

**Orchestra A/S**  
**Central Business Registration No**  
**21744409**  
**Adelgade 12, 1.**  
**1304 Copenhagen K**

**Annual report 2015/16**

The Annual General Meeting adopted the annual report on 27.01.2017

## **Chairman of the General Meeting**

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Name: Oskar Philip Justesen Lauritzen

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## **Entity details**

### **Entity**

Orchestra A/S  
Adelgade 12, 1.  
1304 Copenhagen K

Central Business Registration No: 21744409

Registered in: Copenhagen

Financial year: 01.09.2015 - 31.08.2016

### **Board of Directors**

Louis Fournier, formand

Vincent Trépanier

Nicolas Bélanger

### **Executive Board**

Oskar Philip Justesen Lauritzen, administrerende direktør

### **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 Orchestra A/S for the financial year 01.09.2015 - 31.08.2016.

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 31.08.2016 and of the results of its operations for the financial year 01.09.2015 - 31.08.2016.

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.

Copenhagen, 27.01.2017

### **Executive Board**

Oskar Philip Justesen Lauritzen  
administrerende direktør

### **Board of Directors**

Louis Fournier  
formand

Vincent Trépanier

Nicolas Bélanger

## **Independent auditor's reports**

### **To the owners of Orchestra A/S**

#### **Report on extended review of the financial statements**

We have performed an extended review of the financial statements of Orchestra A/S for the financial year 1 September 2015 to 31 August 2016. The financial statements, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity Orchestra A/S and notes, 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 as 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**

Our responsibility is to express an opinion on the financial statements. We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

This requires that we comply with the Danish Public Accountants Act and the ethical rules of FSR – Danish Auditors and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

The extended review has not resulted in any qualification.

#### **Opinion**

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.08.2016 and of the results of its operations for the financial year 01.09.2015 - 31.08.2016 in accordance with the Danish Financial Statements Act.

#### **Emphasis of matter affecting the financial statements**

Without modifying our opinion, we refer to note 1 in which the uncertainty about the continued operations of the Company is described.

Management expects the Parent to finance Orchestra A/S when the Parent obtains financing from its investors and hence is able to finance Orchestra A/S when required. Management has therefore presented the financial statements based on the assumption that the Company is a going concern.

## **Independent auditor's reports**

### **Statement on the management commentary**

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the extended review of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 27.01.2017

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Bjørn Winkler Jakobsen  
State Authorised Public Accountant

CVR-nr. 33963556

## **Management commentary**

### **Primary activities**

The Entity's primary activity comprises developing and selling software and related activities.

### **Development in activities and finances**

Due to the change of the financial year, the financial year covers 12 months against 11 months last year. In this financial year, the Company has been taken over by the Orchestra Group which has affected the Company's operations.

The Company has realised a loss of DKK 5.066 thousand which Management considers unsatisfactory.

### **Outlook**

The Company is head office for all European activities of the Parent.

The Company has lost its equity. The Company, therefore, still falls within the provisions of the Danish Public Companies Act governing loss of capital. The Parent has declared that it will support the company with its obligations.

### **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.

## **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 for 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 one 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.

### **Income statement**

#### **Gross profit or loss**

Gross profit or loss comprises revenue, other operating income, cost of raw materials and consumables and external expenses.



## Accounting policies

### 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 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 write-downs 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.

### Amortisation, depreciation 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 dividends etc received on other investments, interest income, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### Income taxes

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

#### Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

## Accounting policies

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirect attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

### Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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	4-6 years
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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 write-downs 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.

## **Accounting policies**

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Operating leases**

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

### **Other financial liabilities**

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

## Income statement for 2015/16

	<u>Notes</u>	<u>2015/16 DKK</u>	<u>2014/15 (11 mths) DKK'000</u>
<b>Gross profit</b>		<b>1.013.447</b>	<b>4.239</b>
Staff costs	2	(4.917.250)	(5.199)
Depreciation, amortisation and impairment losses	3	(467.666)	(555)
<b>Operating profit/loss</b>		<b>(4.371.469)</b>	<b>(1.515)</b>
Other financial income	4	0	3.235
Other financial expenses	5	(172.558)	(203)
<b>Profit/loss from ordinary activities before tax</b>		<b>(4.544.027)</b>	<b>1.517</b>
Tax on profit/loss from ordinary activities	6	(522.430)	(200)
<b>Profit/loss for the year</b>		<b>(5.066.457)</b>	<b>1.317</b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		(5.066.457)	1.317
		<b>(5.066.457)</b>	<b>1.317</b>

