Unity IPR ApS
Løvstræde 5
1152 København K
Central Business Registration
No 30719883

Annual report 2016

The Annual General Meeting adopted the annual report on 6th of July 2017

Chairman of the General Meeting

Name: Jacob Kornerup

Contents

Entity details

Entity
Unity IPR ApS
Løvstræde 5
1152 Copenhagen

Central Business Registration No: 30719883
Founded: 30.06.2007
Registered in: Copenhagen
Financial year: 01.01.2016 - 31.12.2016

E-mail: ingo@unity3d.com

Executive Board
Michael Wikkelsø Håkan
Michael David Foley

Auditors
KPMG Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
Postbox 1600
2100 Copenhagen

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of Unity IPR ApS for the financial year 01.01.2016 - 31.12.2016.

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

In our opinion, the consolidated and Parent Company financial statements give a true and fair view of the Group's and Parent Company's assets, liabilities and financial position at 31.12.2016 and of the results of the Group's and Parent Company's operations and consolidated cash flows for the financial year 01.01.2016 - 31.12.2016.

Management commentary contains a fair review of the affairs and conditions refered to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 6th of July 2017

Executive Board

Michael Wikkelsø Håkan

MD Foley

Michael David Foley

Independent auditor's report

To the shareholder of Unity IPR ApS

Opinions

We have audited the consolidated financial statements and the Parent Company financial statements of Unity IPR ApS for the financial year 01.01.2016 - 31.12.2016 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and Parent Company financial statements are prepared in accordance with the Danish Financial Statements Act.

Opinion on the consolidated and Parent Company financial statements for 2016

In our opinion, the consolidated financial statements and the Parent Company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31.12.2016 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Qualified opinion on comparative figures in the consolidated and Parent Company financial statements

In our opinion, apart from the possible effect of the matter described in the section "Basis for qualified opinion", the comparative figures in the consolidated and Parent Company financial statements give a true and fair view Group's and the Parent Company's assets, liabilities and financial position at 31.12.2015 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Basis for qualified opinion

As described in the introduction to the accounting policies in the financial statements, Management discovered in connection with the preparation of the consolidated and Parent Company financial statements for 2016 that the consolidated and Parent Company financial statements for 2015 included a material error regarding recognition of balances with certain group entities in the subsidiary Unity Technologies ApS. Management considers the error to be material and has restated the comparative figures in the consolidated and the Parent Company for 2015 and equity at 31.12.2015 in accordance with section 52(2) of the Danish Financial Statements Act.

Management has adjusted the entire effect of the identified errors in the income statement in the consolidated and the Parent Company financial statements for 2015, and thus, profit for 2015 in the consolidated and the Parent Company financial statements has been reduced by DKK 39.5 million compared to the published annual report for 2015. We have not been presented with documentation that the entire effect of the identified errors is related to the income statement for 2015 or whether a portion thereof should be adjusted in previous years. Consequently, we modify our opinion in respect of the comparative figures for 2015 in the income statement that may be misstated at an amount totalling up to DKK 39.5 million.

Our opinion on the consolidated and the Parent Company financial statements for 2016 is not modified in this respect.

Independent auditor's report

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 consolidated financial statements and the Parent Company financial statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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

Management's responsibilities for the consolidated financial statements and the Parent Company financial statements

Management is responsible for the preparation of consolidated financial statements and Parent Company 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 consolidated financial statements and Parent Company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the Parent Company financial statements, Management is responsible for assessing the Group's and the Parent 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 consolidated financial statements and the Parent Company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the Parent Company financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the Parent Company 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these consolidated financial statements and Parent Company financial statements.

As part of an audit conducted in accordance with ISAs and the 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 consolidated financial statements and the Parent Company 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

Independent auditor's report

fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Otain 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 Group's and the Parent 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 consolidated financial statements and the Parent Company 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 Group's and the Parent 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 consolidated financial statements and the Parent Company 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 Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the Parent Company financial statements, including the disclosures, and whether the consolidated financial statements and the Parent Company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 management commentary
Management is responsible for the management's commentary.

