

# Adobe Systems Danmark ApS

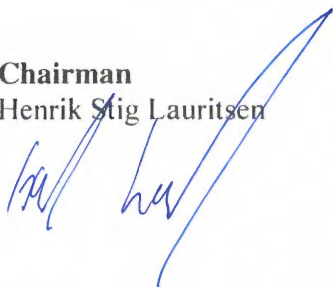
Islands Brygge 57  
2300 Copenhagen S  
Danmark

CVR-nr. 20 89 68 84

Annual Report for the year ended 30 November 2017

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 30 April 2018.

**Chairman**  
Henrik Stig Lauritsen



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***Management's Statement on the Annual Report***

The Executive and the Supervisory Boards have today discussed and approved the Annual Report of Adobe Denmark ApS for the financial year 01 December 2016 – 30 November 2017.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act. In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 November 2017 and of the results of the Company's operations for the financial year 01 December 2016 – 30 November 2017.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen  
30 April 2018

**Executive Board**

*Christian Keim*

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Christian Andreas Helmut Keim

**Supervisory Board**

*Keith San Felipe*

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Keith San Felipe

*Barry Slivinsky*

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Barry Keith Slivinsky

*Christian Keim*

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Christian Andreas Helmut Keim

## Independent auditor's report

### To the shareholders of Adobe systems Danmark A/S

#### Opinion

We have audited the financial statements of Adobe Systems Danmark A/S for the financial year 1. December – 30. November 2017, comprising income statement, balance sheet and notes, including 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 Company's assets, liabilities and financial position at 30 November 2017 and of the results of the Company's operations for the financial year 1. December – 30. November 2017 in accordance with the Danish Financial Statements Act.

#### Basis for 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 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 that 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.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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

- identify and assess the risks of material misstatement of the company 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.

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen

30 April 2018

### KPMG

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Joakim Juul Larsen  
State Authorised  
Public Accountant  
MNE no. 32803

**Company Information**

Adobe Systems Danmark ApS

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Telefax: +45 32 31 60 01

Website: [www.adobe.com/dk](http://www.adobe.com/dk)

|                              |                          |
|------------------------------|--------------------------|
| Company number(CVR-nr.):     | 20 89 68 84              |
| Financial period:            | 1 December – 30 November |
| Financial year:              | 2017                     |
| Municipality of reg. office: | Copenhagen               |

**Supervisory Board**

Keith San Felipe (Chairman)  
Barry Keith Slivinsky  
Christian Andreas Helmut Keim

**Executive Board**

Christian Andreas Helmut Keim

**Auditors**

KPMG  
Statsautoriseret Revisionpartnerselskab  
Damfærgevej 28  
2100 København Ø  
Denmark

## *Management's Review*

### **Business activities and mission**

The objective of the company is to provide pre-sales and marketing services for the Adobe Group in the Danish market.

### **Business review**

The company's income for the year 1 December 2016 to 30 November 2017 shows a net profit of DKK 3.931.646 and the balance sheet on 30 November 2017 shows a shareholder's equity of DKK 11.913.363.

The directors are satisfied with the results for the year.

### **Post balance sheet events**

No events have occurred after the financial year end, which could affect the company's financial position.

## *Accounting Policies*

### **Basis of Preparation**

The Annual Report of Adobe Systems Danmark ApS for 1 December 2016 to 30 November 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The Annual Report is presented in Danish Kroner (DKK).

### **Recognition and measurement**

The financial statements have been prepared under the historical cost method.

Revenues are recognised in the income statement when earned. All expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement. Furthermore, amendments to financial assets and liabilities measured at fair value or amortised cost are recognised.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised 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 measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

DKK is used as the measurement currency. All other currencies are regarded as foreign currencies.

### **Leases**

Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

### **Translation policies**

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in *financial income and expenses* in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date.



## ***Accounting Policies continued***

### **Translation policies continued**

Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in *financial income and expenses* in the income statement.

### **Business combinations**

The uniting-of-interests method is applied to group internal business combinations such as the acquisition and disposal of equity investments, mergers, demergers, contribution of assets, share exchanges, etc. Differences between the agreed consideration and the carrying amount of the acquired entity is recognised in equity. Moreover, comparative figures for previous financial years are restated.

## **Income Statement**

### **Revenue**

Revenue comprises commission fees for pre-sales and marketing services provided in the Danish market and rendered to the Adobe Group. The revenue is recognised exclusive of VAT with the amount related to services rendered in the financial year.

### **Distribution expenses**

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc.

### **Administrative expenses**

Administrative expenses comprise expenses for premises, office expenses, maintenance expenses etc.

### **Financial income and expenses**

Financial income and expenses comprise interest income and expenses, and realised and unrealised capital and exchange gains and losses on foreign currency transaction. Financial income and expenses are recognized in the income statement at the amounts that relate to the reporting year.

