



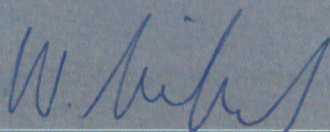
# Unit4 A/S

Robert Jacobsens Vej 72B, st.  
2300 København S  
CVR 26570344

## Annual Report 2015

Approved at the annual general meeting of shareholders on 11 July 2016

Chairman:



William Millard

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## STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

The Board of Directors and the Executive Board have today discussed and adopted the annual report for Unit4 A/S for the financial year 1 January 2015 – 31 December 2015.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position at 31 December 2015 of the Company and of the results of the Company operations for the financial year 1 January 2015 – 31 December 2015.

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

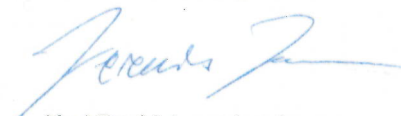
Copenhagen, July 11, 2016

### Executive Board



William Millard

### Board of Directors



Karl David Jeremias Jansson  
Chairman

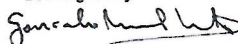
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Jeroen Bruins Slot

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Goncalo Manuel Diogo Da Silva Leitao

# INDEPENDENT AUDITOR'S REPORT

To the shareholders of Unit4 A/S

## Independent auditors' report on the financial statements

We have audited the financial statements of Unit4 A/S for the financial year 1 January – 31 December 2015, which comprise an income statement, balance sheet and notes, including a summary of significant accounting policies. 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*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance to whether the financial statements are free from material misstatement.

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 include 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 at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Copenhagen, 11 July 2016  
Ernst & Young  
Godkendt Revisionspartnerselskab  
CVR No. 30 70 02 28



Kim Thomsen  
State Authorised Public Accountant

## COMPANY DETAILS

### Principal activities of the Company

Unit4 A/S sell, implement, develop and support complete and fully integrated business solutions (ERP). In Denmark focus is on solutions within medium and large businesses in need of economic and project management help.

### The Company

Unit4 A/S  
Robert Jacobsens Vej 72 B, st.  
2300 København S  
Telephone: +45 45 26 35 00  
CVR No. 26 57 04 33

### Board

Karl David Jeremias Jansson  
Goncalo Manuel Diogo Da Silva Leitao  
Jeroen Bruins Slot

### Management

William Millard

### Parent Company

UNIT 4 Sweden Holding AB  
c/o UNIT 4 AB  
PO Box 705  
169 27 Solna  
Sweden

### Ultimate Parent Company

Al Avocado Holding B.V.  
Stationspark 1000  
3364 DA Sliedrecht  
Netherland

### Auditors

Ernst & Young  
Godkendt Revisionspartnerselskab  
Osvald Helmuths Vej 4  
Postboks 250  
2000 Frederiksberg

## INCOME STATEMENT FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2015

Note	2015	2014
Revenue	17.412.979	25.555.948
Cost of sales	-4.475.716	-7.374.558
Other external expenses	-2.646.858	-3.421.593
	<b>10.290.405</b>	<b>14.759.797</b>
<b>Gross profit</b>		
3 Employee cost	-11.281.802	-12.800.793
Depreciation, fixed assets	-988.406	-901.525
	<b>-1.979.803</b>	<b>1.057.479</b>
<b>Operating result before interest and tax (EBIT)</b>		
Financial income	344.327	197.965
4 Financial expenses	-460.324	-421.409
	<b>-2.095.801</b>	<b>834.035</b>
<b>Profit before tax</b>		
Tax on profit for the year	519.866	-305.575
	<b>-1.575.935</b>	<b>528.460</b>
<b>Net profit/loss for the year</b>	<b>-1.575.935</b>	<b>528.460</b>
Which the Supervisory Board proposes be distributed as follows:		
Retained earnings	-1.575.935	528.460
Total amount at disposal	-1.575.935	528.460

## BALANCE SHEET AT 31 DECEMBER 2016

Note	2015	2014
<b>Assets</b>		
<b>Non-current assets</b>		
<b>Intangible assets</b>		
	749.682	26.098
	2.105.783	3.004.910
5	<b>Intangible assets, total</b>	<b>3.031.008</b>
<b>Property, plant and equipment</b>		
	75.553	166.247
6	<b>Property, plant and equipment total</b>	<b>166.247</b>
<b>Financial assets</b>		
7	Deposits	142.160
	<b>Financial assets, total</b>	<b>142.160</b>
	<b>Total non-current assets</b>	<b>3.339.415</b>
<b>Current assets</b>		
<b>Receivables</b>		
	2.817.715	4.855.628
	202.901	2.013.262
	309.999	721.224
	1.093.332	573.466
	59.701	427.461
	<b>Receivables, total</b>	<b>8.591.042</b>
	1.437.691	1.534.443
	<b>Total current assets</b>	<b>10.125.485</b>
	<b>Total assets</b>	<b>13.464.900</b>

## BALANCE SHEET AT 31 DECEMBER 2016

Note		2015	2014
	<b>Equity and liabilities</b>		
	<b>Equity</b>		
8	Share capital	520.000	520.000
	Retained earnings	1.342.000	2.917.937
	<b>Equity, total</b>	<u>1.862.000</u>	<u>3.437.937</u>
	<b>Liabilities other than provisions</b>		
	Accounts payable	345.643	886.713
	Accounts payable, Intercompany	2.430.237	2.880.431
	Other liabilities	4.356.637	6.259.819
	<b>Current liabilities</b>	<u>7.132.517</u>	<u>10.026.963</u>
	<b>Liabilities other than liabilities, total</b>	<u>7.132.517</u>	<u>10.026.963</u>
	<b>Total equity and liabilities</b>	<u><u>8.994.517</u></u>	<u><u>13.464.900</u></u>
9	Contingent liabilities and other financial obligations		
10	Commitments and contingencies not disclosed in the statement of financial position		
11	Related parties		



## STATEMENT OF CHANGES IN THE EQUITY

<b>DKK</b>	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
Equity at 1 January	520.000	2.917.937	3.437.937
Profit/loss for the year	0	-1.575.935	-1.575.935
Equity at 31 December	520.000	1.342.002	1.862.002

# NOTES TO THE FINANCIAL STATEMENTS

## 1 Accounting policies

The annual report of Unit4 A/S for 2015 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

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

The financial statements are presented in Danish kroner.

### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. Any differences between the exchange rate at the balance sheet date and the date when at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currencies are measured at the exchange rate at the transactions date.

## Income statement

### Revenue

Revenue from the sale of services is recognised in the income statement at the date of delivery if the income can be measured reliably and is expected to be realised.

Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

### Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

### Employee costs

Employee costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

# NOTES TO THE FINANCIAL STATEMENT

## Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

## Tax on profit for the year

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that related to the profit/loss for the year is recognised in the income statement, whereas the portion that related to transactions taken to equity is recognised in equity. .

## Balance sheet

### Intangible assets

Development costs are recognised in the income statements as costs in the year of acquisition.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Internal developed software	5 years
-----------------------------	---------

An impairment test is carried out on acquired intangible assets if there is any indication of impairment. The impairment test is made for each individual asset or group of assets. The assets are written down to the higher of the value in use and the net selling price (recoverable amount) of the asset or the group of assets if lower than the carrying amount.

### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Equipment	3-5 years
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Gains and losses are made up as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating costs.

# NOTES TO THE FINANCIAL STATEMENTS

## Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

## Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

## Cash at hand and in bank

Cash at hand and in bank comprise cash and short-term marketable securities which are subject to an insignificant risk and changes in value.

## Equity – dividends

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

## Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statements.

## Liabilities

Other liabilities are measured at net realisable value.

# NOTES TO THE FINANCIAL STATEMENTS

## 2 Financial matters

The Company has realised a loss in 2015 of DKK 1,576 thousand just as the company is expected to be loss making in 2016 due to initiated sales initiatives and development projects. The negative cash flow from operations has been funded by the Group. The Company's ability to continue as a going concern is therefore dependent on continued financing via the Group.

The parent company Unit4 Business Software Holding B.V. has issued a letter of support according to which Unit4 Business Software Holding B.V. will provide financial and other support, as necessary, to the Company continuing at least until 31 December 2016 in order to enable the Company to continue to trade and to meet its liabilities without limitation.

Management has assessed that the parent company has the ability to pay.

**2015**

**2014**

## 3 Employee costs

Employee costs are specified as follows:

Salaries	10.365.121	11.451.814
Pension costs	605.444	475.465
Other social security	302.289	687.003
Other employee costs	8.948	186.511
	<u>11.281.802</u>	<u>12.800.793</u>

## 4 Other financial costs

Interest expenses, intercompany	54.083	185.508
Other interest expenses, exchange rate gain/loss and similar	406.242	235.901
	<u>460.324</u>	<u>421.409</u>

## NOTES TO THE FINANCIAL STATEMENTS

	2015	2014	
<b>5 Intangible assets</b>	Internally developed software	Internally developed software under construction	Total
<b>Cost price</b>			
Carrying amount at 1 January	4.503.002	26.098	4.529.100
Additions during the year	-	723.584	723.584
Disposals during the year	191	-	-
Other movements	34.900	-	34.900
	<u>4.537.711</u>	<u>749.682</u>	<u>5.287.584</u>
Cost price at 31 December			
<b>Amortisation</b>			
Carrying amount at 1 January	1.498.092	-	1.498.092
Amortisation during the year	933.836	-	933.836
	<u>2.431.928</u>	<u>-</u>	<u>2.431.928</u>
Accumulated amortisation at 31 December			
Net book value at 31 December	<u>2.105.783</u>	<u>749.682</u>	<u>2.855.465</u>

## 6 Property, plant and equipment

	Equipment	Total
<b>Cost price</b>		
Carrying amount at 1 January	469.106	469.106
Additions during the year	-	-
Disposals during the year	11.679	11.679
Other movements	-34.900	-34.900
<b>Cost price at 31 December</b>	<u>422.527</u>	<u>422.527</u>
<b>Depreciation</b>		
Carrying amount at 1 January	302.859	302.859
Depreciation during the year	44.115	44.115
<b>Accumulated depreciation at 31 December</b>	<u>346.974</u>	<u>346.974</u>
<b>Net book value at 31 December</b>	<u>75.553</u>	<u>75.553</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 7 Deposits

### Cost price

Balance at 1 January	142.160
Increase during the year	-
Decrease during the year	-
<b>Cost price at 31 December</b>	<u>142.160</u>

## 8 Share equity

The company's share capital has remained DKK 520.000 over the past 5 years

## 9 Contingent liabilities and other financial obligations

No guarantees has been issued as per 31 December

## 10 Commitments and contingencies not disclosed in the statement of financial position

	2015	2014
Rental and lease obligations	<u>683.977</u>	<u>331.125</u>

## 11 Related parties

Controlling interest:

Basis

Unit4 Sweden Holding AB

Main shareholder/parent company  
(100% ownership)

AI Avocado Holding B.V.

Ultimate parent company  
The consolidated financial statements of AI  
Avocado Holding B.V. are available at the  
Company's address.