Our opinion on the consolidated financial statements and the Parent Company financial statements does not cover the management's commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the Parent Company financial statements, our responsibility is to read the management's commentary and, in doing so, consider whether the management's commentary is materially inconsistent with the consolidated financial statements or the Parent

Independent auditor's report

Company 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 management commentary provides the information required under the Danish Financial Statements Act.

As mentioned in the section "Basis for qualified opinion" above, Management has restated the comparative figures in the consolidated and the Parent Company financial statements for 2015. As mentioned, we have not been presented with documentation that the entire effect of the identified errors should be adjusted in the income statement for 2015 or whether a portion thereof should be adjusted in previous years.

Thus, we draw attention to the fact that the financial highlights in the Management's Commentary review for the years 2012-2015 may be misstated.

We did not identify any material misstatement of the Management's Commentary.

Copenhagen, 6th of July 2017

KPMG
Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 25578198

David Olafsson
State Authorised Public Accountant

Kenn W. Hansen
State Authorised Public Accountant

Management commentary

	2016 DKK'000	2015 DKK'000	2014 mDKK	2013 mDKK	2012 mDKK
Group financial highlights					
Key figures					
Revenue	738.025	681.450	444	324	298
Gross profit/loss	(55.450)	86.551	201	110	103
Operating profit/loss	(327.828)	(85.996)	99	32	34
Net financials	3.967	(19.276)	55	(6)	(8)
Profit/loss for the year	(346.618)	(80.556)	117	19	13
Total assets	653.212	452.789	476	586	400
Investments in property, plant and equipment	57.599	8.046	3	3	5
Equity	256.057	75.966	155	38	18
Cash flows from operating activities	(374.813)	43.051	13	(32)	59
Cash flows from investing activities	(64.763)	(22.004)	(3)	0	(7)
Cash flows from financing activities	527.674	0	0	0	0
Total cash flows	88.098	21.047	10	(32)	52
Employees in average	427	286	177	149	140
Ratios					
Return on equity (%)	(208,9)	(69,8)	121,3	67,7	102,0
Solvency ratio (%)	39,2	16,8	32,6	6,5	4,5

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts. The financial highlight for the year 2012 - 2015 have been restated compared to last year. The reason is that Management has noted that "Total assets" in previous years have been wrongly stated. Financial ratios for the years 2012 - 2015 have consequently also been recalculate.

Ratios	Calculation formula	Ratios reflect
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the Group by the owners.
Solvency ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the Group.

Management commentary

The Group's primary activities

Unity IPR ApS is an international software technology Group that builds, markets and sells software tools primarily to video game development companies and individual game developers. Unity builds and sells game engine software, also called the Unity Editor, which greatly simplifies the process of building mobile game apps as well as console and computer based games. The Unity Editor is sold by both offline sales people, and through the Group's Online Store at unity3d.com.

Development in activities and finances

The Group has realized a loss of DKK 346,618k, which the Management expected in consideration of the Group's continuing development of the Unity product.

The focus on R&D has resulted in increased development costs in 2016 and the profit/loss of the year is negatively affected by a substantial increase in the Group's external costs, including expensed development costs, etc.

Material errors

In connection with the preparation of the consolidated financial statements and Parent Company financial statements for 2016, Management discovered that the consolidated financial statements and parent company financial statements for 2015 included a material error. The material error relates to recognition of balances with certain group entities in the subsidiary Unity Technologies ApS. Consequently, the comparative figures for 2015 in both the consolidated financial statements and Parent Company financial statements have been restated. The restatement has entailed a reduction in the profit after tax for 2015 and equity at 31 December 2015 in both the consolidated financial statements and Parent Company financial statements of DKK 39.5 Million. The comparative figures for total assets in Parent Company financial statements have also been reduced by DKK 39.5 Million.

