

Pervasive Software, Inc.
Financial Statements (Unaudited)
For the Year Ended
December 31, 2019

Certified by Actian Management on
May 15, 2020

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PERVASIVE SOFTWARE, INC.

Balance Sheet

As of December 31, 2019

ASSETS

Current assets:

Cash and cash equivalents \$ -

Intercompany receivable _____ -

Total current assets _____ -

Total assets \$ -

LIABILITIES AND SHAREHOLDER'S EQUITY

Current liabilities:

Intercompany payable \$ -

Total liabilities _____ -

Shareholder's equity:

Additional paid in capital -

Accumulated earnings -

Accumulated other comprehensive income _____ -

Total shareholder's equity _____ -

Total liabilities and shareholder's equity \$ -

See accompanying notes to financial statements

PERVASIVE SOFTWARE, INC.
Income Statement
For Year Ended December 31, 2019

Revenue:		
Intercompany revenue	\$	-
		<hr/>
Total revenue, net		-
		<hr/>
Intercompany cost of sales		-
		<hr/>
Gross profit		-
		<hr/>
Selling, general and administrative expenses		-
		<hr/>
Profit (loss) from operations		-
		<hr/>
Other income and (expense):		
Intercompany interest expense		-
		<hr/>
Total other income and (expense)		-
		<hr/>
Profit (loss) before provision for income taxes		-
		<hr/>
Provision (benefit) for income taxes		-
		<hr/>
Net income (loss)		-
		<hr/>
Other comprehensive income (loss):		
Foreign translation gain (loss)		-
		<hr/>
Total other comprehensive income (loss)		-
		<hr/>
Comprehensive income (loss)	\$	-
		<hr/> <hr/>

See accompanying notes to financial statements.

PERVASIVE SOFTWARE, INC.
Statement of Shareholder's Equity
For Year Ended December 31, 2019

<u>Common Stock</u>								
<u>Shares</u>	<u>Amount</u>	<u>Additional Paid-In Capital</u>	<u>Accumulated Equity (Deficit)</u>	<u>Other Comprehensive Income (Loss)</u>	<u>Total</u>			
Beginning Balance, January 1, 2019	100	\$ 1	\$ 161,930,585	\$ 41,694,728	\$ 29,375	\$	203,654,689	
Transfer Equity to Parent	(100)	\$ (1)	\$ (161,930,585)	\$ (41,694,728)	\$ (29,375)	\$	(203,654,689)	
Ending Balance, December 31, 2019	-	\$ -	\$ -	\$ -	\$ -	\$	-	

See accompanying notes to financial statements.

PERVASIVE SOFTWARE, INC.
Statement of Cash Flows
For the Year Ended December 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Net income (loss)	\$ -
(Increase) decrease in operating assets:	
Intercompany receivable	<u>203,654,189</u>

CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES 203,654,189

CASH FLOWS FROM FINANCING ACTIVITIES

Transfer Equity to Parent	\$(203,654,689)
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CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES (203,654,689)

NET DECREASE IN CASH (500)

CASH AT BEGINNING OF YEAR 500

CASH AT END OF YEAR \$ -

See accompanying notes to financial statements.

Pervasive Software, Inc.
Notes to Financial Statements
December 31, 2019

1. Nature of operations:

Pervasive Software, Inc. (the Company) was incorporated in Delaware and is a subsidiary of Actian Corporation. The Company acts as a pass-through entity and does not generate revenue.

In accordance with the plan of liquidation entered into in December 2019, the Company commenced the liquidation process to be merged into Actian Corporation. All equity, including the 100 shares of common stock outstanding with \$0.01 par value per share, was transferred back to Actian Corporation as of December 31, 2019. Therefore, the balance sheet had nil balances as of December 31, 2019.

2. Significant accounting policies:

This summary of significant accounting policies is presented to assist in understanding the Company's financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and have been consistently applied in the preparation of the financial statements.

Use of Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments - The Company has evaluated the estimated fair value of its financial instruments as of December 31, 2018. The amounts reported for cash approximate fair value due to their short maturities.

Foreign Currency - The Company uses the U.S. dollar as its functional currency while the Company's subsidiaries use their respective countries' currency. Foreign currency monetary assets and liabilities are remeasured into U.S. dollars at current exchange rates and nonmonetary assets are remeasured at historical rates.

Risks and Uncertainties - The Company's products are concentrated in an industry which is characterized by significant competition, rapid technological advances, changes in customer requirements, and evolving regulatory requirements and industry standards. The success of the Company depends on management's ability to anticipate and to respond quickly and adequately to technological developments in the industry, and changes in customer requirements or industry standards. Any significant delays in the development or introduction of products could have a material adverse effect on the Company's business and operating results.

Pervasive Software, Inc.
Notes to Financial Statements
December 31, 2019

2. Significant accounting policies (continued):

Risks and Uncertainties (continued)

The Company's international operations are subject to the risks of operating in an international environment, including the potential imposition of trade or foreign exchange restriction, tariff and other tax increases, fluctuations in exchange rates, inflation and unstable political situations. An increase in the value of the U.S. dollar relative to foreign currencies could make the Company's products less competitive in international markets or require the Company to assume the risk of denominating certain sales in foreign currencies. The Company anticipates that these factors will impact the business to a greater degree as international business activities are expanded.

Cash and Cash Equivalents - The Company considers all highly liquid investments purchased with maturities of three months or less to be cash equivalents. Cash equivalents are maintained with high quality financial institutions, the composition and maturities of which are regularly monitored by management.

Intercompany Receivable - The Company's intercompany receivable balance is derived from transactions in which the Company is treated as a pass-through entity between subsidiaries.

Income Taxes - The Company is considered a disregarded entity for tax purposes. All tax assets and liabilities are reported at the consolidated level.

3. Related parties:

The Company acts as a pass-through entity and presents amounts due and from related parties in a separate account in the balance sheet. The amounts largely consist of various expenses, such as taxes, legal, and salaries, between entities that occurred in prior years.

Pervasive Software, Inc.
Notes to Financial Statements
December 31, 2019

4. Subsequent events:

Subsequent events are events or transactions that occur after the Balance Sheet date but before the financial statements are issued. The Company recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the Balance Sheet, including the estimates inherent in the process of preparing the financial statements. The Company's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the Balance Sheet, but arose after the Balance Sheet date and before financial statements are available to be issued.

Management evaluates events occurring subsequent to December 31, 2019 in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through May 15, 2020, which is the date the financial statements were available to be issued.