



**Proofpoint Denmark ApS**  
c/o Harbour House  
Sundkrogsgade 21, DK-2100 Copenhagen  
CVR no. 41 05 75 56

**Annual report for 2020**

Adopted at the annual general meeting  
on 23 April 2021

A handwritten signature in blue ink, appearing to read "Emil Skov", is written over a horizontal line.

Emil Skov  
chairman

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## Statement by management on the annual report

The executive board has today discussed and approved the annual report of Proofpoint Denmark ApS for the financial year 7 January - 31 December 2020.

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 December 2020 and of the results of the company's operations for the financial year 7 January - 31 December 2020.

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

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 23 April 2021

### Executive board

DocuSigned by:  
*Paul Reeves Auvil III*  
2855B9CEBD2845C  
Paul Reeves Auvil III  
CEO

DocuSigned by:  
*Gary Steele*  
F6B162291A46407  
Gary Leigh Steele  
Director

*N.C. Wedellsborg*  
Niels Christian Wedell-  
Wedellsborg  
Director

## Independent auditor's report

### *To the shareholder of Proofpoint Denmark ApS*

#### **Opinion**

We have audited the financial statements of Proofpoint Denmark ApS for the financial year 7 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The financial statements are prepared under 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 December 2020 and of the results of the company's operations for the financial year 7 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

#### **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.

#### **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 the 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.

## Independent auditor's report

As part of an audit conducted in accordance with ISAs and the 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 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 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.

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## Independent auditor's report

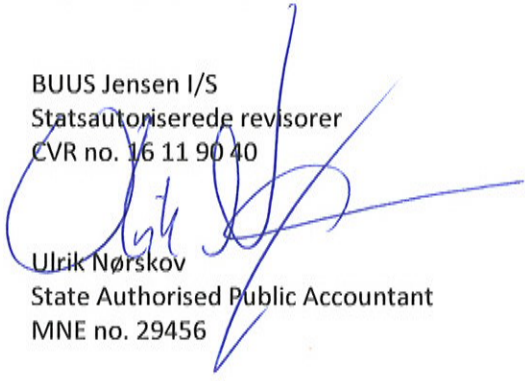
In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially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

Copenhagen, 23 April 2021

BUUS Jensen I/S  
Statsautoriserede revisorer  
CVR no. 16 11 90 40

  
Ulrik Nørskov  
State Authorised Public Accountant  
MNE no. 29456

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## Company details

### The company

Proofpoint Denmark ApS  
Sundkrogsgade 21  
c/o Harbour House  
DK-2100 Copenhagen

CVR no.: 41 05 75 56

Reporting period: 7 January - 31 December 2020

Domicile: Copenhagen

### Executive board

Paul Reeves Auvil III, CEO  
Gary Leigh Steele, director  
Niels Christian Wedell-Wedellsborg, director

### Auditors

BUUS Jensen I/S  
Statsautoriserede revisorer  
Lersø Parkallé 112  
DK-2100 Copenhagen

### Consolidated financial statements

The company is reflected in the consolidated financial statements of the parent company Proofpoint International, Inc.

The consolidated financial statement can be obtained at the following address:

925 W. Maude Avenue  
Sunnyvale, CA 94085  
USA

## Management's review

### **Business review**

The company's purpose is to provide sales and support services prior to marketing as well as other related business.

### **Unusual matters**

The company's financial position at 31 December 2020 and the results of its operations for the financial year ended 31 December 2020 are not affected by any unusual matters.

### **Financial review**

The company's income statement for the year ended 31 December 2020 shows a profit of DKK 142.076, and the balance sheet at 31 December 2020 shows equity of DKK 182.076.

### **Significant events occurring after the end of the financial year**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.



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Income statement 7 January - 31 December

	<u>Note</u>	<u>2020</u> DKK
<b>Gross profit</b>		<b>2.655.885</b>
Staff costs	1	-2.445.418
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-4.661
<b>Profit/loss before net financials</b>		<b>205.806</b>
Financial costs		-22.730
<b>Profit/loss before tax</b>		<b>183.076</b>
Tax on profit/loss for the year		-41.000
<b>Profit/loss for the year</b>		<b><u>142.076</u></b>
 <b>Distribution of profit</b>		
Retained earnings		142.076
		<b><u>142.076</u></b>

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Balance sheet 31 December

	<u>Note</u>	<u>2020</u> DKK
<b>Assets</b>		
Other fixtures and fittings, tools and equipment		17.264
<b>Tangible assets</b>	2	<u>17.264</u>
<b>Total non-current assets</b>		<u>17.264</u>
Receivables from group enterprises		691.808
Other receivables		77.313
Corporation tax		9.000
<b>Receivables</b>		<u>778.121</u>
<b>Cash at bank and in hand</b>		<u>665.118</u>
<b>Total current assets</b>		<u>1.443.239</u>
<b>Total assets</b>		<u><u>1.460.503</u></u>

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Balance sheet 31 December

	<u>Note</u>	<u>2020</u> DKK
<b>Equity and liabilities</b>		
Share capital		40.000
Retained earnings		<u>142.076</u>
<b>Equity</b>		<u><b>182.076</b></u>
Trade payables		401.871
Payables to group enterprises		22.022
Other payables		<u>854.534</u>
<b>Total current liabilities</b>		<u><b>1.278.427</b></u>
<b>Total liabilities</b>		<u><b>1.278.427</b></u>
<b>Total equity and liabilities</b>		<u><u><b>1.460.503</b></u></u>
Staff costs	1	

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## Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 7 January 2020	40.000	0	40.000
Net profit/loss for the year	0	142.076	142.076
<b>Equity at 31 December 2020</b>	<b>40.000</b>	<b>142.076</b>	<b>182.076</b>

## Notes

	2020
	DKK
<b>1 Staff costs</b>	
Wages and salaries	2.273.085
Pensions	<u>172.333</u>
	<u><b>2.445.418</b></u>
Average number of employees	<u>2</u>
<b>2 Tangible assets</b>	
	Other fixtures and fittings, tools and equipment
	<u>0</u>
Cost at 7 January 2020	0
Additions for the year	<u>21.925</u>
Cost at 31 December 2020	<u>21.925</u>
Impairment losses and depreciation at 7 January 2020	0
Depreciation for the year	<u>4.661</u>
Impairment losses and depreciation at 31 December 2020	<u>4.661</u>
<b>Carrying amount at 31 December 2020</b>	<u><b>17.264</b></u>

## Accounting policies

The annual report of Proofpoint Denmark ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The annual report for 2020 is presented in DKK.

As 2020 is the company's first reporting period, no comparatives have been presented.

### **Basis of recognition and measurement**

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

### **Income statement**

#### **Gross profit**

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

## Accounting policies

### Revenue

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

### Other external expenses

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

### Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

### Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

## Balance sheet

### Tangible assets

Items of other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

## Accounting policies

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
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### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Receivables for which there is no objective evidence of individual impairment are tested for impairment on a portfolio basis. The portfolios are primarily based on debtors' domicile and credit ratings in accordance with the Company's credit risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received, using the effective interest rate of individual receivables or portfolios of receivables as discount rate.

### Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

### Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

### Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.



## Accounting policies

### **Liabilities**

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under Equity.