martinsen
Rådgivning & Revision

QuantumWise ApS

Fruebjergvej 3, 2100 København Ø

Annual report

1 January - 31 October 2017

Company reg. no. 27 39 89 87

The annual report have been submitted and approved by the general meeting on the 15 March 2018.

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Orla Anne Murphy
Chairman of the meeting

Contents

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The managing director has today presented the annual report of QuantumWise ApS for the financial year 1 January to 31 October 2017.

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

I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 October 2017 and of the company's results of its activities in the financial year 1 January to 31 October 2017.

I am 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.

Dublin, 15 March 2018

Managing Director

Orla Anne Murphy

Independent auditor's report

To the shareholder of QuantumWise ApS

Opinion

We have audited the annual accounts of QuantumWise ApS for the financial year 1 January to 31 October 2017, 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.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 October 2017 and of the results of the company's operations for the financial year 1 January to 31 October 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities 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. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management’s preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management’s review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management’s review and in that connection consider whether the management’s review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 15 March 2018

Martinsen
State Authorised Public Accountants
Company reg. no. 32 28 52 01

Aage Brink Thomsen
State Authorised Public Accountant
MNE-nr. 10018

Michael Marseen
State Authorised Public Accountant
MNE-nr. 32165

Company data

The company	QuantumWise ApS Fruebjergvej 3 2100 København Ø	
	Company reg. no.	27 39 89 87
	Domicile:	Copenhagen
	Financial year:	1 January - 31 October 15th financial year
Managing Director	Orla Anne Murphy	
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Øster Allé 42 2100 København Ø	
	Phone	+45 35 38 48 88
	www.martinsen.dk	
Parent company	Synopsys International Limited, Ireland	
Subsidiaries	QuantumWise Japan K.K., Japan QuantumWise Inc., USA	

Management's review

The principal activities of the company

During September 2017 the company was acquired by Synopsys International Limited, a company registered in Ireland. Since then the principal activity of the company is the provision of marketing and development activities on behalf of the parent company, Synopsys International Limited.

Development in activities and financial matters

The gross profit for the year is DKK 246.923.594 against DKK 18.199.002 last year. The results from ordinary activities after tax are DKK 179.833.119 against DKK 2.239.183 last year. The management consider the results satisfactory.

During the financial year, the company has been purchased by Synopsys International Limited. As part of the process, QuantumWise ApS have changed financial year from 1/1 - 31/12 to 1/11 - 31/10. By the end of the year, QuantumWise ApS sold most of it's assets to group enterprises.

Accounting policies used

The annual report for QuantumWise ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C 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 lose 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.

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.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Accounting policies used

The profit and loss account

Gross profit

The gross profit comprises the net turnover, direct costs and external costs.

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.

Direct costs includes royalty payments.

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

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 on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

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.

Accounting policies used

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

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

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.

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:

	Useful life
Other plants, operating assets, fixtures and furniture	*3-5 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.

Leasing contracts

Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Accounting policies used

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.

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.

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.

Securities and equity investments

Securities and equity investments recognised as current assets are measured at fair value on the balance sheet date.

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 (the time of declaration).

Accounting policies used

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, QuantumWise ApS is unlimited, jointly and severally 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 assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

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.

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

All amounts in DKK.

Note		1/1 - 31/10 2017	1/1 - 31/12 2016
	Gross profit	**246.923.594**	**18.199.002**
1	Staff costs	-14.281.889	-15.401.030
	Depreciation and writedown relating to tangible fixed assets	-98.740	-149.457
	Writedown of current assets exceeding usual writedown	-1.262.000	0
	Operating profit	**231.280.965**	**2.648.515**
	Income from equity investments in group enterprises	-297.124	-129.086
	Other financial income	357.242	395.305
2	Other financial costs	-355.405	-2.071
	Results before tax	**230.985.678**	**2.912.663**
	Tax on ordinary results	-51.152.559	-673.480
	Results for the year	**179.833.119**	**2.239.183**
	Proposed distribution of the results:		
	Dividend for the financial year	182.000.000	400.000
	Allocated to results brought forward	0	1.839.183
	Allocated from results brought forward	-2.166.881	0
	Distribution in total	**179.833.119**	**2.239.183**

Balance sheet

All amounts in DKK.

