

JDA Software Denmark A/S
Strandvejen 60
2900 Hellerup
Central Business Registration No
15734345

Annual report 2016

The Annual General Meeting adopted the annual report on 21.04.2017

Chairman of the General Meeting

Name: Martin John Oliver

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2016	7
Balance sheet at 31.12.2016	8
Statement of changes in equity for 2016	10
Notes	11
Accounting policies	14

Entity details

Entity

JDA Software Denmark A/S
Strandvejen 60
2900 Hellerup

Central Business Registration No: 15734345
Registered in: Copenhagen
Financial year: 01.01.2016 - 31.12.2016

Board of Directors

Daniel James Maynard, Chairman
Martin John Oliver
Hebe Randolph Doneski

Executive Board

Martin John Oliver

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of JDA Software Denmark A/S for the financial year 01.01.2016 - 31.12.2016.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Hellerup, 21.04.2017

Executive Board

Martin John Oliver

Board of Directors

Daniel James Maynard
Chairman

Martin John Oliver

Hebe Randolph Doneski

Independent auditor's report

To the shareholders of JDA Software Denmark A/S

Opinion

We have audited the financial statements of JDA Software Denmark A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary 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 the management commentary.

Copenhagen, 21.04.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Jan Larsen

State Authorised Public Accountant

Management commentary

Primary activities

The object of the Company is to carry on IT business, including development and sale of software, and to own other enterprises and companies with the same objectives or parts of such enterprises and companies as well as all activities related thereto.

Development in activities and finances

JDA Software Denmark A/S realised a revenue of DKK 3,203 thousand in 2016, which is an increase of DKK 106 thousand compared to 2015.

The profit/loss from ordinary activities before tax shows a profit of DKK 666 thousand, which Management considers satisfactory.

The Company has lost more than 50% of the share capital. Management expect to re-establish the capital through profits from 2017 and onwards.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Revenue		3.203.568	3.097.951
Other operating income		7.146.443	6.519.980
Cost of sales		(348.197)	(469.352)
Other external expenses		<u>(971.783)</u>	<u>(904.503)</u>
Gross profit/loss		9.030.031	8.244.076
Staff costs	1	(8.480.974)	(7.645.293)
Depreciation, amortisation and impairment losses	2	<u>(10.323)</u>	<u>(10.415)</u>
Operating profit/loss		538.734	588.368
Other financial income	3	145.944	0
Other financial expenses	4	<u>(18.094)</u>	<u>(156.632)</u>
Profit/loss before tax		666.584	431.736
Tax on profit/loss for the year	5	<u>(182.402)</u>	<u>(9.031)</u>
Profit/loss for the year		484.182	422.705
Proposed distribution of profit/loss			
Retained earnings		<u>484.182</u>	<u>422.705</u>
		484.182	422.705

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Other fixtures and fittings, tools and equipment		20.632	3.444
Property, plant and equipment	6	20.632	3.444
Deposits		48.180	75.000
Other receivables		0	2.000
Deferred tax		290.032	438.077
Fixed asset investments		338.212	515.077
Fixed assets		358.844	518.521
Trade receivables		714.337	386.237
Receivables from group enterprises		19.916.518	16.110.881
Deferred tax		67.306	101.662
Other receivables		1.654	5.090
Prepayments		154.086	86.478
Receivables		20.853.901	16.690.348
Cash		1.124.038	4.774.423
Current assets		21.977.939	21.464.771
Assets		22.336.783	21.983.292

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital	7	38.468.792	38.468.792
Retained earnings		<u>(23.137.091)</u>	<u>(23.621.273)</u>
Equity		<u>15.331.701</u>	<u>14.847.519</u>
Prepayments received from customers		984.600	2.494.893
Trade payables		261.920	210.185
Payables to group enterprises		3.172.715	2.381.241
Other payables	8	<u>2.585.847</u>	<u>2.049.454</u>
Current liabilities other than provisions		<u>7.005.082</u>	<u>7.135.773</u>
Liabilities other than provisions		<u>7.005.082</u>	<u>7.135.773</u>
Equity and liabilities		<u>22.336.783</u>	<u>21.983.292</u>
Unrecognised rental and lease commitments	9		
Contingent assets	10		
Contingent liabilities	11		
Mortgages and securities	12		
Group relations	13		

Statement of changes in equity for 2016

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	38.468.792	(23.621.273)	14.847.519
Profit/loss for the year	0	484.182	484.182
Equity end of year	38.468.792	(23.137.091)	15.331.701

Notes

	2016	2015
	DKK	DKK
1. Staff costs		
Wages and salaries	7.134.814	6.664.380
Pension costs	494.274	466.269
Other social security costs	851.886	514.644
	8.480.974	7.645.293
Average number of employees	6	6
	2016	2015
	DKK	DKK
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	10.323	10.415
	10.323	10.415
	2016	2015
	DKK	DKK
3. Other financial income		
Exchange rate adjustments	145.944	0
	145.944	0
	2016	2015
	DKK	DKK
4. Other financial expenses		
Interest expenses	4.265	0
Exchange rate adjustments	0	62.112
Other financial expenses	13.829	94.520
	18.094	156.632
	2016	2015
	DKK	DKK
5. Tax on profit/loss for the year		
Change in deferred tax for the year	182.402	9.031
	182.402	9.031

Notes

	Other fixtures and fittings, tools and equipment DKK
6. Property, plant and equipment	
Cost beginning of year	41.189
Additions	27.511
Cost end of year	68.700
Depreciation and impairment losses beginning of the year	(37.745)
Depreciation for the year	(10.323)
Depreciation and impairment losses end of the year	(48.068)
Carrying amount end of year	20.632

	Number	Par value DKK	Nominal value DKK
7. Contributed capital			
Ordinary shares A	8.788.907	1	8.788.907
Ordinary shares B	41.004	1	41.004
Ordinary shares C	29.638.881	1	29.638.881
	38.468.792		38.468.792

	2016 DKK	2015 DKK
8. Other payables		
Wages and salaries, personal income taxes, social security costs, etc payable	2.585.847	1.995.313
Other costs payable	0	54.141
	2.585.847	2.049.454

	2016 DKK	2015 DKK
9. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	240.900	222.684

Notes

10. Contingent assets

The company has a contingent asset of DKK 13.699 thousand, that is not recognized in the annual report. The contingent asset consists of loss carryforwards and tangible fixed assets.

11. Contingent liabilities

The Company has no contingent liabilities.

12. Mortgages and securities

The Company has no collateral or pledges.

13. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: JDA Software Denmark A/S are included in the consolidated financial statement of RedPrarie Holding Inc., Arizona, United States of America.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including management fee income etc.

Accounting policies

Cost of sales

Cost of sales comprises cost related to Contractors.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises net capital gains on payables and transactions in foreign currencies etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, bank fees, payables and transactions in foreign currencies etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made 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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Estimated useful lives and residual values are reassessed annually.

Accounting policies

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.