Further Management has in the comparative figures in the consolidated financial statements done some reclassifications between receivables from and debt to group enterprises. The total effect of the material error and the reclassifications is an increase of balance sheet total of DKK 174.0 Million, which can be specified as follows:

Assets	
Increase in deferred tax asset:	DKK 11.3 Million
Increase in receivables from group enterprises:	DKK 162.7 Million
Total	DKK 174.0 Million
Decrease in equity	DKK -39.5 Million
Increase in debt to group enterprises	DKK 213.5 Million
Total	DKK 174.0 Million

Further the comparative figures in the consolidated cash flow statement have been restated.

Management commentary

Capital resources

In connection with issuing the consolidated financial statements and Parent Company financial statements a letter of comfort has been received from Unity Software Inc. (ultimate Parent Company) dated 29 may 2017. Unity Software Inc. has received DKK 2.7 billion in funding from new investors in 2017.

Interest rate and currency risks

The Group has no interest rate or currency risks except for the common interest and currency movements of the significant rates used for the Group's commercial transactions. The Group only hedges foreign currency positions.

Uncertainty relating to recognition and measurement

No deferred tax asset has been recognized in the consolidated finacial statements and Parent Company financial statements, due to uncertainty regarding the timeline for future usage. The Group will assess whether to recognize the tax asset in the coming periods.

There are no other financial matters where estimates have or will affect the Group's result or balance sheet significantly.

Unusual circumstances affecting recognition and measurement

During the financial year the Group's operation has not been affected by other matters.

Outlook

For the next year, the Group expects to continue its investment plan. The result for 2017 is expected to be in line with 2016.

Intellectual capital resources

The Group are committing considerable resources on maintaining and developing competencies, including continuously updated knowledge of internal and external matters and quality assurance.

Environmental matters

As the Group is a software based Group, its primary environmental policy concerns the work environment. The Group's health and safety policies are fully compliant with the local laws and regulations.

The Group is investing in education of its Health and Safety committee to ensure is compliant with the current development in work environment community and local laws. Due to the rapid expansion of the Group the Health and Safety committee is expected to add 1 additional member in 2018.

Research and development activities

In 2016, the Group incurred significant research and development costs relating to the Group's main product. Investments in R&D will ensure that the Group can maintain and improve its market position in the coming years.

Management commentary

Statutory report on corporate social responsibility

At the current stage, the Group has not implemented any formal policies to CSR, impacts on climate, human rights and environment.

Statutory report on the underrepresented gender

The Group is working to increase the number of female managers in the Group. The status is now that none of the members of the Executive Board in the Company are women, middle-management is represented by 4 female managers. We continue our strong focus on increasing women in our management levels. This is enforced through our actions targeting the recruitment process in the Group to ensure that female candidates are applying for such positions.

The Group has a target to hire one female as a member of the Executive Board in the company before the end of 2021 though, we operate in an industry dominated by men, we will maintain high focus on meeting our target for the composition of the Executive Board.

Consolidated income statement for 2016

	Notes	2016 DKK'000	2015 DKK'000
Revenue	1	738.025	681.450
Variable costs		(162.721)	(120.849)
Other external expenses	2	(630.754)	(474.050)
Gross profit/loss		**(55.450)**	**86.551**
Staff costs	3	(263.754)	(167.756)
Depreciation, amortisation and impairment losses	4	(8.624)	(4.791)
Operating loss		**(327.828)**	**(85.996)**
Other financial income	5	8.172	23.663
Other financial expenses	6	(4.205)	(42.939)
Loss before tax		**(323.861)**	**(105.272)**
Tax on loss for the year	7	(22.757)	24.716
Loss for the year	8	**(346.618)**	**(80.556)**

