

Styrelsen för

Infor Holdings (Sweden) AB
Org nr 556387-8148

får härmed avge

Årsredovisning

för räkenskapsperioden 1 januari 2022 - 31 december 2022

Undertecknad styrelseledamot intygar, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultaträkningen och balansräkningen fastställs på årsstämman den 2 juni 2023. Årsstämman beslöt att godkänna styrelsens förslag till vinstdisposition (förslag beträffande den uppkomna vinst).

Stockholm den 2 juni 2023.



Lilla Gianni
Ordförande

2023062953270

Innehåll

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Förvaltningsberättelse

Ägarförhållanden

Infor Holdings (Sweden) AB, organisationsnummer 556387-8148, är registrerat i Kista, Sverige. Bolaget tillhör Infor-koncernen och är ett helägt dotterbolag till Infor (UK) Holdings Ltd company no: 5727250, baserat i Storbritannien.

Allmän information om verksamheten

Infor tillhandahåller programvaru- och servicelösningar till företag inom tillverknings-, och underhåll samt servicesektorn. Infor har över 68 000 kunder över hela världen. Infor solutions innefattar Enterprise Performance Management, Supply Chain Management, Enterprise Resource Planning, Customer Relationship Management, Manufacturing Resource Planning, Enterprise Asset Management och skräddarsydda program. Infor solutions hjälper kunder att förenkla effektiviseringsprocessen, minska kostnader och öka effektiviteten. Infor har kontor världen över och har sitt huvudkontor i New York, USA.

Verksamheten i Infor Holdings (Sweden) AB utgörs av att äga och förvalta bolagets dotterbolag.

Översikt över resultat och ställning

(belopp i mkr)	2022-12-31	2021-12-31	2020-12-31	2020-04-30	2019
Nettomsättning	0.0	0.0	0.0	0.0	0.0
Rörelseresultat	-0.2	-3.3	-8.5	-3.2	-1.2
Resultat efter finansiella poster	134.8	128.1	79.5	128.7	133.4
Balansomslutning	5,323.9	5,197.9	5,072.4	4,988.4	4,857.3
Soliditet	100%	100%	100%	100%	100%
Medelantal anställda	0	1	1	1	1

Resultat

Företagets rörelseresultat uppgick till -0.2 MSEK (-3.3 MSEK). Resultat före skatt uppgick till 134,8 MSEK (128,1 MSEK).

Betydande händelser under räkenskapsåret

Det fanns inga betydande händelser under året.

Framtida utveckling

Infor Holdings (Sweden) AB kommer, genom dess dotterbolag, fortsätta att fokusera på kundernas behov och kommer också att fortsätta att göra riktade investeringar i våra system och andra initiativ för att säkerställa långsiktig framgång för Infor-koncernen och dess kunder.

Upprättande av koncernredovisning

Infor Holdings (Sweden) AB är moderbolag till en grupp av dotterbolag. Koncernredovisning upprättas inte, i enlighet med Kap. 7 §2 Årsredovisningslagen (ÅRL). Konsolidering sker i Infor, Inc. som utgör högsta allmänt tillgänglig koncernmässig nivå.

Fortsatt drift

Styrelseledamöterna har övervägt koncernens strategi och baserat på svaren på deras förfrågningar har vid tidpunkten för godkännandet av de finansiella rapporterna fastställt att det finns rimliga förväntningar på att företaget har tillräckliga resurser för att fortsätta verka under överskådlig framtid. Styrelseledamöterna har fått ett garanti som bekräftar ekonomiskt stöd från Infor (US), Inc., vilket gör det möjligt för företaget att uppfylla sina skulder när de förfaller de närmaste 12 månaderna från dagen för undertecknandet av dessa finansiella rapporter. Av denna anledning fortsätter styrelseledamöterna att anta fortlevnadsprincipen för redovisningen vid beredningen av finansiella uttalanden.

Infor Holding (Sweden) ABs moderbolag har dessutom lämnat en garanti om att, vid eventuella behov, täcka alla koncernmässiga fordringar om motpart inte skulle vara solid vid förfallodag.

Förslag till vinstdisposition	Kr
Till bolagsstämmans förfogande står enligt balansräkningen följande vinstmedel	
Balanserat resultat	4,568,146,020
Årets resultat	134,793,213
Akkumulerad vinst till förfogande	4,702,939,233
Styrelsen föreslår att vinstmedlen fördelas enligt följande:	
Iny räkning överföres	4,702,939,233
Summa	4,702,939,233

För företagets resultat och finansiella ställning, hänvisas till resultat- och balansräkningen med tillhörande noter.

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Resultaträkning			
Belopp i MSEK	Not	2022-01-01 - 2022-12-31	2021-05-01 - 2021-12-31
Intäkter			
Övriga rörelseintäkter		-	-
Summa Intäkter		-	-
Rörelsens kostnader			
Personalkostnader	2	-	-2.8
Övriga externa kostnader		-0.2	-0.5
Rörelseresultat		-0.2	-3.3
Resultat från finansiella poster			
Övriga ränteintäkter och liknande resultatposter	3	135.0	131.4
Räntekostnader och liknande resultatposter	4	-	-
Resultat efter finansiella poster		134.8	128.1
Skatt på årets resultat	5	-	-
Årets resultat		134.8	128.1

Balansräkning			
Belopp i MSEK	Not	2022-12-31	2021-12-31
TILLGÅNGAR			
Anläggningsstillgångar			
<i>Finansiella anläggningsstillgångar</i>			
Andelar i koncernföretag	6	1,707.5	1,707.5
Fordringar hos koncernföretag		361.5	3,486.3
		2,069.0	5,193.8
Summa anläggningsstillgångar		2,069.0	5,193.8
Omsättningsstillgångar			
<i>Kortfristiga fordringar</i>			
Fordringar hos koncernföretag		3,251.2	-
Övriga fordringar		-	-
		3,251.2	-
Kassa och bank		3.7	4.1
Summa omsättningsstillgångar		3,254.9	4.1
SUMMA TILLGÅNGAR		5,323.9	5,197.9
EGET KAPITAL OCH SKULDER			
<i>Eget kapital</i>			
<i>Bundet eget kapital</i>			
Aktiekapital (1 67 652 883 aktier, kvotvärde 3,4)		571.5	571.5
Uppskrivningsfond		49.2	49.2
		620.7	620.7
<i>Fritt eget kapital</i>			
Balanserad vinst		4,568.1	4,440.0
Årets resultat		134.8	128.1
		4,702.9	4,568.1
Summa eget kapital		5,323.6	5,188.8
<i>Långfristiga skulder</i>			
Skulder till koncernföretag		-	-
Avsättningar	7	-	8.6
Summa långfristiga skulder		-	8.6
<i>Kortfristiga skulder</i>			
Leverantörsskulder		-	0.2
Skulder till koncernföretag		-	-
Skatteskulder	5	-	-
Upplupna kostnader och förutbetalda intäkter		0.3	0.3
Övriga skulder		-	-
Summa kortfristiga skulder		0.3	0.5
SUMMA EGET KAPITAL OCH SKULDER		5,323.9	5,197.9

Eget kapital

Belopp i MSEK

	Aktie- kapital	Uppskrivnings- fond	Balanserad vinst	Årets Resultat	Total
Ingående balans	571.5	49.2	4,440.0	128.1	5,188.8
Disposition föregående års resultat	-	-	128.1	-128.1	-
Årets resultat	-	-	-	134.8	134.8
Utgående balans	571.5	49.2	4,568.1	134.8	5,323.6

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Not 1 Allmänna redovisningsprinciper

Denna årsredovisning har upprättats i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).
Om inget annat anges, är principerna oförändrade jämfört med föregående år.

