Scan Jour A/S

Lautrupparken 42

2750 Ballerup

CVR No. 17554794

Annual Report 2018/19

Årsrapporten er fremlagt og godkendt på selskabets generalforsamling.

Dato: 22/8 - 2019

Dirigent:

JACOB DRØHSE

Contents

Management's Statement

The Executive Board and the Board of Directors have today discussed and approved the annual report for the financial year 1 January 2018 - 31 March 2019 for Scan Jour A/S .

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 assets, liabilities and financial position of the Company at 31 March 2019 and of the results of the Company's operations the financial year 1 January 2018 - 31 March 2019.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Ballerup, 22 August 2019

Executive Board

Gert Bendsen
Man. Director

Board of Directors

Søren Amund Henriksen Chair	Jannich Kiholm Lund	Anne-Lykke Mau

Independent Auditor's Report

To the shareholders of Scan Jour A/S

Opinion
In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 March 2019 and of the results of its operations for the financial year 1 January 2018 - 31 March 2019 in accordance with the Danish Financial Statements Act.

We have audited the financial statements of Scan Jour A/S for the financial year 1 January 2018 - 31 March 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis of 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.

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.

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, in our view, 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 in Management's Review.

Management's responsibility 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 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.

Independent Auditor's Report

The auditor's responsibility 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 judgment and maintain professional skepticism 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.

Hellerup, 22 August 2019

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no. 33771231

Tue Stensgård Sørensen	Leif Ulbæk Jensen
State Authorised Public Accountant	State Authorised Public Accountant
mne32200	mne23327

Company details

Company	Scan Jour A/S Lautrupparken 42 2750 Ballerup
CVR No.	17554794
Date of formation	30 December 1993
Financial year	1 January 2018 - 31 March 2019
Board of Directors	Søren Amund Henriksen , Chair Jannich Kiholm Lund Anne-Lykke Mau
Executive Board	Gert Bendsen, Man. Director
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup CVR-no.: 33771231

Management's Review

The Company's principal activities
The Company's principal activities consist in conducting information technology business and other related activities, including holding shares in other companies.

Development in activities and financial matters
NEC Corporation has acquired the KMD Group from the global private equity firm Advent International and the Danish pension fund Sampension in February 2019.

The acquisition of the KMD Group is part of NEC's growth strategy and expansion of the group's global competencies within software development. The KMD transaction is the biggest company acquisition for NEC and one of the biggest Japanese acquisitions of a foreign software company in the past decade.

The Company's Income Statement of the financial year 1 January 2018 - 31 March 2019 shows a result of DKK 2.578 and the Balance Sheet at 31 March 2019 a balance sheet total of DKK 7.744 and an equity of DKK 7.692.

Accounting Policies

Reporting class
The Annual Report of Scan Jour A/S for 2018/19 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Due to the acquisition of the KMD Group by NEC, the company has changed its fiscal year to align with the fiscal year in the NEC Group. As a result the fiscal year for 2018/19 includes 15 moths, and the fiscal year going forward will be from 1 April - 31 March.

Reporting currency
The Annual Report is presented in Thousand Danish kroner (t.kr.).

General Information

Basis of recognition and measurement
Revenue is recognized in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the revenue for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions, as well as reversals as a result of changes to accounting estimates previously recognized in the income statement.

Assets are recognized 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 recognized in the balance sheet when it is probable that future economic benefits will flow out of the company, and the value of the liability can be measured reliably.

Assets and liabilities are initially recognized at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortized cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortized cost is calculated as original cost less any repayments with addition/deduction of the cumulative amortization of any difference between cost and the nominal amount. Any exchange gains and losses are recognized over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the annual report which confirm or refute circumstances existing at the balance sheet date.

Income Statement

Gross profit/loss
The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Revenue
The conclusion of financial leases for own-manufactured goods is considered a sale at the time when the lease is concluded and where the leased asset is passed physically to the lessee. The sale is recognised at an amount that corresponds to the selling price according to the lease.

Accounting Policies

Other external expenses
Other external expenses include expenses relating to sales and administration.

Depreciation and amortisations of tangible and intangible assets
Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Useful life and residual values are reassessed every year.

Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life
Completed development projects	5 years

Financial income and expenses
Financial income and expenses are recognized in the income statement at the amounts relating to the financial year. Financial items comprise interest income and expenses, realized and unrealized exchange gains and losses relating to securities, debt and transactions in foreign currencies, dividends received on other equity investments, amortization of financial assets and liabilities, and additions and reimbursements under the on-account tax scheme.

