

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 2016

The Annual Report was presented and adopted at the Annual General Meeting of the Company on _____ 2017.

Chairman
Jacob Kornerup

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Management's Statement on the Annual Report

The Executive and Supervisory Boards have today considered and adopted the Annual Report for the financial year from 1 December 2015 to 30 November 2016.

The Annual Report was prepared in accordance with the Danish Financial Statements Act. We consider the accounting policies applied are appropriate and the estimates made are reasonable. Furthermore, we consider the overall annual report presentation gives a true and fair view.

Therefore, in our opinion, the Annual Report gives a true and fair view of the financial position and the results of operations of the Company.

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

20 April 2017

Executive Board

Christian Keim

Christian Keim (Apr 20, 2017)

Christian Andreas Helmut Keim

Supervisory Board

Keith San Felipe

Keith San Felipe

Barry Slivinsky

Barry Slivinsky (Apr 20, 2017)

Barry Keith Slivinsky

Christian Keim

Christian Keim (Apr 20, 2017)

Christian Andreas Helmut Keim

Independent auditors' report**To the shareholder of Adobe Systems Danmark ApS****Independent auditors' report on the financial statements**

We have audited the financial statements of Adobe Systems Danmark ApS for the financial year 1 December 2015 to 30 November 2016. The financial statements comprise accounting policies, income statement, balance sheet, and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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.

Auditor's responsibility

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position as at 30 November 2016 and of the results of its operations for the financial year 1 December 2015 to 30 November 2016 in accordance with the Danish Financial Statements Act.

Independent auditors' report continued**Statement on the Management's review**

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen ___ / ___ 2017

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no.:25 57 81 98

Joakim Juul Larsen

State Authorised Public Accountant

Company Information

Adobe Systems Danmark ApS

Islands Brygge 57
DK - 2300 København

Telephone: +45 32 31 60 00

Telefax: +45 32 31 60 01

Website: www.adobe.com/dk

Company number(CVR-nr.):	20 89 68 84
Financial period:	1 December – 30 November
Financial year:	2016
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 2015 to 30 November 2016 shows a net profit of DKK 3.232.216 and the balance sheet on 30 November 2016 shows a shareholder's equity of DKK 7.981.717.

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 2015 to 30 November 2016 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 2015 to 30 November 2016

	Note	Year ended 30 November 2016	Year ended 30 November 2015
		DKK	DKK
Revenue		51.732.025	40.941.924
Gross profit		<u>51.732.025</u>	<u>40.941.924</u>
Distribution expenses		-42.191.233	-33.440.203
Administrative expenses		-5.338.641	-4.340.529
Profit before financial income and expenses		<u>4.202.151</u>	<u>3.161.192</u>
Financial expenses	1	-5.243	-12.536
Profit before tax		<u>4.196.908</u>	<u>3.148.656</u>
Tax on profit for the year	2	-964.692	-694.487
Net profit for the year		<u>3.232.216</u>	<u>2.454.169</u>

Distribution of profit

	Year ended 30 November 2016	Year ended 30 November 2015
	DKK	DKK
<i>The following amount is available for distribution</i>		
Retained profit	3.747.501	3.127.256
Merger gain	0	1.293.076
Dividend paid	0	-3.127.000
Profit for the year	3.232.216	2.454.169
	<u>6.979.717</u>	<u>3.747.501</u>
<i>Proposed distribution of profit</i>		
Proposed dividend for the year	0	0
Retained earnings	<u>6.979.717</u>	<u>3.747.501</u>

*Balance Sheet as at 30 November 2016**Assets*

	Note	30 November 2016 DKK	30 November 2015 DKK
Fixed assets	3	729.808	145.310
Receivables from group enterprises		16.395.058	10.187.449
Other receivables		1.133.837	708.654
Prepayments		142.040	111.264
Receivables		<u>17.670.935</u>	<u>11.007.367</u>
Cash at bank and in hand		<u>3.011.260</u>	<u>2.066.801</u>
Current assets		<u>20.682.195</u>	<u>13.074.168</u>
Total Assets		<u>21.412.003</u>	<u>13.219.478</u>

Balance Sheet as at 30 November 2016***Liabilities and Equity***

	Note	30 November 2016	30 November 2015
		DKK	DKK
Share capital		1.002.000	1.002.000
Retained earnings		6.979.717	3.747.501
Proposed dividend for the year		0	0
Equity	4	<u>7.981.717</u>	<u>4.749.501</u>
Trade payables		362.443	171.228
Corporation tax		203.861	513.373
Other payables		12.863.982	7.785.376
Short-term liabilities		<u>13.430.286</u>	<u>8.469.977</u>
Total Liabilities		<u>13.430.286</u>	<u>8.469.977</u>
Liabilities and equity		<u>21.412.003</u>	<u>13.219.478</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 November 2016	Year ended 30 November 2015
	DKK	DKK
1. Financial expenses		
Interest payable and exchange losses	5.243	12.536
	<hr/>	<hr/>
2. Tax on profit for the year		
Current tax for the year	967.959	752.629
Prior year adjustment	-3.267	-58.142
	<hr/>	<hr/>
Total tax for the year	964.692	694.487
	<hr/>	<hr/>
3. Fixed Assets		Year ended 30 November 2016
		DKK
<i>Fixtures and fittings, tools and equipment</i>		
Cost at beginning of year		4.240.837
Additions for the year		731.838
		<hr/>
Cost at end of year		4.972.675
		<hr/>

Notes to the Annual Report continued

3. Fixed Assets continued	Year ended 30 November 2016
<i>Fixtures and fittings, tools and equipment</i>	DKK
Accumulated depreciation at beginning of year	4.095.527
Depreciation for the year	147.340
Accumulated depreciation at end of year	<u>4.242.867</u>
Carrying amount 30 November 2016	<u>729.808</u>
<i>Depreciated over</i>	<u>3-5 years</u>

4. Equity	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity 1 December 2015	1.002.000	3.747.501	0	4.749.501
Net profit for the year	0	3.232.216	0	3.232.216
Equity 30 November 2016	<u>1.002.000</u>	<u>6.979.717</u>	<u>0</u>	<u>7.981.717</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

5. Rental agreements and leases	30 November 2016 DKK	30 November 2015 DKK
Rent payments concerning committed expenditure	1.427.254	1.153.779
Payments under operating leases concerning cars or other equipment	-	6.768
6. Staff Costs	Year ended 30 November 2016 DKK	Year ended 30 November 2015 DKK
Wages and salaries	35.867.090	28.412.341
Pensions	2.508.596	1.758.641
Other social security expenses	346.635	165.746
	<u>38.722.321</u>	<u>30.336.728</u>
These costs are all recognised in Distribution expenses		
Average number of employees	33	29

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.

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Joakim Juul

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