### **Tax on profit/loss for the year**

Tax consists of current tax and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity. The tax recognised in the income statement is classified as tax on ordinary activities and tax on extraordinary items, respectively.

## *Accounting Policies continued*

### **Balance Sheet**

#### **Fixed Assets**

##### **Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Fixtures and fittings, tools and equipment are depreciated over 3-5 years.

##### **Impairment of fixed assets**

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

##### **Receivables**

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

##### **Prepayments**

Prepayments comprise prepaid expenses concerning subscriptions, insurance premiums, rent and interest.

##### **Equity**

##### **Dividend**

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

## *Accounting Policies continued*

### **Deferred tax assets and liabilities**

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items, apart from business acquisitions, where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

### **Current tax receivables and liabilities**

Current tax receivables and 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 taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

### **Liabilities**

Financial liabilities are recognized at cost at the date of borrowing, equivalent to proceeds received less transaction costs paid. Subsequently, these financial liabilities are measured at amortised cost. Other liabilities are measured at net realisable value.

***Income Statement for the period from 1 December 2016 to 30 November 2017***

|   | Note | Year ended 30<br>November 2017 | Year ended 30<br>November 2016 |
|---|------|--------------------------------|--------------------------------|
|   |      | DKK                            | DKK                            |
| Revenue                                     |      | 57.380.287                     | 51.732.025                     |
| Gross profit                                |      | <u>57.380.287</u>              | <u>51.732.025</u>              |
| Distribution expenses                       |      | -47.479.514                    | -42.191.233                    |
| Administrative expenses                     |      | -4.742.165                     | -5.338.641                     |
| Profit before financial income and expenses |      | <u>5.158.608</u>               | <u>4.202.151</u>               |
| Financial expenses                          | 1    | -85.034                        | -5.243                         |
| Profit before tax                           |      | <u>5.073.574</u>               | <u>4.196.908</u>               |
| Tax on profit for the year                  | 2    | -1.141.928                     | -964.692                       |
| Net profit for the year                     |      | <u><u>3.931.646</u></u>        | <u><u>3.232.216</u></u>        |

*Distribution of profit*

|   | <b>Year ended 30<br/>November 2017</b> | <b>Year ended 30<br/>November 2016</b> |
|---|--|--|
|   | <b>DKK</b>                             | <b>DKK</b>                             |
| <i>The following amount is available for distribution</i> |  |  |
| Retained profit   | 6.979.717                              | 3.747.501                              |
| Dividend paid   | 0                                      | 0                                      |
| Profit for the year                                       | 3.931.646                              | 3.232.216                              |
|   | <u>10.911.363</u>                      | <u>6.979.717</u>                       |
| <i>Proposed distribution of profit</i>                    |  |  |
| Proposed dividend for the year                            | 0                                      | 0                                      |
| Retained earnings   | <u>10.911.363</u>                      | <u>6.979.717</u>                       |

*Balance Sheet as at 30 November 2017**Assets*

|                                    | Note | 30 November<br>2017<br>DKK | 30 November<br>2016<br>DKK |
|------------------------------------|------|----------------------------|----------------------------|
| Fixed assets                       | 3    | 790.037                    | 729.808                    |
| Receivables from group enterprises |      | 21.887.726                 | 16.395.058                 |
| Other receivables                  |      | 1.036.747                  | 1.133.837                  |
| Prepayments                        |      | 227.514                    | 142.040                    |
| Receivables                        |      | 23.151.987                 | 17.670.935                 |
| Cash at bank and in hand           |      | 2.254.722                  | 3.011.260                  |
| Current assets                     |      | 24.406.709                 | 20.682.195                 |
| Total Assets                       |      | 26.196.746                 | 21.412.003                 |

*Balance Sheet as at 30 November 2017**Liabilities and Equity*

|  | Note | 30 November<br>2017 | 30 November<br>2016 |
|--|------|---------------------|---------------------|
|  |      | DKK                 | DKK                 |
| Share capital  |      | 1.002.000           | 1.002.000           |
| Retained earnings  |      | 10.911.363          | 6.979.717           |
| Proposed dividend for the year                                 |      | 0                   | 0                   |
| Equity   | 4    | <u>11.913.363</u>   | <u>7.981.717</u>    |
| Trade payables   |      | 180.878             | 362.443             |
| Corporation tax  |      | 197.019             | 203.861             |
| Other payables   |      | 13.905.486          | 12.863.982          |
| Short-term liabilities   |      | <u>14.283.383</u>   | <u>13.430.286</u>   |
| Total Liabilities  |      | <u>14.283.383</u>   | <u>13.430.286</u>   |
| Liabilities and equity   |      | <u>26.196.746</u>   | <u>21.412.003</u>   |
| Contingent assets, liabilities and other financial obligations | 5    |                     |                     |
| Staff costs  | 6    |                     |                     |
| Related parties and ownership                                  | 7    |                     |                     |

