

AVAYA DENMARK APS
ØRESTADS BOULEVARD 73, 2300 KØBENHAVN S
ANNUAL REPORT
1 OCTOBER 2021 - 30 SEPTEMBER 2022

The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 20 April 2023

Roland Arnoldus Cornelus

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

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COMPANY DETAILS

Company	AVAYA DENMARK ApS Ørestads Boulevard 73 2300 Copenhagen S
	Telephone: +45 70 27 99 01 Telefax: +45 70 27 99 02
	CVR No.: 25 44 87 90 Established: 14 June 2000 Municipality: Copenhagen Financial Year: 1 October 2021 - 30 September 2022
Board of Directors	Roland Arnoldus Cornelus Van de Geer, chairman Julien Pierre Henry Hannequart
Executive Board	Roland Arnoldus Cornelus van de Geer
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of AVAYA DENMARK ApS for the financial year 1 October 2021 - 30 September 2022.

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 Company's assets, liabilities and financial position at 30 September 2022 and of the results of the Company's operations for the financial year 1 October 2021 - 30 September 2022.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 20 April 2023

Executive Board

Roland Arnoldus Cornelus van de
Geer

Board of Directors

Roland Arnoldus Cornelus Van de Geer
Chairman

Julien Pierre Henry Hannequart

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of AVAYA DENMARK ApS

Opinion

We have audited the Financial Statements of AVAYA DENMARK ApS for the financial year 1 October 2021 - 30 September 2022, which comprise income statement, Balance Sheet, statement of changes in equity, notes and 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 assets, liabilities and financial position of the Company at *30 September 2022* and of the results of the Company's operations for the financial year 1 October 2021 - 30 September 2022 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' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 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 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.

INDEPENDENT AUDITOR'S REPORT

- 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 Management Commentary

Management is responsible for Management Commentary.

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

Based on the work we have performed, we conclude that 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 Management Commentary.

Copenhagen, 20 April 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Brian Olsen Halling
State Authorised Public Accountant
MNE no. mne32094

MANAGEMENT COMMENTARY

Principal activities

Avaya is a leading global provider of next generation business collaboration and communications solutions, providing unified communications, realtime video collaboration, contact center, and related services to companies of all sizes around the world. Enterprises of all sizes depend on Avaya for state of the art communications that improve efficiency, collaboration, customer service and competitiveness.

Avaya works mainly in Education, Financial Services, Healthcare, State and Local Government, and Hospitality industry verticals. Avaya in the Nordics predominantly works through channel partners. The main partners in the region are Westcon (distributor), TDC / NetDesign and Jansson (Denmark), Tele2 (Sweden), Telia/Cygate (Sweden), NetNordic (acquired IPnett) and Atea (Norway).

Unusual matters

Change resulting from material misstatement

During the year management has found that prior year figures related to accrued income and deferred income was incorrectly stated. Accrued income was overstated by DKK ('000) 132 and deferred income was overstated by 63. Management believes the net impact of these adjustments are immaterial to the understanding of the financial statements as the impact is only DKK ('000) -69. The adjustment has resulted in a decrease of the Equity brought forward of DKK ('000) 69.

Development in activities and financial and economic position

The gross profit for the year totals DKK 8.161.143 against DKK 6.876.714 last year. Income or loss from ordinary activities after tax totals DKK 827,944 against DKK 1.239.342 last year.

Avaya continues to focus on innovation, openness and integration of solutions. Avaya is one of the leaders in the Contact Center and Unified Communications market and is an important player in the Cloud infrastructure market space with products that outperform well established competitors. There has been a significant focus on virtualization and cloud solutions which fits well into the Avaya strategy and roadmap.

The Company's business transitioned from historical Cap-Ex licensing model to a Subscription and Cloud model focus on software and services, and as a result of offers switch, revenue and cost associated reduction since total contract value will be dilutive along contract term. This change in business setup, has resulted in a significant impact of particularly accruals and deferrals related to revenue. This is as a direct result of changing the billing cycle, related to advance billings etc.

The Regional Headcount is expected to remain flat year over year.

Significant events after the end of the financial year

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Future expectations

Avaya continues to operate in a highly competitive business environment with ongoing consolidation of communications vendors and customers. Enterprises are focusing on building an efficient and open communication infrastructure to support the business by enhancing communication and customer service while reducing costs. Industry growth is driven primarily by the transition to the Cloud.