Andelar i koncernföretag

Investeringar redovisas i balansräkningen på historisk anskaffningskostnad minus nedskrivningar. Företagsledningen utvärderar varje år om det finns indikation på ett nedskrivningsbehov. Om det finns, utvärderar företaget investeringens redovisade värde. Om det redovisade värdet överstiger återvinningsvärdet, kommer det nedskrivna beloppet kostnadsföras i resultaträkningen.

Fordringar

Fordringar har efter individuell värdering upptagits till belopp varmed de beräknas inflyta. I rörelseresultatet i utländsk valuta har omräknats till balansdagens kurs. Kursdifferenser på kortfristiga fordringar och skulder ingår i rörelseresultatet.

Inkomstskatter

Redovisade inkomstskatter innefattar skatt som ska betalas eller erhållas avseende aktuellt år, justeringar avseende tidigare års aktuella skatt samt förändringar i uppskjuten skatt.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den utsträckning det är sannolikt att avdraget kan avräknas mot överskott vid framtida beskattning.

Koncernbidrag och aktieägarillskott

Aktieägarillskott förs direkt mot eget kapital hos mottagaren och aktiveras i aktier och andelar hos givaren i den mån nedskrivning ej erfordras. Koncernbidrag redovisas enligt ekonomisk innebörd. Efter övergången till K3 redovisas koncernbidrag som ett anslag i resultaträkningen.

Kassaflödesanalys

Företaget definieras som ett mindre företag enligt ÅRL 1 kap 3 § och behöver därför inte upprätta någon kassaflödesanalys enligt ÅRL 2 kap 1 §.

Uppskattningar och bedömningar

Bolaget känner inte till några bedömningar eller väsentliga antaganden som ligger utanför sedvanliga bedömningar och antaganden i branschen.

Not 2 Anställda och personalkostnader

Medelantalet anställda: nil (2021-12-31: 1)

Not 3 Övriga ränteintäkter och liknande resultatposter

	2022-01-01 - 2022-12-31	2021-05-01 - 2021-12-31
Ränteintäkter, koncernföretag	135.0	131.4
	135.0	131.4

Not 4 Räntekostnader och liknande resultatposter

	2022-01-01 - 2022-12-31	2021-05-01 - 2021-12-31
Valutakursförluster	-	-
	-	-

Not 5 Skatt

	2022-01-01 - 2022-12-31	2021-05-01 - 2021-12-31
Skatteavstämning		
Resultat före skatt	134.8	128.1
Skatt beräknad enligt gällande skattesats at 20.6%	27.8	26.4
Skatt på årets resultat	27.8	26.4
Skatteeffekt av icke skattepliktig inkomst	-1.1	-5.0
Utnyttjande av skatte förluster från tidigare perioder	-26.7	-21.4
Återföring av tidigare års underskott		
Redovisad skattekostnad	-	-
Ej redovisade uppskjutna skattefordringar		
Rörelseförlust	2.6	29.3
	2.6	29.3

I enlighet med företagets redovisningsprinciper har styrelsen inte redovisat någon uppskjuten skattefordran eftersom det inte är troligt att det kommer att finnas tillräckligt med skattepliktigt resultat inom överskådlig framtid som återföringen av den underliggande tidsskillnaden kan dras av ifrån.

Not 6 Andelar i koncernföretag

	2022-01-01 - 2022-12-31	2021-05-01 - 2021-12-31
Akkumulerade anskaffningsvärden		
Vid årets början	1,707.5	1,707.5
Bokfört värde vid årets slut	1,707.5	1,707.5

Specifikation av moderbolagets innehav av aktier och andelar i koncernföretag

Dotterföretag / Säte	Ägarandel %	Antal andelar	Bokfört värde 2022-12-31	Antal andelar	Bokfört värde 2021-12-31
Infor (Sweden) AB, 556224-1348, Kista, Sverige	100%	103,000.0	1,707.5	103,000.0	1,707.5
Totalt			1,707.5		1,707.5

Not 7 Aktierelaterade ersättningar

Koncernen som leds av IGS Holding LP, ett kommanditbolag registrerat i USA, erbjöd ett fantom aktieoptionsprogram till vissa anställda i företaget.

Från och med räkenskapsåret 2018 beviljade IGS Holding LP Management Incentive Units ("MIUs") till vissa ledande befattningshavare och icke-verkställande anställda hos Infor, i enlighet med IGS LP-avtalet och vissa MIU-avtal. Dessa MIU var för klass D icke röstberättigade enheter ("IGS Class D Units") och intjänade under fyra år. I samband med Infor-förvärvet, det fanns inga ytterligare tilldelningar av IGS klass D-enheter efter den 31 mars 2020.

I december 2021 drogs IGS Class D Unit Award-programmet i pension. I samband med att IGS klass D upphör Unit-programmet, IGS Class D Unit Awards som intjänades efter januari 2022 förblev utestående och modifierades till en fast avräkningsvärde.

Intjänandevillkoren för ersättningarna förblev desamma, och ersättningen skulle regleras kontant på kvartalsbasis allt eftersom de intjänas. Eftersom dessa ersättningar inte längre är indexerade till ett aktiebaserat verkligt värde, beaktas de inte längre aktiebaserade ersättningar. Från och med 2022 redovisade vi dessa ersättningar som prestationsbonusar, kompensation baserad på det fasta värdet och fördelat på återstående tjänstgöringsperioder.

Följande tabell sammanfattar IGS klass D MIU-aktivitet för året slutade den 31 december 2022:

	Vägt genomsnitt lösenpris (US \$)	Antal MIU
Klass D MIU utestående den 1 januari 2022	0	0
Återköpt	0	0
Utestående den 31 december 2022	0	0
Kan utövas den 31 december 2022	0	0

Under 2022 har den enda anställda lämnat bolaget och skulden har omklassificerats till en prestationsbonus. Ansvaret har här följaktligen överförs till Infor (Sweden) AB där det redovisas i bokslutet under periodiseringar och förutbetalda intäkter. De belopp som redovisats i bokslutet avseende kontantreglerade aktieoptioner för föregående år var följande:

	2021-05-01 - 2021-12-31
Verkligt värde på redovisat värde för balansräkningsskulden	8,6
Kontantavräknade aktiebaserade betalningskostnader i resultatet	5,4


Not 8 Ställda säkerheter och ansvarsförbindelser

Det finns inga ställda säkerheter eller ansvarsförbindelser på balansdagen.

Väsentliga händelser efter räkenskapsårets slut

Vi förväntar oss inga betydande förändringar i företagets verksamhet för nästa räkenskapsår och framåt.