Consolidated balance sheet at 31.12.2016

	Notes	2016 DKK'000	2015 DKK'000
Goodwill	9	9.634	13.193
Intangible assets		**9.634**	**13.193**
Other fixtures and fittings, tools and equipment		57.136	8.226
Property, plant and equipment	10	**57.136**	**8.226**
Deposits		12.531	7.231
Deferred tax	11	0	19.976
Fixed asset investments		**12.531**	**27.207**
Fixed assets		**79.301**	**48.626**
Trade receivables		109.459	35.737
Receivables from group enterprises		212.202	189.508
Other receivables		4.847	2.562
Income tax receivable		1.657	5.569
Prepayments	12	12.885	26.024
Receivables		**341.050**	**259.400**
Cash		**232.861**	**144.763**
Current assets		**573.911**	**404.163**
Assets		**653.212**	**452.789**

Consolidated balance sheet at 31.12.2016

	Notes	2016 DKK'000	2015 DKK'000
Contributed capital		140	140
Retained earnings		255.917	75.826
Equity		**256.057**	**75.966**
Trade payables		44.699	29.252
Payables to group enterprises		111.117	213.516
Other payables		72.992	33.633
Deferred income	13	168.347	100.422
Current liabilities other than provisions		**397.155**	**376.823**
Liabilities other than provisions		**397.155**	**376.823**
Equity and liabilities		**653.212**	**452.789**
Events after the balance sheet date	15		
Contingent liabilities	16		
Transactions with related parties	17		
Consolidation and ownership	18		

Consolidated statement of changes in equity for 2016

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	140	115.311	115.451
Decrease of equity through corrections of errors (net)	0	(39.485)	(39.485)
Adjusted equity, beginning of year	**140**	**75.826**	**75.966**
Exchange rate adjustments	0	(965)	(965)
Contribution from Parent Company	0	527.674	527.674
Profit/loss for the year	0	(346.618)	(346.618)
Equity end of year	**140**	**255.917**	**256.057**

In connection with issuing the consolidated financial statements a letter of comfort has been received from Unity Software Inc. (Ultimate Parent Company) Dated 29. May 2017. Unity Software Inc. has received DKK 2.7 billion in funding from new investors in 2017. Thus, the consolidated financial statements for 2016 is prepared under the assumption of going concern.

The contributed capital consist of 100 shares of a nominel value of DKK 1.400,72. The contributed capital is not divided into classes. No shares carry any special rights.

There have been no changes in the contributed capital during the past 5 years.

Consolidated cash flow statement for 2016

	Notes	2016 DKK'000	2015 DKK'000
Operating loss		(327.828)	(85.996)
Amortisation, depreciation and impairment losses		8.624	4.791
Working capital changes	14	(65.197)	180.232
Cash flow from ordinary operating activities		**(384.401)**	**99.027**
Financial income		8.399	23.663
Financial expenses		(2.821)	(42.939)
Company taxes		4.010	(36.700)
Cash flows from operating activities		**(374.813)**	**43.051**
Aquisition of intangible assets		(1.864)	(8.834)
Aquisition of property, plant and equipment		(57.599)	(8.046)
Increase in deposits		(5.300)	(5.124)
Cash flows from investing activities		**(64.763)**	**(22.004)**
Contribution from parent company		527.674	0
Cash flows from financing activities		**527.674**	**0**
Increase/decrease in cash and cash equivalents		**88.098**	**21.047**
Cash and cash equivalents beginning of year		144.762	123.715
Cash and cash equivalents end of year		**232.861**	**144.762**

Notes to consolidated financial statements

	2016 DKK'000	2015 DKK'000
1. Revenue		
Revenue by geographical market		
Denmark	1.123	3.692
Other countries	736.902	677.758
	738.025	**681.450**
Revenue by activity		
Contract Sales	273.013	217.740
Products and websales	465.012	463.710
	738.025	**681.450**

	2016 DKK'000	2015 DKK'000
2. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	1.115	420
Tax services	0	60
Other services	100	376
	1.215	**856**

	2016 DKK'000	2015 DKK'000
3. Staff costs		
Wages and salaries	237.553	160.665
Pension costs	12.330	5.684
Other social security costs	13.871	1.407
	263.754	**167.756**
Average number of employees	**427**	**286**

	Remunera-tion of manage-ment 2016 DKK'000	Remunera-tion of manage-ment 2015 DKK'000
Executive Board	4.422	1.962
	4.422	**1.962**

Special incentive programmes

Management is part of a Global Stock Option plan managed out of Unity Software Inc. (ultimate Parent Company of the Unity Group).