Avaya is positioned for growth with strong offerings in the rapidly expanding areas of Contact Center solutions, enterprise mobility, collaboration and cloud offer's in midmarket and enterprise market. Avaya continues to invest in innovation to meet the demands of customers today and into the future. R&D investment is above the industry average, as we work closely with our customers and partners to shape the future of collaboration.

INCOME STATEMENT 1 OCTOBER - 30 SEPTEMBER

	Note	2021/22 DKK	2020/21 DKK
GROSS PROFIT.....		8,161.139	6,876.714
Staff costs.....	1	-6.604.742	-5.451.415
Depreciation, amortisation and impairment.....		-39.431	-42.915
OPERATING PROFIT.....		1,516.966	1,382.384
Other financial income.....		100.899	903.491
Other financial expenses.....		-517.047	-687.068
PROFIT BEFORE TAX.....		1,100.818	1,598.807
Tax on profit/loss for the year.....	2	-272.874	-359.465
PROFIT FOR THE YEAR.....		827.944	1,239.342
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		827.944	1,239.342
TOTAL.....		827.944	1,239.342

BALANCE SHEET AT 30 SEPTEMBER

ASSETS	Note	2022 DKK	2021 DKK
Other plants, machinery, tools and equipment.....		34.542	75.019
Property, plant and equipment.....	3	34.542	75.019
Rent deposit and other receivables.....		138.964	138.964
Financial non-current assets.....	4	138.964	138.964
NON-CURRENT ASSETS.....		173.506	213.983
Raw materials and consumables.....		36.382	35.528
Inventories.....		36.382	35.528
Trade receivables.....		808.421	462.611
Contract work in progress.....	5	459.461	105.244
Receivables from group enterprises.....		11.326.735	1.438.474
Deferred tax assets.....		57.562	46.524
Other receivables.....		15.906	0
Receivables corporation tax.....		0	112.000
Prepayments and accrued income.....		2.816.816	934.214
Receivables.....		15.484.901	3.099.067
Cash and cash equivalents.....		6.455.088	22.317.736
CURRENT ASSETS.....		21.976.371	25.452.331
ASSETS.....		22.149.877	25.666.314

BALANCE SHEET AT 30 SEPTEMBER

EQUITY AND LIABILITIES	Note	2022 DKK	2021 DKK
Share capital.....		125.000	125.000
Retained profit.....		13.777.889	12.949.945
EQUITY.....		13.902.889	13.074.945
Corporation tax.....		248.801	0
Non-current liabilities.....	6	248.801	0
Prepayments received, contract work in progress	5	933.728	424.314
Trade payables.....		3.667.412	295.638
Payables to group enterprises.....		2.111.003	4.282.858
Corporation tax.....		79.167	105.082
Other liabilities.....		1.079.188	2.658.138
Accruals and deferred income.....		127.689	4.825.339
Current liabilities.....		7.998.187	12.591.369
LIABILITIES.....		8.246.988	12.591.369
EQUITY AND LIABILITIES.....		22.149.877	25.666.314
Contingencies etc.	7		
Related parties	8		

EQUITY

	Share capital	Retained profit	Total
Equity at 1 October 2021	125.000	13.018.578	13.143.578
Change of equity due to correction of errors		-68.633	-68.633
Adjusted equity at 1 October 2021	125.000	12.949.945	13.074.945
Proposed profit allocation.....		827.944	827.944
Equity at 30 September 2022	125.000	13.777.889	13.902.889

The share capital consists of 125 shares of DKK 1.000. Shares are not divided into classes.

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

NOTES

	2021/22 DKK	2020/21 DKK	Note
Staff costs			1
Average number of employees	5	6	
Wages and salaries.....	5.981.805	4.969.650	
Pensions.....	621.961	467.943	
Social security costs.....	976	13.822	
	6.604.742	5.451.415	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	262.801	151.082	
Adjustment of tax for previous years.....	21.110	0	
Adjustment of deferred tax.....	-11.037	208.383	
	272.874	359.465	
Property, plant and equipment			3
		Other plants, machinery, tools and equipment	
Cost at 1 October 2021.....		1.683.718	
Disposals.....		-1.703	
Cost at 30 September 2022.....		1.682.015	
Depreciation and impairment losses at 1 October 2021.....		1.608.328	
Depreciation for the year.....		39.145	
Depreciation and impairment losses at 30 September 2022.....		1.647.473	
Carrying amount at 30 September 2022.....		34.542	
Financial non-current assets			4
		Rent deposit and other receivables	
Cost at 1 October 2021.....		138.964	
Cost at 30 September 2022.....		138.964	
Carrying amount at 30 September 2022.....		138.964	