*Notes to the Annual Report*

|   | Year ended 30<br>November 2017 | Year ended 30<br>November 2016             |
|---|--------------------------------|--|
|   | DKK                            | DKK  |
| <b>1. Financial expenses</b>                      |                                |  |
| Interest payable and exchange losses              | 85.034                         | 5.243                                      |
|   | <hr/>                          | <hr/>                                      |
| <b>2. Tax on profit for the year</b>              |                                |  |
| Current tax for the year                          | 1.197.019                      | 967.959                                    |
| Prior year adjustment                             | -55.091                        | -3.267                                     |
|   | <hr/>                          | <hr/>                                      |
| Total tax for the year                            | 1.141.928                      | 964.692                                    |
|   | <hr/>                          | <hr/>                                      |
| <b>3. Fixed Assets</b>                            |                                | <b>Year ended<br/>30 November<br/>2017</b> |
|   |                                | <b>DKK</b>                                 |
| <i>Fixtures and fittings, tools and equipment</i> |                                |  |
| Cost at beginning of year                         |                                | 4.972.675                                  |
| Additions for the year                            |                                | 412.322                                    |
|   |                                | <hr/>                                      |
| Cost at end of year                               |                                | 5.384.997                                  |
|   |                                | <hr/>                                      |



*Notes to the Annual Report continued***3. Fixed Assets continued**

|   | <b>Year ended<br/>30 November<br/>2017<br/>DKK</b> |
|---|--|
| <i>Fixtures and fittings, tools and equipment</i> |  |
| Accumulated depreciation at beginning of year     | 4.242.867  |
| Depreciation for the year                         | 352.093  |
| Accumulated depreciation at end of year           | <u>4.594.960</u>                                   |
| Carrying amount 30 November 2017                  | <u>790.037</u>                                     |
| <i>Depreciated over</i>                           | <u>3-5 years</u>                                   |

| <b>4. Equity</b>        | <b>Share<br/>capital</b> | <b>Retained<br/>earnings</b> | <b>Proposed<br/>dividend<br/>for the year</b> | <b>Total</b>      |
|-------------------------|--------------------------|------------------------------|---|-------------------|
|                         | <b>DKK</b>               | <b>DKK</b>                   | <b>DKK</b>                                    | <b>DKK</b>        |
| Equity 1 December 2016  | 1.002.000                | 6.979.717                    | 0   | 7.981.717         |
| Net profit for the year | 0                        | 3.931.646                    | 0   | 3.931.646         |
| Equity 30 November 2017 | <u>1.002.000</u>         | <u>10.911.363</u>            | <u>0</u>                                      | <u>11.913.363</u> |

*The share capital consists of 1.002 shares of a nominal value of DKK 1.000. No shares carry any special rights. The share capital was increased with nominal DKK 1.000 in 2014/15. Besides this increase there have been no changes within the last 5 years.*

*Notes to the Annual Report continued*

| <b>5. Rental agreements and leases</b>                  | <b>30 November<br/>2017<br/>DKK</b>                | <b>30 November<br/>2016<br/>DKK</b>                |
|---|--|--|
| Rent payments concerning committed expenditure          | 1.012.079  | 1.427.254  |
| <br>  |  |  |
| <b>6. Staff Costs</b>                                   | <b>Year ended 30<br/>November<br/>2017<br/>DKK</b> | <b>Year ended 30<br/>November<br/>2016<br/>DKK</b> |
| Wages and salaries                                      | 40.050.713   | 35.867.090   |
| Pensions  | 2.737.273  | 2.508.596  |
| Other social security expenses                          | 437.302  | 346.635  |
|   | 43.225.288   | 38.722.321   |
| <br>  |  |  |
| These costs are all recognised in Distribution expenses |  |  |
| Average number of employees                             | 37   | 33   |

**7 Related parties and ownership**

The company's ultimate parent company and controlling party is Adobe Systems Incorporated, a company incorporated in the United States. Adobe Systems Incorporated is the parent company of the largest group of undertakings for which consolidated financial statements are drawn up and of which Adobe Systems Danmark ApS is a member. The group financial statements of Adobe Systems Incorporated are available to the public from 345 Park Avenue, San Jose, CA 95110, USA.

The company is 100% owned by its immediate parent company, Adobe Systems Benelux B.V., a company incorporated in the Netherlands.

# PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

*"By my signature I confirm all dates and content in this document."*

**Joakim Juul**

**Statsautoriseret revisor**

On behalf of: KPMG P/S

Serial number: CVR:25578198-RID:52795435

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