Notes to consolidated financial statements

	2016 DKK'000	2015 DKK'000
4. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	1.102	698
Depreciation of property, plant and equipment	7.522	4.093
	8.624	**4.791**

	2016 DKK'000	2015 DKK'000
5. Financial income		
Exchange rate adjustments	7.846	22.778
Other interest income	76	885
	8.172	**23.663**

	2016 DKK'000	2015 DKK'000
6. Financial expenses		
Financial expenses to Group Enterprises	2.292	0
Exchange rate adjustments	1.384	0
Other financial expenses	529	42.939
	4.205	**42.939**

	2016 DKK'000	2015 DKK'000
7. Tax on loss for the year		
Tax on current year taxable income	2.254	(4.927)
Change in deferred tax for the year	20.213	(19.789)
	22.757	**(24.716)**

	2016 DKK'000	2015 DKK'000
8. Proposed distribution of loss		
Retained earnings	(346.618)	(80.556)
	(346.618)	**(80.556)**

Notes to consolidated financial statements

9. Intangible assets

	Goodwill DKK'000
Cost beginning of year	20.590
Exchange rate adjustments	475
Additions	1.864
Disposals	(4.359)
Cost end of year	**18.570**
Amortisation and impairment losses beginning of year	(7.397)
Exchange rate adjustments	(437)
Amortisation for the year	(1.102)
Amortisation and impairment losses end of year	**(8.936)**
Carrying amount end of year	**9.634**

10. Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	22.830
Exchange rate adjustments	(1.053)
Additions	57.599
Disposals	(12.328)
Cost end of year	**67.048**
Depreciation and impairment losses beginning of the year	(14.604)
Exchange rate adjustments	892
Depreciation for the year	(7.522)
Reversal regarding disposals	11.322
Depreciation and impairment losses end of the year	**(9.912)**
Carrying amount end of year	**57.136**

Notes to consolidated financial statements

11. Deferred tax

	2016 DKK'000	2015 DKK'000
Intangible assets	(177)	(14)
Property, plant and equipment	127	474
Tax loss carry forwards	94.299	25.464
Deferred tax before write down	94.250	25.924
Write Down	(94.250)	(5.948)
	0	19.976

	2016 DKK'000	2015 DKK'000
Deferred tax beginning of year	19.976	187
Change in deferred tax	74.274	25.737
Deferred tax before write down	94.250	25.924
Write Down	(94.250)	(5.948)
Deferred tax end of year	0	19.976

12. Prepayments

	2016 DKK'000	2015 DKK'000
Software licenses	8.240	24.531
Rent	1.151	1.242
Other	3.494	251
	12.885	26.024

13. Deferred Income

Deferred income consists of deferred revenue.

	2016 DKK'000	2015 DKK'000
14. Change in working capital		
Increase/decrease in receivables	(78.271)	78.487
Increase/decrease in short term debt etc	12.179	100.633
Other changes	895	1.112
	(65.197)	180.232

Notes to consolidated financial statements

15. Events after the balance sheet date

After the balance sheet date until today no events have occurred, which would materially influence the Group's financial position.

16. Contingent liabilities

The Group has concluded rental commitments of a total of DKK 52.564k for the period of interminability until 30th September 2021. The Group has provided bank gaurantee for the rentals and the third parties payables amounts to 878k.

17. Transactions with related parties

Arm's length principle has been applied to transactions with related parties.

18. Consolidation and ownership

The following shareholders are registrered in the Company's books as holding a minimum of 5% of the votes or at least 5% of the shareholder capital:
Unity Technologies Singapore Pte. Ltd., Singapore

Name and registered office of the Parent preparing consolidated financial statements for the larget group:
Unity Software Inc, USA

Ultimate Parent Company Unity Software Inc. has at the date of this financial statement, not issued their financial statement for 2016.

