>2015/16</u>
Gross profit	4.495.622	6.301.576
1 Staff expenses	-3.930.936	-5.473.433
Depreciation and amortisation	<u>-12.207</u>	<u>-55.068</u>
Profit/loss before financial income and expenses	552.479	773.075
2 Financial income	7.829	774
3 Financial expenses	<u>0</u>	<u>-22.671</u>
Profit/loss before tax	560.308	751.178
4 Tax on profit/loss for the year	<u>-126.561</u>	<u>-169.434</u>
Results for the year	<u>433.747</u>	<u>581.744</u>
Proposed distribution of profit:		
Retained earnings	<u>433.747</u>	<u>581.744</u>
Distribution in total	<u>433.747</u>	<u>581.744</u>

Balance Sheet 30 April

All amounts in DKK.

Assets

<u>Note</u>	<u>2017</u>	<u>2016</u>
Fixed assets		
Other fixtures and fittings, tools and equipment	<u>9.632</u>	<u>9.416</u>
Tangible fixed assets in total	<u>9.632</u>	<u>9.416</u>
Other receivables	<u>75.685</u>	<u>75.685</u>
Financial fixed assets in total	<u>75.685</u>	<u>75.685</u>
Fixed assets in total	<u>85.317</u>	<u>85.101</u>
Current assets		
Receivables from group enterprises	6.555.796	5.039.392
Deferred tax assets	11.370	14.306
Other receivables	385.298	133.824
Prepayments	<u>70.420</u>	<u>105.341</u>
Debtors in total	<u>7.022.884</u>	<u>5.292.863</u>
Available funds	<u>234.485</u>	<u>1.839.770</u>
Current assets in total	<u>7.257.369</u>	<u>7.132.633</u>
Assets in total	<u>7.342.686</u>	<u>7.217.734</u>

Balance Sheet 30 April

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2017</u>	<u>2016</u>
Equity			
5	Share capital	1.000.000	1.000.000
6	Retained earnings	4.861.547	4.427.800
	Equity in total	<u>5.861.547</u>	<u>5.427.800</u>
Liabilities			
	Trade payables	517.700	46.514
	Corporate tax	3.625	112.012
	Other payables	959.814	1.631.408
	Short-term liabilities in total	<u>1.481.139</u>	<u>1.789.934</u>
	Liabilities in total	<u>1.481.139</u>	<u>1.789.934</u>
	Equity and liabilities in total	<u>7.342.686</u>	<u>7.217.734</u>
7	Contingencies		
8	Related parties		

Notes

All amounts in DKK.

	<u>2016/17</u>	<u>2015/16</u>
1. Staff expenses		
Wages and salaries	3.477.889	4.349.876
Pensions	363.486	455.621
Other social security expenses	89.561	53.193
Other staff expenses	<u>0</u>	<u>614.743</u>
	<u>3.930.936</u>	<u>5.473.433</u>
Average number of employees	<u>4</u>	<u>5</u>
2. Financial income		
Other financial income	4.064	774
Exchange differences	<u>3.765</u>	<u>0</u>
	<u>7.829</u>	<u>774</u>
3. Financial expenses		
Other financial expenses	0	18.061
Exchange differences	<u>0</u>	<u>4.610</u>
	<u>0</u>	<u>22.671</u>
4. Tax on profit/loss for the year		
Current tax for the year	123.625	176.110
Deferred tax for the year	2.936	1.310
Adjustment of tax concerning previous years	<u>0</u>	<u>-7.986</u>
	<u>126.561</u>	<u>169.434</u>
5. Share capital		
Share capital 1 May 2016	<u>1.000.000</u>	<u>1.000.000</u>
	<u>1.000.000</u>	<u>1.000.000</u>

Notes

All amounts in DKK.

	<u>30/4 2017</u>	<u>30/4 2016</u>
6. Retained earnings		
Retained earnings 1 May 2016	4.427.800	3.846.056
Net profit/loss for the year	<u>433.747</u>	<u>581.744</u>
	<u>4.861.547</u>	<u>4.427.800</u>

7. Contingencies

Contingent liabilities

The Company has entered into leasing contracts regarding office premises. The obligation in the irrevocable period amounts to DKK 134k (2015/16: DKK 76k).

8. Related parties

Consolidated annual accounts

The Company is included in the ultimate parent company Group Annual Report of Micro Focus International Plc, The Lawn 22-30 Old Bath Road Newbury, Berkshire RG14 1QN UNITED KINGDOM.

Accounting Policies used

The Annual Report for Attachmate Group Denmark A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

Annual reassessment of residual values of tangible assets

Going forward the residual values of tangible assets will be subject to an annual reassessment. Previously, the estimated residual value was established at the time of commencement of use of the asset, and could only in exceptional circumstances be changed. The change is made in accordance with the transitional clause section 4 and has only prospectively effect as a change in accounting estimate and has no effect on equity.

Besides the above change the accounting policies used are unchanged compared to last year, and the annual report is presented in Danish kroner (DKK).

Recognition and measurement in general

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, writedowns and provisions and reversals as a result of changes in accounting estimates of amounts previously recognized in statement.

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

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation of foreign currency

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Accounting Policies used

Income Statement

Gross profit

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue regards commission income. Income in the form of commission is recognised in net sales when cost from which commission is received are recognised.

Other external expenses comprise expenses for sales, advertisement, administration, premises and operational leasing expenses.

Staff expenses

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

Depreciation and writedown

Depreciation and writedown comprise depreciation and writedown relating to tangible fixed assets respectively.

Net financials

Financial income and expenses are recognised in the income statement at the amounts relating to 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 Balance Sheet

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

Accounting Policies used

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Other plants, operating assets, fixtures and furniture 2-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments comprise prepaid expenses concerning subsequent financial years. Prepayments are measured at amortised cost, which usually corresponds to the nominal value.

Available funds

Available funds comprise cash at bank and in hand.

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.

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.

Liabilities

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