Stockholm den 2 juni 2023



Alla Giani
Ordförande

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Stockholm den 2 juni 2023



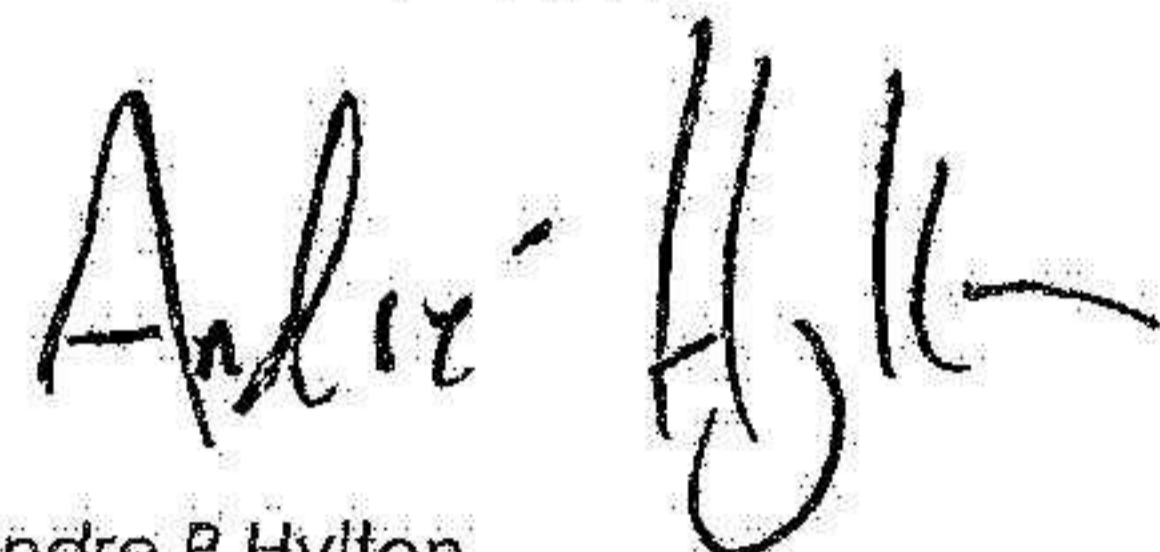
Marcel Gijfenbeek
Styrelseledamot

Infor Holdings (Sweden) AB
Orgnr. 556387-8148

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Stockholm den 2 juni 2023



Andre P Hylton
Styrelseledamot

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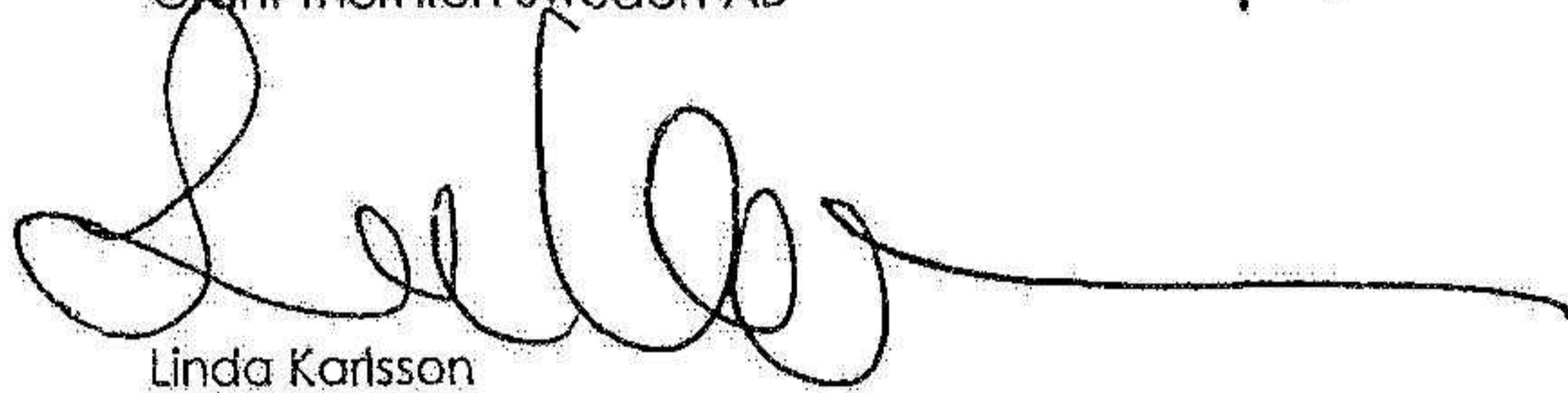
Stockholm den 2 juni 2023



Desiré Åkerdahl
Styrelseledamot

Vår revisionsberättelse har lämnats den
Grant Thornton Sweden AB

2/6 2023



Linda Karlsson
Auktoriserad revisor

Revisionsberättelse

Till bolagsstämman i Infor Holdings (Sweden) AB

Org.nr. 556387 - 8148

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Infor Holdings (Sweden) AB för år 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Infor Holdings (Sweden) ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisions sed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Infor Holdings (Sweden) AB enligt god revisors sed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för

att en revision som utförs enligt ISA och god revisions sed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste

också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Infor Holdings (Sweden) AB för år 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Infor Holdings (Sweden) AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

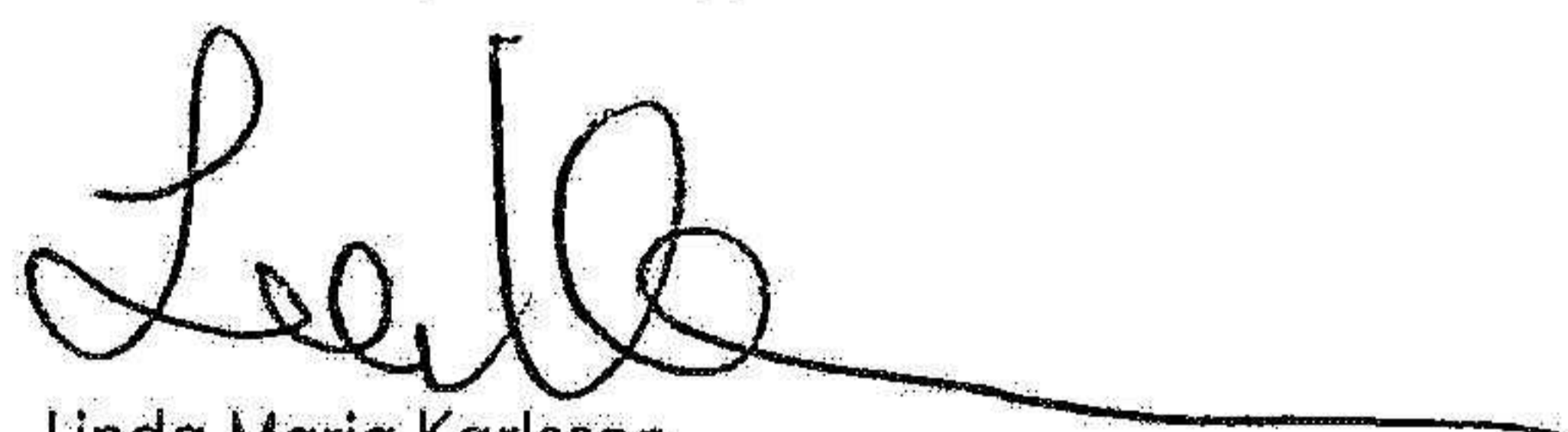
Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Stockholm, 2023-06-02
Grant Thornton Sweden AB



Linda Maria Karlsson
Auktoriserad revisor

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försumelse som kan föranleda ersättningskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