Parent Company income statement for 2016

	Notes	2016 DKK'000	2015 DKK'000
Other external expenses		0	(63)
Gross loss		**0**	**(63)**
Depreciation, amortisation and impairment losses	1	(693)	(752)
Operating loss		**(693)**	**(815)**
Income from investments in group enterprises		(344.336)	(81.382)
Other financial income	2	0	2.280
Other financial expenses	3	(1.896)	(7)
Loss before tax		**(346.925)**	**(79.924)**
Tax on loss for the year	4	307	(632)
Loss for the year	5	**(346.618)**	**(80.556)**

Parent Company balance sheet at 31.12.2016

	Notes	2016 DKK'000	2015 DKK'000
Goodwill		5.771	6.464
Intangible assets	6	**5.771**	**6.464**
Investments in group enterprises		250.184	68.958
Fixed asset investments	7	**250.184**	**68.958**
Fixed assets		**255.955**	**75.422**
Receivables from group enterprises		0	16.874
Income tax receivable		0	5.569
Prepayments	8	0	41
Receivables		**0**	**22.484**
Cash		**7.052**	**1.981**
Current assets		**7.052**	**24.465**
Assets		**263.007**	**99.887**

Parent Company balance sheet at 31.12.2016

	Notes	2016 DKK'000	2015 DKK'000
Contributed capital		140	140
Reserve for net revaluation according to the equity method		0	63.824
Retained earnings		255.917	12.002
Equity		**256.057**	**75.966**
Payables to group enterprises		6.955	23.921
Current liabilities other than provisions		**6.955**	**23.921**
Liabilities other than provisions		**6.955**	**23.921**
Equity and liabilities		**263.007**	**99.887**
Events after the balance sheet date	9		
Joint taxation	10		
Transactions with related parties	11		
Consolidation and ownership	12		

Parent Company statement of changes in equity for 2016

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	140	102.245	13.066	115.451
Decrease of equity through correction of errors (net)	0	(39.485)	0	(39.485)
Other reclassifications	0	1.064	(1.064)	0
Adjusted equity, beginning of year	**140**	**63.824**	**12.002**	**75.966**
Exchange rate adjustments	0	(968)	0	(968)
Contribution from Parent Company	0	0	527.667	527.667
Profit/loss for the year	0	(62.856)	(283.759)	(346.618)
Equity end of year	**140**	**0**	**255.917**	**256.057**

In connection with issuing the Parent Company financial statements a letter of comfort has been received from Unity Software Inc. (Ultimate Parent Company) Dated 29. May 2017. Unity Software Inc. has received DKK 2.7 billion in funding from new investors in 2017. Thus, the financial statements for 2016 is prepared under the assumption of going concern.

The contributed capital consist of 100 shares of a nominel value of DKK 1.400,72. The contributed capital is not divided into classes. No shares carry any special rights.

There have been no changes in the contributed capital during the past 5 years.

Notes to Parent Company financial statements

	2016 DKK'000	2015 DKK'000
1. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	693	752
	693	**752**

	2016 DKK'000	2015 DKK'000
2. Other financial income		
Exchange rate adjustments	0	2.280
	0	**2.280**

	2016 DKK'000	2015 DKK'000
3. Other financial expenses		
Exchange rate adjustments	1.384	0
Other financial expenses	512	7
	1.896	**7**

	2016 DKK'000	2015 DKK'000
4. Tax on loss for the year		
Current tax	0	(382)
Adjustment concerning previous years	307	(250)
	307	**(632)**

	2016 DKK'000	2015 DKK'000
5. Proposed distribution of profit/loss		
Transferred to reserve for net revaluation according to the equity method	(62.856)	(81.672)
Retained earnings	(283.762)	1.116
	(346.618)	**(80.556)**

