

THUNDER PARENT INC.
Consolidated Balance Sheet
December 31, 2017
(In thousands, except share and per share data)

ASSETS

Current assets	
Cash	\$ 4,960
Accounts receivable, net of allowance of \$283	26,531
Inventories	4,446
Prepaid and other current assets	4,574
Income taxes receivable	107
Total current assets	<u>40,618</u>
Property and equipment, net	3,865
Goodwill	235,257
Intangible assets, net	85,016
Deferred tax asset	11,101
Other long-term assets	<u>169</u>
Total assets	<u>\$ 376,026</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities	
Accounts payable	\$ 5,057
Accrued compensation	4,787
Other accrued liabilities	1,299
Accrued interest	139
Debt, current portion, net of debt discount	4,495
Deferred revenue, current portion	35,634
Income taxes payable	991
Total current liabilities	<u>52,402</u>
Deferred revenue, net of current	3,124
Deferred tax liabilities	19,178
Debt, net of current portion and debt discount	<u>177,012</u>
Total liabilities	<u>251,716</u>
Stockholders' equity	
Common stock, \$0.001 par value, 190,000,000 shares authorized; 159,173,059 shares issued and outstanding as of December 31, 2017	159
Additional paid-in capital	141,868
Accumulated other comprehensive loss	175
Accumulated deficit	<u>(17,892)</u>
Total stockholders' equity	<u>124,310</u>
Total liabilities and stockholders' equity	<u>\$ 376,026</u>

The accompanying notes are an integral part of these consolidated financial statements.

THUNDER PARENT INC.
Consolidated Statement of Operations and Comprehensive Loss
For the Year Ended December 31, 2017
(In thousands)

Revenues	
Software	\$ 31,467
Appliance	19,402
Maintenance	33,016
Services and other	3,365
Total revenues	<u>87,250</u>
Cost of revenues	
Software	3,215
Appliance	8,697
Maintenance	4,734
Services and other	2,336
Amortization of acquired developed and in-process technology	10,403
Total cost of revenues	<u>29,385</u>
Gross profit	57,865
Operating expenses	
Research and development	17,691
Sales and marketing	30,208
General and administrative	15,436
Amortization of intangible assets	6,884
Total operating expenses	<u>70,219</u>
Loss from operations	(12,354)
Other expenses	
Interest expense, net	(14,876)
Other expense, net	(103)
Total other expenses	<u>(14,979)</u>
Loss before income tax benefit	(27,333)
Income tax benefit	<u>16,273</u>
Net loss	(11,060)
Other comprehensive loss	
Foreign currency translation adjustment, net	<u>222</u>
Comprehensive loss	<u>\$ (10,838)</u>

The accompanying notes are an integral part of these consolidated financial statements.

THUNDER PARENT INC.
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2017
(In thousands)

Cash flows from operating activities	
Net loss	\$ (11,060)
Adjustments to reconcile net loss to net cash provided by operating activities	
Depreciation	1,493
Amortization of intangible assets	17,286
Amortization of debt discount	945
Stock-based compensation expense	903
Provision for doubtful accounts	156
Loss on disposal of property and equipment	5
Deferred income taxes, net	(17,204)
Income tax receivable	259
Changes in operating assets and liabilities	
Accounts receivable	(3,109)
Inventories	257
Prepaid and other current assets	(1,710)
Accounts payable	(200)
Accrued compensation	223
Other accrued liabilities	(1,330)
Accrued interest	111
Deferred revenue	18,277
Income taxes payable	(1,556)
Net cash provided by operating activities	<u>3,746</u>
Cash flows from investing activities	
Purchase of property and equipment	(1,306)
Acquisition of Ineoquest, net of acquired cash	(63,106)
Net cash used in investing activities	<u>(64,412)</u>
Cash flows from financing activities	
Payments on long-term debt	(1,407)
Payments on line of credit	(4,500)
Proceeds from line of credit	3,500
Proceeds from issuance of debt, net of debt discount	57,663
Proceeds from issuance of common stock	8,002
Common stock repurchased	(100)
Net cash provided by financing activities	<u>63,158</u>
Effect of exchange rate changes on cash	<u>23</u>
Net change in cash	2,515
Cash at beginning of period	<u>2,445</u>
Cash at end of period	<u>\$ 4,960</u>
<u>Supplemental cash flow information</u>	
Cash paid for interest	\$ 13,820
Cash paid for income taxes	\$ 2,092

The accompanying notes are an integral part of these consolidated financial statements.