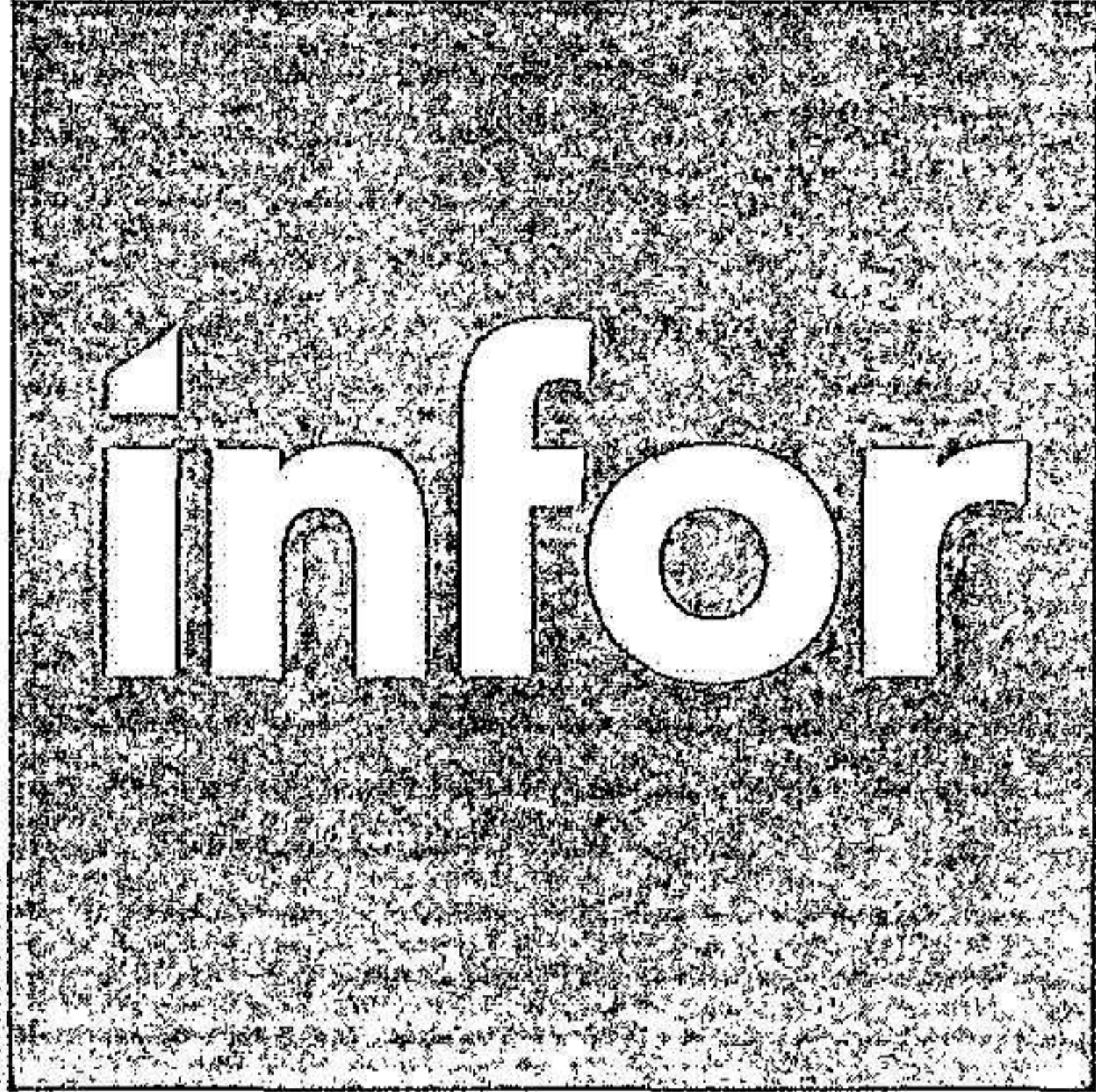
Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet.

Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Fotokopians överensstämmelse
med originalet intygas:



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Infor, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

As of and for the years ended December 31, 2022 and 2021
With Independent Auditor's Report Therein

INDEX TO THE FINANCIAL STATEMENTS

Audited Consolidated Financial Statements as of and for the years ended December 31, 2022 and 2021.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Infor, Inc.

Opinion

We have audited the consolidated financial statements of Infor, Inc. and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of operations, comprehensive income (loss), changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton LLP

Atlanta, Georgia
February 24, 2023

INFOR, INC.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(in millions, except share and per share amounts)

Assets	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and cash equivalents	\$ 351.6	\$ 752.0
Accounts receivable, net	430.8	453.0
Prepaid expenses	240.1	222.0
Income tax receivable	23.7	8.9
Other current assets	1,044.2	826.6
Total current assets	<u>2,090.4</u>	<u>2,262.5</u>
Property and equipment, net	106.1	143.1
Operating lease right-of-use assets	157.9	209.5
Intangible assets, net	3,958.3	4,663.3
Goodwill	7,182.3	7,531.1
Deferred tax assets	655.0	634.6
Other assets	187.3	2,229.6
Total assets	<u>\$ 14,337.3</u>	<u>\$ 17,673.7</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 82.8	\$ 77.9
Income tax payable	69.2	424.3
Accrued expenses	459.1	408.5
Deferred revenue	1,177.4	1,201.4
Current portion of long-term debt, net	349.6	-
Operating lease liabilities	45.3	50.6
Total current liabilities	<u>2,183.4</u>	<u>2,162.7</u>
Long-term debt, net	647.2	1,045.1
Operating lease liabilities, noncurrent	135.2	179.0
Deferred tax liabilities	287.0	351.2
Other long-term liabilities	186.0	273.9
Total liabilities	<u>3,438.8</u>	<u>4,011.9</u>
Stockholders' equity:		
Common stock, \$0.01 par value; 1,000 shares authorized; 1,000 shares issued and outstanding at December 31, 2022 and 2021	-	-
Additional paid-in capital	10,570.0	12,913.9
Receivable from stockholders	(18.1)	(18.1)
Accumulated other comprehensive income (loss)	(135.0)	380.9
Retained earnings	475.4	377.0
Total Infor, Inc. stockholders' equity	<u>10,892.3</u>	<u>13,653.7</u>
Noncontrolling interests	6.2	8.1
Total stockholders' equity	<u>10,898.5</u>	<u>13,661.8</u>
Total liabilities and stockholders' equity	<u>\$ 14,337.3</u>	<u>\$ 17,673.7</u>

The accompanying Notes are an integral part of the Consolidated Financial Statements

INFOR, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(in millions)

	2022	2021
Revenues		
SaaS subscriptions	\$ 1,038.7	\$ 959.1
Software license fees	143.2	180.9
Software subscriptions and license fees	1,181.9	1,140.0
Product updates and support fees	1,102.1	1,224.4
Software revenues	2,284.0	2,364.4
Consulting services and other fees	746.1	750.2
Total revenues	3,030.1	3,114.6
Operating expenses		
Cost of SaaS subscriptions ⁽¹⁾	364.2	338.2
Cost of software license fees ⁽¹⁾	11.4	14.4
Cost of product updates and support fees ⁽¹⁾	191.2	213.9
Cost of consulting services and other fees ⁽¹⁾	633.4	608.4
Sales and marketing	486.9	549.0
Research and development	522.8	522.9
General and administrative	247.0	230.7
Amortization of intangible assets and depreciation	616.3	653.5
Restructuring costs	34.8	16.7
Acquisition-related and other costs	5.7	0.5
Total operating expenses	3,113.7	3,148.2
Loss from operations	(83.6)	(33.6)
Other (income) expense, net:		
Interest (income) expense, net	(89.7)	3.0
(Gain) on divestiture	(2.5)	(1,596.6)
Other (income) expense, net	(140.9)	(106.9)
Total other (income) expense, net	(233.1)	(1,700.5)
Income before income tax	149.5	1,666.9
Income tax provision	45.8	860.6
Net income	103.7	806.3
Net income attributable to noncontrolling interests	3.4	1.8
Net income attributable to Infor, Inc.	\$ 100.3	\$ 804.5