NOTES

	2022 DKK	2021 DKK	Note		
Contract work in progress			5		
Sales value of completed work.....	1.101.972	518.214			
Progress invoicing/advances received.....	-1.576.239	-837.284			
Contract work in progress, net.....	-474.267	-319.070			
The following is recognised:					
Contract work in progress (asset).....	459.461	105.244			
Contract work in progress (liability).....	-933.728	-424.314			
	-474.267	-319.070			
Long-term liabilities					
	30/9 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	30/9 2021 total liabilities	6
Corporation tax.....	248.801	0	0	0	
	248.801	0	0	0	
Contingencies etc.					
Contingent liabilities					
The company has made a lease commitment that has an interterminal period of 3 month. Total liability for payment of rent amounts to t.DKK 188.					
Related parties					
Consolidated financial statements					
The consolidated financial statements of ultimate parent company can be ordered at the following adress: Sierra Asia Pacific Inc, 211, Mount Airy Road, Basking Ridge, NJ 07920, USA.					

ACCOUNTING POLICIES

The annual report for Avaya Denmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of transaction. Exchange rate differences arising between the rate at the date of transaction and the rate at the date of payment are recognised in the income statement as an item under net financials.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Change resulting from material misstatement

During the year management has found that prior year figures related to accrued income and deferred income was incorrectly stated. Accrued income was overstated by DKK ('000) 132 and deferred income was overstated by 63. Management believes the net impact of these adjustments are immaterial to the understanding of the financial statements as the impact is only DKK ('000) -69. The adjustment has resulted in a decrease of the Equity brought forward of DKK ('000) 69.

Income statement

Gross profit

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.

Gross profit comprises the revenue other operating income and external costs.

Revenue

ACCOUNTING POLICIES

Income from contracts are recognised as revenue as production is carried out whereby revenue corresponds to the selling price of the work performed for the year.

Where products with a high degree of individual adjustment are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total income and expenses regarding the contract and the degree of completion at the Balance Sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the Company.

Other operating income

Other operating income comprise items of a secondary nature to the principal activity of the Company.

Raw materials and consumables

Costs for raw materials and consumables comprise purchase of goods and services for resale

Other external expenses

Other external costs comprise costs incurred sales and administration.

Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

Other staff expenses are recognised in other external expenses.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding debt and foreign currency transactions as well as surcharges and allowances under the tax repayment scheme.

Interest and other costs concerning loans to finance the production of intangible assets and property, plant, and equipment, and relating to production periods are not recognised in the cost of non-current assets.

Tax on net profit or loss of 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.

Statement of financial position

Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

An impairment test of tangible assets is performed in the event of indications of a decrease in value. 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.

Amortisation and impairment of tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. 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:

ACCOUNTING POLICIES

	Useful life	Residual value
Other plant, fixtures and equipment.....	3 - 10 years	0 %

Profit or loss resulting from the sale of tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Impairment of fixed assets

The carrying amount of tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories

Inventories are measured at cost on the basis of the FIFO principle or at the net realisable value if the latter is lower.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts

Contract work in progress

Contract work in progress is measured at the selling price of the work performed less invoicing on account and expected losses.

The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual contracts. The stage of completion is calculated as the share of costs incurred proportional to the estimated total costs of the individual contract.

When the selling price of a contract cannot be reliably determined, it is measured solely as costs incurred, or at the net realisable value, if this is lower.

Contracts are recognised as trade receivables if the selling price of the work performed exceeds the invoicing on account and expected losses. Contracts are recognised as liabilities if the invoicing on account and expected losses exceed the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Deferred income, assets

Deferred income recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

ACCOUNTING POLICIES

Income tax and deferred tax

Current tax receivables and tax liabilities are recognised in the statement of financial position with the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

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.

Other liabilities

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

Accruals and deferred income, equity and liabilities

Accruals and deferred income entered as liabilities consist of payments received regarding income in the subsequent financial years.