



**UNIT4 A/S**

Rigensgade 11  
1316 Copenhagen

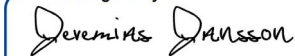
CVR 26 57 04 33

**Annual Report 2018**

Approved at the annual general meeting of shareholders on 12 June 2019

Chairman:

DocuSigned by:

A handwritten signature in black ink that reads "David Stefanus Jansson". The signature is written in a cursive style.

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David Stefanus Jansson

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# STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Unit4 A/S for the financial year 1 January - 31 December 2018.

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 of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

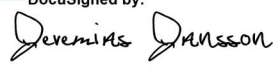
Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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


Copenhagen, 12 June 2019

## Executive Board

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Jacques Van Oortruym

## **Independent auditor's report**

**To the shareholders of Unit4 A/S**

### **Opinion**

We have audited the financial statements of Unit4 A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity 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 financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

### **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 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 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 the financial statements.

## Independent auditor's report

As part of an audit conducted in accordance with ISAs and 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 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 note 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 Company details

Management is responsible for the Company details.

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

Based on the work we have performed, we conclude that the Company details 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 the Company details.

Copenhagen, 12 June 2019  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Kim Thomsen  
State Authorised  
Public Accountant  
mne26736

## 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  
Rigensgade 11  
1316 Copenhagen  
Telephone: +45 45 26 35 00  
CVR No. 26 57 04 33

### **Board**

Karl David Jeremias Jansson  
William Millard  
Jacques Andre Martin Bruins Slot

### **Management**

William Millard

### **Auditors**

Ernst & Young  
Godkendt Revisionspartnerselskab  
Osvold Helmut's Vej 4  
Postboks 250  
2000 Frederiksberg

# INCOME STATEMENT FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2018

Note	2018	2017
<b>Gross profit</b>	<b>24.548.224</b>	<b>21.077.583</b>
1 Staff cost	-19.491.704	-17.556.345
Depreciation, fixed assets	-968.802	-1.493.515
<b>Profit before net financials</b>	<b>4.087.718</b>	<b>2.027.723</b>
Financial income	56.840	4.542
2 Financial expenses	-141.830	-106.199
<b>Profit before tax</b>	<b>4.002.728</b>	<b>1.926.066</b>
Tax for the year	-471.210	-77.848
<b>Profit for the year</b>	<b>3.531.518</b>	<b>1.848.218</b>
Recommended appropriation of profit:		
Retained earnings	3.531.518	1.848.218
	<u>3.531.518</u>	<u>1.848.218</u>

## BALANCE SHEET AT 31 DECEMBER 2018

Note	2018	2017
<b>Assets</b>		
<b>Non-current assets</b>		
<b>Intangible assets</b>		
	<u>1.272.979</u>	<u>2.032.784</u>
Internally developed software		
<sup>3</sup> <b>Intangible assets, total</b>	<b><u>1.272.979</u></b>	<b><u>2.032.784</u></b>
<b>Property, plant and equipment</b>		
	<u>434.784</u>	<u>393.703</u>
Equipment		
<sup>4</sup> <b>Property, plant and equipment total</b>	<b><u>434.784</u></b>	<b><u>393.703</u></b>
<b>Financial assets</b>		
<sup>5</sup> Deposits	<u>465.631</u>	<u>465.631</u>
<b>Financial assets, total</b>	<b><u>465.631</u></b>	<b><u>465.631</u></b>
<b>Total non-current assets</b>	<b><u>2.173.394</u></b>	<b><u>2.892.118</u></b>



**Current assets****Receivables**

Trade receivables	11.637.616	13.767.897
Trade receivables, Intercompany	2.265.524	602.414
Work in progress for third parties	0	94.185
Other receivables	151.573	17.048
Deferred tax asset	300.086	772.145
Prepayments and accrued income	0	176.996

**Receivables, total**

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	<b>14.354.799</b>	<b>15.430.685</b>
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**Cash at hand and in bank**

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	6.892.282	250.986
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**Total current assets**

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	<b>21.247.081</b>	<b>15.681.672</b>
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**Total assets**

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	<b>23.420.475</b>	<b>18.573.790</b>
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## BALANCE SHEET AT 31 DECEMBER 2018

Note		2018	2017
	<b>Equity and liabilities</b>		
	<b>Equity</b>		
6	Share capital	520.000	520.000
	Reserve for development expenditure	972.100	972.100
	Retained earnings	7.883.335	4.351.817
	<b>Equity, total</b>	<b>9.375.435</b>	<b>5.843.917</b>
	<b>Liabilities other than provisions</b>		
	Accounts payable	454.630	610.198
	Accounts payable, Intercompany	1.250.859	4.902.507
	Prepayments on work in progress	1.189.141	943.617
	Deferred income	3.180.095	348.621
	Other liabilities	7.970.315	5.924.930
	<b>Current liabilities</b>	<b>14.045.040</b>	<b>12.729.873</b>
	<b>Liabilities other than provisions, total</b>	<b>14.045.040</b>	<b>12.729.873</b>
	<b>Total equity and liabilities</b>	<b>23.420.475</b>	<b>18.573.790</b>
7	Contingent liabilities and other financial obligations		
8	Commitments and contingencies not disclosed in the statement of financial position		
9	Related parties		