(1) Excludes amortization of intangible assets and depreciation which are separately stated below

The accompanying Notes are an integral part of the Consolidated Financial Statements

INFOR, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
YEARS ENDED DECEMBER 31, 2022 AND 2021
 (in millions)

	2022	2021
Net income	\$ 103.7	\$ 806.3
Other comprehensive income (loss):		
Unrealized loss on foreign currency translation	(526.9)	(394.9)
Change in defined benefit plan funding status, net of tax provision of \$1.5 million and \$1.1 million, respectively	6.7	4.5
Total other comprehensive income (loss)	(520.2)	(390.4)
Comprehensive income (loss)	(416.5)	415.9
Comprehensive income (loss) attributable to noncontrolling interests	(0.9)	1.2
Comprehensive income (loss) attributable to Infor, Inc.	\$ (415.6)	\$ 414.7

The accompanying Notes are an integral part of the Consolidated Financial Statements

INFOR, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(in millions, except share amounts)

	Infor, Inc. Stockholders' Equity									
	Shares	Infor, Inc. Common Stock Amount	APIC	Stockholders' Receivable	Accumulated Other Comprehensive Income (loss)	Retained Earnings (Accumulated Deficit)	Total Infor, Inc. Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity	
Balance, December 31, 2020	1,000	\$ -	\$ 13,352.1	\$ (36.0)	\$ 770.7	\$ (427.5)	\$ 13,659.3	\$ 7.7	\$ 13,667.0	
Equity-based compensation expense	-	-	7.1	-	-	-	7.1	-	7.1	
Unrealized loss on foreign currency translation	-	-	-	-	(394.3)	-	(394.3)	(0.6)	(394.9)	
Defined benefit plan funding status, net of tax	-	-	-	-	4.5	-	4.5	-	4.5	
Loans to stockholders	-	-	-	17.9	-	-	17.9	-	17.9	
Dividend paid/accrued	-	-	-	-	-	-	-	(0.8)	(0.8)	
Equity distributions	-	-	(443.3)	-	-	-	(443.3)	-	(443.3)	
Measurement period adjustment	-	-	(2.0)	-	-	-	(2.0)	-	(2.0)	
Net income	-	-	-	-	-	804.5	804.5	1.8	806.3	
Balance, December 31, 2021	1,000	\$ -	\$ 12,913.9	\$ (18.1)	\$ 380.9	\$ 377.0	\$ 13,653.7	\$ 8.1	\$ 13,661.8	
Equity-based compensation expense	-	-	6.7	-	-	-	6.7	-	6.7	
Unrealized loss on foreign currency translation	-	-	-	-	(522.6)	-	(522.6)	(4.3)	(526.9)	
Defined benefit plan funding status, net of tax	-	-	-	-	6.7	-	6.7	-	6.7	
Dividend paid/accrued	-	-	-	-	-	-	-	(1.0)	(1.0)	
Equity distributions	-	-	(2,350.6)	-	-	-	(2,350.6)	-	(2,350.6)	
Cumulative effect of accounting change (Note 2)	-	-	-	-	-	(1.9)	(1.9)	-	(1.9)	
Net income	-	-	-	-	-	100.3	100.3	3.4	103.7	
Balance, December 31, 2022	1,000	\$ -	\$ 10,570.0	\$ (18.1)	\$ (135.0)	\$ 475.4	\$ 10,892.3	\$ 6.2	\$ 10,898.5	

The accompanying Notes are an integral part of the Consolidated Financial Statements.

INFOR, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(in millions)

	2022	2021
Cash flows from operating activities		
Net income	\$ 103.7	\$ 806.3
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	616.3	653.5
Provision for doubtful accounts, billing adjustments and sales allowances	43.8	39.6
Deferred income taxes	(49.7)	344.2
Non-cash (gain) loss on foreign currency	(133.0)	(87.0)
Non-cash interest	1.7	1.7
(Gain) on divestiture	(2.5)	(1,596.6)
Equity-based compensation expense	6.7	17.7
Other	2.4	(11.6)
Changes in operating assets and liabilities (net of effects of acquisitions and divestitures):		
Prepaid expenses and other assets	(110.0)	(194.2)
Accounts receivable, net	1.3	(69.3)
Income tax receivable/payable, net	(369.6)	444.3
Deferred revenue	3.7	141.0
Accounts payable, accrued expenses and other liabilities	84.8	54.2
Net cash provided by operating activities	199.6	543.8
Cash flows from investing activities		
Business and asset acquisitions, net of cash acquired	(0.5)	(33.8)
Proceeds from divestiture	16.1	756.8
Issuance of affiliate note receivable	(976.3)	(740.9)
Proceeds from affiliate note receivable and other investments	741.6	183.1
Purchases of property, equipment and software	(62.5)	(67.5)
Net cash (used in) provided by investing activities	(281.6)	97.7
Cash flows from financing activities		
Equity distributions	(236.6)	(318.7)
Loans to stockholders	-	(101.5)
Borrowings under revolving credit facility	-	50.0
Payments on revolving credit facility	(50.0)	-
Payments on finance lease and other obligations	(7.0)	(5.7)
Other	(1.0)	(0.7)
Net cash used in financing activities	(294.6)	(376.6)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(23.7)	(27.4)
Net (decrease) increase in cash, cash equivalents and restricted cash	(400.3)	237.5
Cash, cash equivalents and restricted cash at the beginning of the period	752.7	515.2
Cash, cash equivalents and restricted cash at the end of the period	\$ 352.4	\$ 752.7
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 12.0	\$ 10.6
Cash paid for income taxes	\$ 62.7	\$ 70.2
Supplemental disclosure of non-cash investing and financing activities		
Non-cash proceeds from divestiture	\$ -	\$ 2,028.3
Non-cash issuance of affiliate note receivable	\$ -	\$ (2,028.3)
Non-cash equity distributions	\$ (2,114.0)	\$ (124.6)
Purchases of PP&E included in accounts payable, accrued expenses and other liabilities	\$ (19.4)	\$ 21.9

The accompanying Notes are an integral part of the Consolidated Financial Statements

INFOR, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of Business and Basis of Presentation

Description of Business

Infor is a global leader in business cloud software specialized by industry. We develop complete solutions for our focus industries, including industrial manufacturing, distribution, healthcare, food & beverage, automotive, aerospace & defense, and high-tech. Infor's mission-critical enterprise applications and services are designed to deliver sustainable operational advantages with security and faster time-to-value. Our solutions are developed for Fortune 500 enterprises and small and medium-sized businesses (SMBs) looking for deep industry expertise to help overcome market disruptions and achieve their business goals. We serve a diverse and sophisticated global customer base across four major geographic regions - the Americas, Europe, Middle East and Africa, and Asia Pacific.

We generate revenue primarily from providing access to our software products through Software-as-a-Service (SaaS) subscription offerings, the sale of perpetual or term software licenses granting customers use of our software products, providing on-going product updates and support services for our customers through our subscription-based annual maintenance and support programs, and providing consulting services which help our customers implement and use our applications more effectively.