Tax on net profit/loss for the year
Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity. The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance Sheet

Intangible assets
Clearly defined and identifiable development projects where the technical rate of utilisation, sufficient resources and a potential future market or development potential in the Company are provable and where the intention is to manufacture, market or use the product or process are recognised as intangible assets if the value in use can be determined reliably and it is sufficiently certain that future earnings can cover production, sales and administration costs as well as total development costs.

Other development costs are recognised as costs in the Income Statement as they incur.

Development costs are calculated at the costs directly incurred and a share of the costs attributable to the individual development projects.

An impairment test of acquired intangible assets is performed in the event of indications of a decrease in value. Furthermore, annual impairment tests are performed for ongoing and activated development projects, if any. The impairment test is performed for each individual asset and group of assets, respectively. The assets are written down to the higher of the asset's or asset group's value in use and the net selling price (recoverable amount) in the event that this one is lower than the carrying amount.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Accounting Policies

Equity
Proposed dividend for the year is recognised as a separate item in equity.

Deferred tax
Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Financial liabilities
Financial liabilities also includes payables to group companies are recognized at the time of borrowing at the proceeds received minus transaction costs incurred, and subsequently measured at amortized cost calculated on the basis of the effective rate of interest on the borrowing date.

Payables to group companies and other financial liabiliteis are measured at amortized cost.

Income Statement

	Note	2018/19 t.kr.	2017 t.kr.
Gross profit		**10.785**	**9.565**
Depreciation and amortisations		-7.796	-6.237
Profit from ordinary operating activities		**2.989**	**3.328**
Financial expenses	1	-411	-725
Profit from ordinary activities before tax		**2.578**	**2.603**
Tax expense for the year		0	0
Profit		**2.578**	**2.603**
Proposed distribution of results	2		
Retained earnings		2.578	2.603
		2.578	**2.603**

Balance Sheet as of 31 March

	Note	2019 t.kr.	2017 t.kr.
Assets			
Completed development projects	3	4.677	12.473
Intangible assets		**4.677**	**12.473**
Fixed assets		**4.677**	**12.473**
Short-term receivables from group enterprises		1.700	0
Current deferred tax		1.367	1.367
Receivables		**3.067**	**1.367**
Cash and cash equivalents		**0**	**7**
Current assets		**3.067**	**1.374**
Assets		**7.744**	**13.847**

Balance Sheet as of 31 March

	Note	2019 t.kr.	2017 t.kr.
Liabilities and equity			
Share capital		575	575
Retained earnings		7.117	4.539
Equity		**7.692**	**5.114**
Payables to group enterprises		50	6.370
Long-term liabilities other than provisions		**50**	**6.370**
Other payables		2	2.363
Short-term liabilities other than provisions		**2**	**2.363**
Liabilities and equity		**7.744**	**13.847**
Significant events occurring after end of reporting period	4		
Contingent assets	5		
Contingent liabilities	6		
Related parties	7		

Statement of changes in Equity

	Share capital	Retained earnings	Total
Equity 1 January 2018	575	4.539	5.114
Profit (loss)		2.578	2.578
Equity 31 March 2019	**575**	**7.117**	**7.692**

The share capital has remained unchanged for the last 5 years.

Notes

	2018/19	2017
1. Financial expenses		
Finance expenses arising from group enterprises	411	725
	411	**725**

2. Distribution of profit

	2018/19	2017
Retained earnings	2.578	2.603
	2.578	**2.603**

3. Completed development projects

	2018/19	2017
Cost at the beginning of the year	101.201	101.201
Cost at the end of the year	**101.201**	**101.201**
Depreciation and amortisation at the beginning of the year	-88.728	-82.491
Amortisation for the year	-7.796	-6.237
Impairment losses and amortisation at the end of the year	**-96.524**	**-88.728**
Carrying amount at the end of the year	**4.677**	**12.473**

4. Significant events occurring after end of reporting period

There have been no events after the balance sheet date with a material impact on the Company's financial position.

5. Contingent assets

The company has not recognised the full amount of the its deferred tax asset as of 31 March 2019. The contingent asset not recognised amounts to 11.138 t.kr., calculated at 22% company tax (2017: 12.723 t.kr.).

6. Contingent liabilities

Scan Jour A/S is jointly taxed with the other Danish companies in the KMD Holding ApS Group. The joint taxation also covers withholding tax in the form of tax on dividends, royalties and interest. The Danish companies are jointly and severally liable for the joint taxation. Any subsequent corrections to the taxable income subject to joint taxation or withholding taxes may lead to a higher liability.

No other contingent liabilities exist at the balance sheet date.

7. Related parties

Scan Jour A/S is fully owned by KMD A/S which is a part of KMD Holding ApS Group. A copy of the Consolidated Financial Statements can be obtained through the Company Secretary at Lautrupparken 40, 2750 Ballerup, Denmark.

The Company is ultimately a 100% owned subsidiary of NEC Corporation.