Note	**Assets**	31/10 2017	31/12 2016
	Fixed assets		
3	Other plants, operating assets, and fixtures and furniture	98.767	197.507
	Tangible fixed assets in total	98.767	197.507
4	Equity investments in group enterprises	7	7
	Other debtors	226.650	149.030
	Financial fixed assets in total	226.657	149.037
	Fixed assets in total	**325.424**	**346.544**
	Current assets		
	Trade debtors	0	6.332.153
	Amounts owed by group enterprises	234.197.779	1.174.970
	Deferred tax assets	52.545	28.000
	Other debtors	237.042	1.363.963
	Accrued income and deferred expenses	16.986	0
	Debtors in total	234.504.352	8.899.086
	Other securities and equity investments	0	4.000.634
	Securities in total	0	4.000.634
	Available funds	4.932.798	1.565.688
	Current assets in total	**239.437.150**	**14.465.408**
	Assets in total	**239.762.574**	**14.811.952**

Balance sheet

All amounts in DKK.

Note	**Equity and liabilities**	31/10 2017	31/12 2016
	Equity		
5	Contributed capital	618.508	511.500
6	Results brought forward	1.815.286	2.370.315
7	Proposed dividend for the financial year	182.000.000	400.000
	Equity in total	**184.433.794**	**3.281.815**
	Liabilities		
	Prepayments received from customers	0	1.697.704
	Trade creditors	394.996	549.203
	Debt to group enterprises	1.866.474	0
	Corporate tax	51.177.104	0
	Other debts	1.890.206	1.904.740
	Accrued expenses and deferred income	0	7.378.490
	Short-term liabilities in total	55.328.780	11.530.137
	Liabilities in total	**55.328.780**	**11.530.137**
	Equity and liabilities in total	**239.762.574**	**14.811.952**

8 Contingencies

Notes

All amounts in DKK.

		1/1 - 31/10 2017	1/1 - 31/12 2016
1.	**Staff costs**		
	Salaries and wages	12.983.052	14.092.428
	Pension costs	446.850	341.800
	Other costs for social security	53.015	56.045
	Other staff costs	798.972	910.757
		14.281.889	**15.401.030**
	Average number of employees	28	26
2.	**Other financial costs**		
	Other financial costs	355.405	2.071
		355.405	**2.071**
3.	**Other plants, operating assets, and fixtures and furniture**		
	Cost opening balance	952.246	867.953
	Additions during the year	0	84.293
	Cost closing balance	**952.246**	**952.246**
	Depreciation and writedown opening balance	-754.739	-612.227
	Depreciation and writedown for the year	-98.740	-142.512
	Depreciation and writedown closing balance	**-853.479**	**-754.739**
	Book value closing balance	**98.767**	**197.507**

Notes

All amounts in DKK.

		31/10 2017	31/12 2016
4.	**Equity investments in group enterprises**		
	Acquisition sum, opening balance	590.629	590.622
	Additions during the year	0	7
	Cost closing balance	**590.629**	**590.629**
	Revaluations, opening balance	-1.421.593	-1.331.446
	Translation by use of the exchange rate valid on balance sheet date	0	38.939
	Results for the year before goodwill amortisation	-297.124	-129.086
	Revaluation closing balance	**-1.718.717**	**-1.421.593**
	Offsetting against debtors	1.128.095	830.971
	Set off against debtors and provisions for liabilities	**1.128.095**	**830.971**
	Book value closing balance	**7**	**7**

Group enterprises:

	Domicile	Share of ownership
QuantumWise Japan K.K.	Japan	100 %
QuantumWise Inc.	USA	100 %

		31/10 2017	31/12 2016
5.	**Contributed capital**		
	Contributed capital opening balance	511.500	511.500
	Cash capital increase	107.008	0
		618.508	**511.500**
6.	**Results brought forward**		
	Results brought forward opening balance	2.370.315	492.193
	Profit or loss for the year brought forward	-2.166.881	1.839.183
	Adjustment equity investments	0	38.939
	Share premium increase	1.611.852	0
		1.815.286	**2.370.315**

Notes

All amounts in DKK.

		31/10 2017	31/12 2016
7.	**Proposed dividend for the financial year**		
	Dividend opening balance	400.000	0
	Distributed dividend	-400.000	0
	Dividend for the financial year	182.000.000	400.000
		182.000.000	**400.000**

8. Contingencies

Contingent liabilities

Leasing liabilities

The company has entered into operational leasing contracts with an average annual leasing payment of DKK 908. The leasing contracts have 5 months left to run, and the total outstanding leasing payment is 378 TDKK.

Joint taxation

Synopsys Denmark ApS, company reg. no 25600568 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The jointly taxed enterprises' total, known net liability to the Danish tax authorities appears from the annual accounts of the administration company.

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

QuantumWise ApS has withdrawn from it's previous joint taxation as of 18 September 2017, as from the time of withdrawal from the joint taxation, the company is not liable for any tax claims against the other jointly taxed companies.