Infor, Inc. is privately held by Koch Industries, Inc. (KII).

Unless otherwise indicated or the context requires otherwise, hereafter any reference to *Infor, we, our, us* or *the Company* refers to *Infor, Inc.* and its consolidated subsidiaries.

Basis of Presentation

The accompanying Consolidated Financial Statements of Infor have been prepared in accordance with generally accepted accounting principles in the U.S. (U.S. GAAP) as set forth in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Our Consolidated Financial Statements include the accounts of Infor, Inc. and our wholly-owned and majority-owned subsidiaries. For controlled subsidiaries in which ownership is less than 100%, the outside investors' interests are reported as a noncontrolling interest. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of our Consolidated Financial Statements in accordance with U.S. GAAP requires us to make certain estimates and assumptions relating to the reporting of assets and liabilities, the disclosures of contingent liabilities, as well as the reported amounts of our revenues and expenses during the periods presented. Actual results could differ from those estimates.

Risks and Uncertainties -COVID-19 Pandemic

As a result of the Covid-19 Pandemic (the Pandemic), our operational and financial performance was impacted to varying degrees. The Pandemic continues to evolve. The Pandemic has affected the geographic regions where our software products are sold, and services provided. Uncertainty with respect to the severity and duration of the Pandemic contributed to the volatility of markets during the year. However, we continue to see strong demand for our CloudSuite applications and other subscription offerings despite the uncertain environment. Our maintenance and SaaS subscription renewals remain strong. The overall effect of the Pandemic on our operational and financial performance, including resulting from the effects of the Pandemic on our customers and partners, will continue to depend on future developments, which are highly uncertain. In addition to the impacts of the Pandemic, we continue to experience additional economic impacts related to high inflation.

Bankruptcy-Remote Special Purpose Entity

Platform Settlement Services, LLC (PSS), a wholly-owned subsidiary of Infor, is a bankruptcy-remote special purpose entity. PSS was established for the purpose of facilitating the settlement of transactions between our Infor Nexus

Platform customers and their supply chain providers. PSS acts as a collection and paying agent, receiving funds from customers and forwarding such funds to appropriate credit parties. PSS is a custodian of the cash received from its customers and has no legal ownership rights to the funds held in such custodial accounts. Therefore, we do not report any cash in transit in the bank accounts of PSS at period end, nor any cash movements during a reporting period, in our Consolidated Financial Statements. The balance of cash in transit in custodial accounts held by PSS was \$41.4 million and \$28.6 million at December 31, 2022 and 2021, respectively.

2. Summary of Significant Accounting Policies

Adoption of New Accounting Pronouncements

In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which changed the impairment model for most financial assets from one based on current losses to a forward-looking model based on expected losses (CECL). This model replaced the existing incurred credit loss model, that generally required a loss to be incurred before it was recognized. The forward-looking model results in earlier recognition of allowances for credit losses. The amended guidance requires financial assets that are measured at amortized cost be presented at the net amount expected to be collected. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of financial assets. We adopted this standard on January 1, 2022. This guidance was adopted on a modified retrospective basis. Upon adoption, we recorded a cumulative-effect adjustment, net of tax, of \$1.9 million to the opening balance of retained earnings, as a result of adjustments to allowances for trade accounts receivable.

In October 2021, the FASB issued ASU 2021-08, *Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*, which requires the recognition and measurement of contract assets and contract liabilities acquired in a business combination to be recorded in accordance with ASC 606, *Revenue from Contracts with Customers*. We adopted the standard in 2021. The adoption of this new standard did not have a material impact on our Consolidated Financial Statements.

Recent Accounting Pronouncements—Not Yet Adopted

As of the date of these Consolidated Financial Statements, there were no recent accounting standard updates that we have not yet adopted that we believe would have a material impact on our financial position, results of operations or cash flows.

Revenue Recognition

We apply the provisions of ASC 606, *Revenue from Contracts with Customers*, to determine the measurement of revenue and the timing of when it is recognized. Under ASC 606, revenue is measured as the amount of consideration we expect to be entitled to, in exchange for transferring products or providing services to our customers, and is recognized when performance obligations under the terms of contracts with our customers are satisfied. ASC 606 prescribes a five-step model for recognizing revenue from contracts with customers: 1) identify contract(s) with the customer; 2) identify the separate performance obligations in the contract; 3) determine the transaction price; 4) allocate the transaction price to the separate performance obligations in the contract; and 5) recognize revenue when (or as) each performance obligation is satisfied.

We account for contracts with our customers when both parties have approved the contract and are committed to perform their respective obligations, each party's rights regarding products or services to be transferred are identified, payment terms are identified, the contract has commercial substance and collection of the consideration is probable. We utilize written contracts as the means to establish the terms and conditions by which our products, product updates and support and/or consulting services are sold to our customers.

Performance obligations are promises in a contract to transfer distinct products or services to our customers and is the unit of account under ASC 606. A contract's transaction price is allocated to each distinct performance obligation and revenue is recognized when or as the performance obligation is satisfied. A product or service is a distinct performance obligation if our customer can both benefit from the product or service either on its own or together with other resources that are readily available to the customer and it is separately identifiable from other items within the context of the contract. Performance obligations are satisfied by transferring control of the product or service to our customers. Control of the product or service is transferred either at a point in time or over time depending on the performance obligation.

Our revenues are generated primarily by providing access to our SaaS subscriptions, licensing our software, providing product updates and support related to our licensed products, and providing consulting services to our customers. Generally, revenue from software license sales is recognized upon delivery; revenues from SaaS subscriptions and product updates and support are recognized ratably over time; and revenues from consulting services are recognized as performed. Revenue is recorded net of applicable taxes. Our specific revenue recognition policies are as follows:

SaaS Subscriptions

Our SaaS subscriptions revenues are primarily from granting customers the right to access software products through our cloud-based SaaS subscription offerings. Under a SaaS subscription agreement, our customer receives a right to access the software for a specified period of time in an environment hosted, supported, and maintained by Infor. SaaS subscription services are a single performance obligation satisfied over time, and associated revenue is generally recognized ratably over the contract term once the software is made available to the customer. Our SaaS subscription offerings are typically sold with one to five-year subscription terms, generally invoiced in advance of each annual subscription period, and are non-cancelable during the committed subscription term.

Consulting services sold in conjunction with SaaS offerings such as implementation, configuration, training, and data conversion services are considered separate performance obligations. Consequently, they are recognized separately from the SaaS subscription agreement, and applicable revenue is typically recognized as the services are delivered. See *Contracts with Multiple Performance Obligations* below.

Software License Fees

Our software license fees revenues are primarily from sales of perpetual software licenses, granting customers the license right to use our software products, with no expiration date. Perpetual software licenses are satisfied at a point in time, and associated revenue is recognized upon transfer of control of the software (i.e., when the customer can access, use, and benefit from the software license).

Certain of our software products are offered as term-based license contracts, under which we grant customers the license right to use the software for a specified period. Term software licenses are satisfied at a point in time and associated revenue is recognized upon the later of 1) delivery of the software, or 2) the beginning of the period in which the customer has received the license right to use the software.

For customer contracts that include software license fees, implementation and/or other consulting services, the portion of the transaction price allocated to software licenses is generally recognized when delivered. The implementation and consulting services are typically distinct performance obligations and qualify for separate recognition. The portion of the transaction price allocated to implementation and other consulting services is generally recognized as such services are performed. See *Contracts with Multiple Performance Obligations* below.