Notes to Parent Company financial statements

	Goodwill DKK'000
6. Intangible assets	
Cost beginning of year	6.926
Cost end of year	**6.926**
Amortisation and impairment losses beginning of year	(462)
Amortisation for the year	(693)
Amortisation and impairment losses end of year	**(1.155)**
Carrying amount end of year	**5.771**

	Investments in group enterprises DKK'000
7. Fixed asset investments	
Cost beginning of year	6.197
Additions	532.688
Reclassifications etc.	(5.422)
Cost end of year	**533.463**
Revaluations beginning of year	102.245
Decrease of equity through correction of errors (net)	(39.485)
Exchange rate adjustments	(963)
Reclassifications etc.	(740)
Share of profit/loss for the year	(344.366)
Revaluations end of year	**(283.279)**
Carrying amount end of year	**250.184**

	Registered in	Equity interest %
Investments in group entreprises comprise:		
Unity Technologies ApS	Denmark	100,0
Unity Software Limited	UK	100,0
Unity Technologies LT, UAB	Lithuania	100,0
Unity Technologies Canada Company	Canada	100,0
Unity Technologies SARL	France	100,0
Unity Technologies Sweden AB	Sweden	100,0
Unity Technologies S.A.S.	Colombia	100,0

Notes to Parent Company financial statements

8. Prepayments

	2016 DKK'000	2015 DKK'000
Other	0	41
	0	**41**

9. Events after the balance sheet date

After the balance sheet date until today no events have occurred, which materially influence the Parent Company's financial position.

10. Joint Taxation

The Parent Company participates in a Danish joint taxation arrangement in which the Parent company serves as the administration Parent company. The Entity is therefore proportionately liable for tax claims in the joint taxation arrangement.

The Entity is jointly proportional to any obligation to withhold tax on interest, royalties and dividends for the jointly taxed entities.

11. Transactions with related parties

Arm's length principle has been applied to transactions with related parties.

12. Consolidation and ownership

The following shareholders are registrered in the Company's books as holding a minimum of 5% of the votes or at least 5% of the shareholder capital:
Unity Technologies Singapore Pte. Ltd., Singapore

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Unity Software Inc, USA.

Ultimate Parent Company Unity Software Inc. has at the date of this financial statement, not issued their financial statement for 2016.

Accounting policies

This annual report for Unity IPR ApS for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

As from 1 January 2016, the Group and the Parent Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

- Going forward, the residual value of intangible assets and property, plant and equipment must be re-assessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.

The changes have no monetary effect on the income statement and balance sheet for 2015 and 2016.

Furthermore, reclassifications of amounts between certain items in the income statement, balance sheet and consolidated cash flow statement have been done. Comparative figures has been restated.

Apart from the above, the accounting policies used in preparation of the financial statements are consistent with last year.

Material errors and other adjustments in comparative figures for 2015
In connection with the preparation of the consolidated financial statements and Parent Company financial statements for 2016, Management discovered that the consolidated financial statements and Parent Company financial statements for 2015 included a material error. The material error relates to recognition of balances with certain group entities in the subsidiary Unity Technologies ApS. Consequently, the comparative figures for 2015 in both the consolidated financial statements and Parent Company financial statements have been restated. The restatement has entailed a reduction in the profit after tax for 2015 and equity at 31 December 2015 in both the consolidated financial statements and Parent Company financial statements of DKK 39.5 Million. The comparative figures for total assets in Parent Company financial statements have also been reduced by DKK 39.5 Million.

Further Management has in the comparative figures in the consolidated financial statements done some reclassifications between receivables from and debt to group enterprises. The total effect of the material error and the reclassifications is an increase of balance sheet total of DKK 174.0 Million, which can be specified as follows:

Assets	
Increase in deferred tax asset:	DKK 11.3 Million
Increase in receivables from group enterprises	DKK 162.7 Million
Total	DKK 174.0 Million
Decrease in equity	DKK -39.5 Million
Increase in debt to group enterprises	DKK 213.5 Million
Total	DKK 174.0 Million

Further the comparative figures in the consolidated cash flow statement have been restated.