**Balance sheet at 31.08.2016**

	<u>Notes</u>	<u>2015/16 DKK</u>	<u>2014/15 (11 mths) DKK'000</u>
Completed development projects		0	456
<b>Intangible assets</b>	7	<u>0</u>	<u>456</u>
Other fixtures and fittings, tools and equipment		51.093	0
<b>Property, plant and equipment</b>	8	<u>51.093</u>	<u>0</u>
Other receivables		97.874	95
Deferred tax		0	522
<b>Fixed asset investments</b>		<u>97.874</u>	<u>617</u>
<b>Fixed assets</b>		<u>148.967</u>	<u>1.073</u>
Trade receivables		205.772	200
Other short-term receivables		117.411	164
<b>Receivables</b>		<u>323.183</u>	<u>364</u>
<b>Cash</b>		<u>100.899</u>	<u>612</u>
<b>Current assets</b>		<u>424.082</u>	<u>976</u>
<b>Assets</b>		<u>573.049</u>	<u>2.049</u>

**Balance sheet at 31.08.2016**

	<u>Notes</u>	<u>2015/16 DKK</u>	<u>2014/15 (11 mths) DKK'000</u>
Contributed capital		601.524	602
Retained earnings		(6.594.876)	(1.528)
<b>Equity</b>		<b><u>(5.993.352)</u></b>	<b><u>(926)</u></b>
Bank loans		20.694	18
Trade payables		224.952	250
Debt to group enterprises		5.777.423	2.022
Other payables		543.332	685
<b>Current liabilities other than provisions</b>		<b><u>6.566.401</u></b>	<b><u>2.975</u></b>
<b>Liabilities other than provisions</b>		<b><u>6.566.401</u></b>	<b><u>2.975</u></b>
<b>Equity and liabilities</b>		<b><u><u>573.049</u></u></b>	<b><u><u>2.049</u></u></b>
Going concern	1		
Ownership	9		

**Statement of changes in equity for 2015/16**

	<b>Contributed capital DKK</b>	<b>Retained ear- nings DKK</b>	<b>Total DKK</b>
Equity beginning of year	601.524	(1.528.419)	(926.895)
Profit/loss for the year	0	(5.066.457)	(5.066.457)
<b>Equity end of year</b>	<b>601.524</b>	<b>(6.594.876)</b>	<b>(5.993.352)</b>

## Notes

### 1. Going concern

The continued operations of the Company depend on the Parent's ability to meet its ongoing obligations when the Parent obtains financing from its investors and hence is able to finance Orchestra A/S when required. Consequently, Management has presented the financial statements on a going concern basis.

The Company has still lost its equity and falls within the provisions of the Danish Companies Act governing loss of capital. Management expects that the Company in the long term will be able to re-establish its share capital through future earnings and/or capital injection.

	<b>2015/16</b>	<b>2014/15</b>
	<b>DKK</b>	<b>(11 mths)</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>2. Staff costs</b>		
Wages and salaries	4.760.771	5.059
Other social security costs	38.256	68
Other staff costs	118.223	72
	<b>4.917.250</b>	<b>5.199</b>
	<b>2015/16</b>	<b>2014/15</b>
	<b>DKK</b>	<b>(11 mths)</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>3. Depreciation, amortisation and impairment losses</b>		
Amortisation of intangible assets	455.412	540
Depreciation of property, plant and equipment	12.254	15
	<b>467.666</b>	<b>555</b>
	<b>2015/16</b>	<b>2014/15</b>
	<b>DKK</b>	<b>(11 mths)</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>4. Other financial income</b>		
Interest income	0	2
Remission of debt etc	0	3.233
	<b>0</b>	<b>3.235</b>



## Notes

	<b>2015/16</b>	<b>2014/15</b>
	<b>DKK</b>	<b>(11 mths)</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>5. Other financial expenses</b>		
Interest expenses	139.297	29
Other financial expenses	33.261	174
	<b>172.558</b>	<b>203</b>
	<b>2015/16</b>	<b>2014/15</b>
	<b>DKK</b>	<b>(11 mths)</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>6. Tax on ordinary profit/loss for the year</b>		
Change in deferred tax for the year	522.430	200
	<b>522.430</b>	<b>200</b>
		<b>Completed</b>
		<b>development</b>
		<b>projects</b>
		<b>DKK</b>
<b>7. Intangible assets</b>		
Cost beginning of year		1.800.589
<b>Cost end of year</b>		<b>1.800.589</b>
Amortisation and impairment losses beginning of year		(1.345.177)
Amortisation for the year		(455.412)
<b>Amortisation and impairment losses end of year</b>		<b>(1.800.589)</b>
<b>Carrying amount end of year</b>		<b>0</b>

## Notes

	<b>Other fixtures and fittings, tools and equipment DKK</b>
<b>8. Property, plant and equipment</b>	
Cost beginning of year	68.412
Additions	63.347
<b>Cost end of year</b>	<b>131.759</b>
Depreciation and impairment losses beginning of the year	(68.412)
Depreciation for the year	(12.254)
<b>Depreciation and impairment losses end of the year</b>	<b>(80.666)</b>
<b>Carrying amount end of year</b>	<b>51.093</b>

## 9. Ownership

The Company has registered the following shareholder to hold more than 5% of the voting share capital or of the nominal value of the share capital:

Orchestra Inc.

1100 av. Canadiens-de-Montréal, suite # 540

Québec H3B 2S2 Canada