Product Updates and Support Fees

Our product updates and support services entitle our customers to receive, for an agreed upon period, unspecified product upgrades (when and if available), release updates, regulatory updates and patches, as well as support services including access to technical information and technical support staff. These post contract support (PCS) services are stand-ready performance obligations that are satisfied over time, and considered a series of distinct services that are substantially the same with the same duration and measure of progress. Revenues for PCS services are recognized on a straight-line basis over the term of the service period. The term of our product updates and support services agreements is typically 12 months. Agreements are typically invoiced annually in advance of the service period.

Consulting Services and Other Fees

We also provide consulting services, including systems implementation and integration services, consulting, training, and application managed services. Our consulting services are contracted for in conjunction with the licensing of our software products or SaaS subscription offerings and/or on a standalone basis. Most of our services are sold under specific software services agreement terms, are priced separately from other promises, and meet the criteria for being considered separate performance obligations as they do not significantly customize or modify the software, are generally not essential to the functionality of our software products, and are also available from third-party vendors and systems integrators.

The majority of our consulting services agreements are provided under time and materials contracts, and the performance obligations are satisfied, and related revenues are recognized over time as the services are provided.

Our fixed price service contracts typically qualify as performance obligations that are satisfied over time and therefore are recognized on a proportional performance basis. For these fixed price projects, progress is measured based on labor hours performed to date relative to the total expected labor hours to complete the project. When it cannot be demonstrated that services meet the criteria for recognition over time, revenue from fixed price engagements is recognized only at points in time when the customer obtains control of promised products.

Consulting services and other fees also include hosting services. Customers who elect to host their software licenses by Infor have the contractual right to take possession of the software at any time during the hosted period. The customer has the right to choose not to renew hosting services upon its expiration and can deploy the software internally or contract with another party unrelated to Infor to host the software. The software provides standalone usage and functionality and, therefore, is not dependent upon the hosting service. Therefore, customers can self-host and any penalties to do so are insignificant. Accordingly, fees allocated to the hosting performance obligation are recognized once the service begins, separate from software licenses, and then ratably over the term of the hosting service.

Consulting services and other fees also include education services. Revenues related to these services are recognized when the services are provided or when the fees are received.

Contracts with Multiple Performance Obligations

We also enter into contracts that may include a combination of our various products and services offerings including SaaS subscriptions, software licenses, product updates and support, consulting services, and hosting services. For contracts with multiple performance obligations, we account for individual performance obligations separately if they are distinct. Significant judgment may be required to identify distinct obligations within a contract. The total transaction price is allocated to the individual performance obligations based on the ratio of the relative established standalone selling prices (SSP), or our best estimate of SSP, of each distinct product or service in the contract. Revenue is then recognized for each distinct performance obligation as described in the specific revenue recognition policies above.

Contract Modifications

Contract modifications may create new, or change existing, enforceable rights and obligations of the parties to the contract. We generally modify an existing contract using a new order form, an addendum, a signed service change order, or new services work orders. A contract modification is accounted for as a new contract if it reflects an increase in scope that is regarded as distinct from the original contract and is priced in-line with the standalone selling price for the related product or services obligated. If a contract modification is not considered a new contract, the modification is combined with the original contract and the impact on the revenue recognition profile depends on whether the remaining products and services are distinct from the original contract. If the remaining goods or services are distinct from those in the original contract, all remaining performance obligations will be accounted for on a prospective basis with unrecognized consideration allocated to the remaining performance obligations. If the remaining goods or services are not distinct, the modification will be treated as if it were a part of the existing contract, and the effect that the contract modification has on the transaction price, and on our measure of progress toward satisfaction of the performance obligations, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) at the date of the contract modification on a cumulative catch-up basis.

Contract Balances

The timing of our revenue recognition may differ from the timing of invoicing to our customers, and these timing differences result in receivables, contract assets, or contract liabilities which are reflected on our Consolidated Balance Sheets. We record contract assets when we have transferred software products or provided services but do not yet have the right to related consideration, or contract liabilities when we have received or have the right to receive consideration but have not yet transferred software products or provided services to our customers. Contract balances are classified as assets or liabilities on a contract-by-contract basis at the end of each reporting period.

Receivables and Contract Assets – We classify the right to consideration in exchange for software products or services transferred to our customers as either a receivable or a contract asset depending on whether those rights are conditional or unconditional. A receivable is a right to consideration that is unconditional as compared to a contract asset, which is a right to consideration that is conditional upon factors other than the passage of time.

Receivables are comprised of gross amounts due from customers for which we have an unconditional right to collect. The gross amount invoiced includes pass-through taxes and fees, which are recorded as liabilities at the time they are billed. We offset amounts billed and deferred revenue for invoices not billed under a committed contract for which the subscription period has not started as of the balance sheet date. We record receivables within accounts receivable, net, on our Consolidated Balance Sheets.

Contract assets relate to unbilled accounts receivable, which represent revenue recognized on arrangements for which billings have not yet been presented to customers because the amounts were earned but not contractually billable as of the balance sheet date, and the right to consideration is generally subject to milestone completion, client acceptance or factors other than the passage of time. We record contract assets within other current assets on our Consolidated Balance Sheets.

In instances where the timing of revenue recognition differs from the timing of invoicing, we have determined that our contracts generally do not include a significant financing component as the period between transfers of goods/services and payment is generally less than one year. The primary purpose of our invoicing terms is to provide customers with simplified and predictable ways of purchasing our software products and related services, not to receive financing from our customers or to provide customers with financing.

Contract Liabilities – Deferred Revenues – We record contract liabilities as deferred revenues when we have received or have the right to receive consideration but have not yet transferred software products or provided services to our customers. Deferred revenues represent amounts billed or payments received from customers for SaaS subscriptions, software licenses, product updates and support and/or consulting services in advance of recognizing revenue or performing services. We defer revenue for these undelivered performance obligations and recognize revenues when the applicable software products are delivered or over the periods in which the services are performed, in accordance with our revenue recognition policy for such performance obligations. We classify deferred revenue as current or noncurrent based on the timing of when we expect to recognize revenue. The noncurrent portion of deferred revenue is included within other long-term liabilities on our Consolidated Balance Sheets.

Costs to Obtain or Fulfill a Contract – Deferred Costs

Commissions payable to our direct sales force and independent affiliates who resell our software products are considered incremental and recoverable costs of obtaining or fulfilling contracts with our customers. Sales commissions are recorded when a sale is completed or when our SaaS subscription is provisioned, which generally coincides with the timing of revenue recognition in most cases. Certain of these costs are capitalized and amortized ratably over the expected customer relationship period during which we expect to recover those costs. In estimating the expected customer relationship period, we evaluated both quantitative and qualitative factors including the nature of our product/service offerings, expected renewals, and the estimated economic life of the applicable software. We record these deferred costs within prepaid expenses and other assets on our Consolidated Balance Sheets. The deferred costs are amortized over various periods; generally, five years for maintenance contracts, and three to six years for SaaS subscriptions.

Leases

We account for leases in accordance with ASC 842, *Leases*. Under ASC 842, we recognize right-of-use assets (ROU assets) and lease liabilities on our balance sheets relating to our leasing arrangements. For income statement purposes, this guidance retained a dual model, requiring leases to be classified as either operating or finance. See Note 7, *Leases*, for additional information.