Accounting policies

Accounting policies for the Group financial statement

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 Group, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Group 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 Group, 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.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements comprise Unity IPR ApS (Parent Company) and the group enterprise (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

The consolidated financial statements are prepared on the basis of the financial statements of Unity IPR ApS and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, inter-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Foreign currency translation

Translations in foreign currencies are translated at the exchange rates at the dates of transactions. Gains and losses due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. If the transactions are considered as hedging of future cash flows the exchange adjustments are recognised directly in equity.

Accounting policies

Receivables, debts and other monetary items in foreign currencies that have not be settled on the balance sheet date are measured to the exchange rate at the balance sheet date. The difference between the rates at the balance sheet date and the rates ruling at the time when the receivable or debt have arised are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the exchange rate of the date of the transaction.

Income statement

Revenue

Contract sales is recognized as the targets in the contract are met. Product and web sales are recognized when the services is delivered to the customer.

Revenue is recognized net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Variable costs

Variable costs comprise of expenses, including costs of foreign assistance, incurred to achieve the revenue for the year.

Other operating income and operating expenses

Settlement of transporters, etc, comprises direct and indirect costs incurred to earn revenue.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, development, lease payments under operating leases, etc.

Staff costs

Staff costs comprise salaries and wages as well as costs to social security and pension.

Depreciation, amortisation 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 and expenses

Financial income and expenses are recognised in the income statement with the amounts related to the financial year. Financial items comprise interest income and expenses, realised and unrealised gains and losses on payables and transactions in foreign currency, as well as additions and repayments under the on account taxation scheme, etc.

Accounting policies

Tax on loss for the year

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

Goodwill

Goodwill are measured at cost with deduction of accrued depreciation. Goodwill is amortised over the estimated useful lives of the assets which are estimated based on Management's experience within the business area. Goodwill are depreciated on a straight line basis over the estimated financial useful life of 10 years.

Property, plant and equipment

Operating equipment and fixtures are measured at cost less accumulated depreciation, etc.

Cost comprises the cost of acquisition price, costs directly attributable to the acquisition and the 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. Straightline depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equiment	3-5 year

Estimated useful lives and residual values are reassessed annually.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists. Write-down for goodwill is not reversed.

Accounting policies

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 carry forwards, 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.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less deduction of writedown for bad and doubtful debts.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments recognised as assets comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Financial liabilities

Financial liabilities are recognised at amortised cost which usually corresponds to nominal value.

Deferred income

Deferred income recognized under liabilities comprises payments received in respect of income in subsequent years.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Accounting policies

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, and purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.

Supplementary accounting policies for the Parent Company financial statements
Income from investments in group enterprises
The item "Income from investments in group enterprises" in the income statement includes the proportionate share of the profit/loss after tax in the subsidiaries after full elimination of intra-group gains/losses and amortisation of goodwill.

Investments in group enterprises
Investments in group enterprises are recognised and measured under the equity method. The item "Investments in group enterprises" in the balance sheet includes the proportionate ownership share of the net asset value of the enterprises calculated under the accounting policies of the Parent Company plus or minus unrealised intra-group gains or losses and plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Group enterprises with negative net asset values are valued at DKK 0, and any receivables from these entities are written down to the extent that the receivables are deemed irrecoverable. To the extent that the Parent Company has a legal or constructive obligation to cover a negative balance exceeding the receivable, the residual amount is recognised as provisions.

The total net revaluation of investments in group enterprises is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity.

Net revaluation of equity investments in group enterprises is tied as a net revaluation reserve under equity according to the equity method to the extent the carrying amount exceeds cost. Dividends that are expected to be received before the balance sheet date are not tied to the reserve. The reserve can be eliminated in case of loss, realisation of equity investments or changes to accounting estimates. The reserve cannot be recognised at a negative amount.

Omission to preparation of cash flow statement
The Parent Company, has pursuant to section 86(4) in the Danish Financial Statement Act not prepared a cash-flow statement, as the information is included in the consolidated cash flow statement.