

Amleto ApS

Amerika Plads 37, 2100 København Ø

CVR no. 37 59 68 09

Annual report 2016

Approved at the annual general meeting of shareholders on 5 May 2017

Chairman:



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Carlo Capelli

Contents

Statement by the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Management commentary	5
Financial statements for the period 1 January - 31 December	6
Income statement	6
Balance sheet	7
Notes to the financial statements	8

Statement by the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Amleto ApS for the financial year 1 January - 31 December 2016.


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

In my opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

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

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

Cesena, 5 May 2017
Executive Board:



Stefano Zanelli
CEO

Independent auditor's report

To the shareholders of Amleto ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016, and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Amleto ApS for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("financial statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the Management's review

Management is responsible for the Management's review.

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

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the over-ride 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 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.

Hellerup, 5 May 2017
PRICEWATERHOUSECOOPERS
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31



Kim Tromholt
State Authorised Public Accountant



Leif Ulbæk Jensen
State Authorised Public Accountant

Management's review

Company details

Name	Amleto ApS
Address, Postal code, City	C/O Plesner Advokatfirma Amerika Plads 37, 2100 København Ø
CVR no.	37 59 68 09
Established	8 April 2016
Registered office	København Ø
Financial year	1 January - 31 December
Executive Board	Stefano Zanelli, CEO
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44, 2900 Helleup

Management commentary

Business review

The company's purpose is, directly or through equity participation in other companies to operate in the development, commercialization and delivery of software and digital solutions as well as other activities deemed by the Executive Board's as related activities.

The Company is incorporated in connection with the demerger of Martin Lohse Holding ApS. The share capital at incorporation was DKK 50,000, a capital increase has been made of DKK 10,000 during 2016.

Financial review

The income statement for 2016 shows a loss of DKK 79,859 and the balance sheet at 31 December 2016 shows equity of DKK 164,505,127. Management considers the Company's financial performance in the year satisfactory.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK	2016 12 months
	Other external expenses	<u>-310,711</u>
	Gross margin	-310,711
	Financial income	274,595
	Financial expenses	<u>-43,743</u>
	Profit/loss for the year	<u><u>-79,859</u></u>
	Proposed profit appropriation/distribution of loss	
	Retained earnings/accumulated loss	<u>-79,859</u>
		<u><u>-79,859</u></u>

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	<u>2016</u>
	ASSETS	
	Non-current assets	
	Financial assets	
	Loan receivables	19,257,042
	Investments in joint ventures	134,064,415
	Other Receivable	3,347,754
		<u>156,669,211</u>
	Total non-current assets	<u>156,669,211</u>
	Current assets	
	Cash at bank and in hand	7,931,054
	Total Current assets	<u>7,931,054</u>
	TOTAL ASSETS	<u><u>164,600,265</u></u>
	EQUITY AND LIABILITIES	
	Equity	
	Share capital	60,000
	Share premium account	161,177,232
	Other reserves	3,347,754
	Retained earnings	-79,859
	Total equity	<u>164,505,127</u>
	Current liabilities	
	Trade payables	65,138
	Other payables	30,000
	Total current liabilities	<u>95,138</u>
	Total liabilities	<u>95,138</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>164,600,265</u></u>

- 1 Accounting policies
- 2 Contractual obligations and contingencies, etc.
- 3 Collateral
- 4 Related parties

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Amleto ApS for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act to report reporting class B entities.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

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

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

Income statement

Other external expenses

Other external expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, Management, office premises and expenses as well as amortisation/depreciation of assets used for administrative purposes.

The item includes dividend received from joint ventures in so far as the dividend does not exceed the accumulated earnings in the joint venture in the period of ownership.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

Balance sheet

Investments in joint ventures

Investments in joint ventures are measured at cost. Dividends received that exceed accumulated earnings in the joint venture during the period of ownership are treated as a reduction in the cost of acquisition.

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is indication 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).

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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 evidence that a receivable or a group of receivables is impaired.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Other payables

Other payables are measured at net realisable value.

2 Contractual obligations and contingencies, etc.

Other contingent liabilities

As management company, the Company is jointly taxed with Exerp ApS and is jointly and severally with Exerp ApS for payment of income taxes for income year 2016 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 4 April 2016.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

3 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2016.

4 Related parties

Amleto ApS' related parties comprise the following:

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Technogym S.p.A.	Via Calcinaro 2861 Cesena (FO) CAP 47521 Italien	http://corporate.technogym.com