## STATEMENT OF CHANGES IN THE EQUITY

<b>DKK</b>	<b>Share capital</b>	<b>Reserve for development expenditure</b>	<b>Retained earnings</b>	<b>Total</b>
Equity at 1 January 2018	<b>520.000</b>	<b>972.100</b>	<b>4.351.817</b>	<b>5.843.917</b>
Profit for the year	-	-	3.531.518	3.531.518
Reserve for development expenditure	-	-149.553	149.553	-
Equity at 31 December 2018	<b>520.000</b>	<b>822.547</b>	<b>8.032.888</b>	<b>9.375.435</b>

## NOTES TO THE FINANCIAL STATEMENTS

	<b>2018</b>	<b>2017</b>
<b>1 Staff cost</b>		
Staff costs are specified as follows:		
Salaries	18.128.038	15.877.942
Pension costs	1.158.054	1.013.803
Other social security	152.743	317.272
Other employee costs	52.869	347.328
	<u>19.491.704</u>	<u>17.556.345</u>

Average number of employees	21	19
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## 2 Financial expenses

Interest expenses, intercompany	126.320	61.133
Other interest expenses, exchange rate gain/loss and similar	15.510	45.066
	<u>141.830</u>	<u>106.199</u>

<b>3 Intangible assets</b>	Internally developed software
<b>Cost price</b>	
Carrying amount at 1 January 2018	6.779.310
Additions during the year	0
Disposals during the year	0
Cost price at 31 December 2018	<b>6.779.310</b>
<b>Amortisation</b>	
Carrying amount at 1 January 2018	4.746.526
Amortisation during the year	759.805
Accumulated amortisation at 31 December 2018	<b>5.506.331</b>
Net book value at 31 December 2018	<b>1.272.979</b>

#### 4 Property, plant and equipment

	Equipment
<b>Cost price</b>	
Carrying amount at 1 January 2018	879.316
Additions during the year	250.078
Disposals during the year	0
<b>Cost price at 31 December 2018</b>	<b>1.129.394</b>
	<hr/>
<b>Depreciation</b>	
Carrying amount at 1 January 2018	485.613
Depreciation during the year	208.996
Disposals	0
<b>Accumulated depreciation at 31 December 2018</b>	<b>694.609</b>
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<b>Net book value at 31 December 2018</b>	<b>434.785</b>
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#### 5 Deposits

<b>Cost price</b>	
Balance at 1 January 2018	465.631
Additions	0
Disposals	0
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<b>Cost price at 31 December 2018</b>	<b>465.631</b>
	<hr/> <hr/>

**6 Share equity**

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

**7 Contingent liabilities and other financial obligations**

No guarantees have been issued as per 31 December.

**8 Commitments and contingencies not disclosed in the statement of financial position**

	<b>2018</b>	<b>2017</b>
Rental obligations, office premises	<b>3.642.648</b>	<b>4.502.859</b>

**9 Related parties**

Controlling interest:

Basis

Unit4 Nordics 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.

# ACCOUNTING POLICIES

## *General*

The Annual Report of **UNIT4 A/S** for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B and elective choice of certain provisions applying to reporting class C entities.

The accounting policies applied by the Company are consistent with those of last year.

The financial statements for 2018 are presented in DKK.

## **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 the Company's services and products is recognised in the income statement provided that delivery and transfer of risk have taken place before year end.

Contract work in progress is recognised as the services are provided. Accordingly, revenue corresponds to the selling price of work performed during the year (percentage of completion method). This method is used when total income and expenses relating to the consultancy contract and the stage of completion at the balance sheet date can be reliably measured, and when it is probable that future economic benefits, including payments, will flow to the Company.

### **Gross profit**

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Other operating income', 'Cost of sales' and 'Other external expenses' are consolidated into one item designated 'Gross profit'.



### **Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

### **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.

### **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
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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.

### **Impairment of non-current assets**

The carrying amount of plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

### **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.

### **Work in progress for third parties**

Contract work in progress is measured at the selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is determined as the share of the expenses incurred relative to the expected expenses for the contract. When it is probable that the total project costs will exceed total income from a contract, the expected loss is recognised in the income statement.

When the selling price cannot be determined reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Progress billing and invoicing in advance are deducted from the selling price. The individual contracts are classified as receivables when the net value is positive and as a liability when the net value is negative.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

### **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'.

### **Reserve for development expenditure**

The reserve for development expenditure comprises recognised development costs. The reserve cannot be used to distribute dividends or cover losses. The reserve will be reduced or dissolved if the recognised development costs are no longer part of the Company's operations by a transfer directly to the distributable reserves 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.