We determine if an arrangement is or contains a lease at the inception of the contractual agreement. If an arrangement is a lease, we determine if it is an operating lease or a finance lease. ROU assets and lease liabilities are recognized at the commencement date. Lease liabilities are measured at the present value of the remaining lease payments over the expected lease term, which includes options to extend or terminate the lease when it is reasonably certain those options will be exercised. The present value of our lease liabilities is determined using an incremental collateralized borrowing rate as estimated at lease inception. ROU assets represent our right to control the use of the leased assets during

the lease term and are recognized in an amount equal to the initial measurement of the lease liabilities, increased by any initial direct costs incurred or lease payments made prior to the commencement date, and reduced by any lease incentives received.

We have entered into operating leases for the rental of office space and certain office and IT equipment. We have also entered into finance lease commitments for vehicles and certain other office and IT equipment.

We have lease arrangements with both lease and non-lease components. For our office space and IT equipment, we separate lease and non-lease components. For our vehicle and office equipment leases, we account for lease and non-lease components as a single lease component.

For all leases with an initial term of 12 months or less, we do not record lease assets and liabilities on the balance sheet. We recognize lease expense for these short-term leases on a straight-line basis over the lease term.

For operating leases, lease expense is recognized on a straight-line basis over the lease term and is recorded in cost of revenue and operating expense lines in our Consolidated Statements of Operations. Finance leases include both an operating expense and an interest expense component. Amortization expense of the finance lease ROU asset is recognized on a straight-line basis over the lease term and interest expense for finance leases is recognized using the effective interest method. These are recorded in amortization of intangible assets and depreciation, and interest expense, net, respectively, in our Consolidated Statements of Operations. Some of our leases contain variable lease costs, including payments tied to consumer price indexes, for taxes, maintenance, insurance and other operating costs. Variable lease costs, other than payments based on a rate or index, are not included in the measurement of the ROU asset or lease liability and are expensed as incurred.

Our sublease transactions and lease transactions with related parties are not significant. We do not have lease agreements with residual value guarantees or restrictive covenants.

Business Combinations

We account for business acquisitions in accordance with ASC 805, *Business Combinations*. ASC 805 requires recognition of the assets acquired and the liabilities assumed separately from goodwill, generally at their acquisition date fair values, except for customer contracts acquired, which are recognized in accordance with our revenue recognition policy. Goodwill is measured as the excess of consideration transferred over the net of the acquisition date fair values of the assets acquired and the liabilities assumed. We use our best estimates and assumptions to assign fair value to the tangible and intangible assets acquired and liabilities assumed as of the acquisition date. These estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, we may record adjustments to the fair value of these tangible and intangible assets acquired and liabilities assumed, with the corresponding offset to goodwill. In addition, uncertain tax positions and tax related valuation allowances assumed in connection with a business combination are initially estimated as of the acquisition date and are reevaluated with any adjustments made within the measurement period being recorded to goodwill. Upon the conclusion of the measurement period or final determination of the fair values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded in our results of operations in the period such adjustments are made.

Restructuring

Costs to exit or restructure certain activities of an acquired company, or our internal operations, are accounted for as one-time termination and exit costs pursuant to ASC 420, *Exit or Disposal Cost Obligations*. Liabilities for costs associated with an exit or disposal activity are measured at fair value and recognized in the period in which the liability is incurred. In addition, we may incur restructuring charges related to personnel actions which are accounted for in accordance with ASC 712, *Compensation—Nonretirement Postemployment Benefits*. These restructuring charges represent severance associated with redundant positions. Because these costs are recorded based upon estimates, actual expenditures for the restructuring activities may differ from the initially recorded costs. This may require revision of initial estimates. Such changes are recorded as increases or decreases to restructuring costs in the period the change in estimate occurs. See Note 10, *Restructuring Charges*.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents are comprised primarily of unrestricted amounts in operating accounts. Our cash balance, at times, may exceed the federally insured limits. Cash and cash equivalents are maintained with a diversified group of institutions that we believe to be of high credit quality.

In addition, we have restricted cash balances which are classified as either other current assets or other assets on our Consolidated Balance Sheets depending on the nature of the restriction. Restricted cash is used to collateralize various operating guarantees such as leases, acquisition funding, or letters of credit and is recorded at cost, which approximates fair market value.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash within our Consolidated Balance Sheets to amounts presented within our Consolidated Statements of Cash Flows at December 31, 2022 and 2021:

(in millions)	2022	2021
Current assets		
Cash and cash equivalents	\$ 351.6	\$ 752.0
Restricted cash - Other current assets	0.8	0.7
Total cash, cash equivalents and restricted cash	\$ 352.4	\$ 752.7

Accounts Receivable

Accounts receivable are comprised of gross amounts invoiced to customers and accrued revenue, which represents earned but unbilled revenue at the balance sheet date. The gross amount invoiced includes pass-through taxes and fees, which are recorded as liabilities at the time they are billed. We offset our accounts receivable and deferred revenue for invoices not billed under a committed contract for which the subscription period has not started as of the balance sheet date. Accounts receivable are presented net of an allowance for credit losses on our Consolidated Balance Sheets.

We have established an allowance for estimated billing adjustments and an allowance for expected credit losses. We record provisions for billing adjustments as a reduction of revenue and provisions for expected credit losses as a component of general and administrative expense in our Consolidated Statements of Operations. The allowance for credit losses is determined through assessments of historical trends, the current and projected economic conditions, and customer and counterparty credit ratings. We manage credit risk through normal industry collateralization processes, extensive credit analysis, and diligent payment management practices. Receivables are written off when we determine that collection is not probable. See Note 5, *Accounts Receivable*.

Sales Allowances

We do not generally provide a contractual right of return. However, in the course of arriving at practical business solutions to various claims arising from the sale of our products and delivery of our solutions, we have allowed for sales allowances. We record a provision against revenue for estimated sales allowances on license and consulting revenues in the same period the related revenues are recorded or when current information indicates additional allowances are required. These estimates are based on historical experience determined by analysis of claim activities, specifically identified customers and other known factors. A considerable amount of judgment is required in assessing these factors. If the historical data utilized does not reflect expected future performance, a change in the allowances would be recorded in the period such determination is made affecting current and future results of operations. The balance of our sales reserve is reflected in deferred revenue on our Consolidated Balance Sheets.

Property and Equipment

We record property and equipment at cost, net of accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method based upon the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of their estimated useful lives or the remaining term of the leases to which they relate. Repair and maintenance costs are expensed as incurred if they do not increase the life or productivity of the related capitalized asset. Assets acquired under finance leases are included in property and equipment with corresponding

depreciation included in accumulated depreciation. Finance leases are amortized on a straight-line basis over the lesser of the estimated useful life of the respective assets or the term of the finance lease.

Gains or losses are reflected in results of operations upon retirement or sale of property and equipment. Property and equipment are reviewed for impairment when circumstances indicate that the carrying value of the property and equipment may not be recoverable. The carrying value of the applicable asset is compared to the undiscounted future cash flows the asset is expected to generate. If the carrying value exceeds the undiscounted future cash flows, the asset is considered to be impaired. In this case, the difference between the carrying value and the estimated fair value, based on the discounted future cash flows, is recognized as an impairment loss. See Note 6, *Property and Equipment*, for details of long-lived asset impairments we have recorded related to certain of our internal use capitalized software assets.

Research and Development Costs

We account for research and development costs in accordance with the ASC 730, *Research and Development*. Under ASC 730, all research and development costs are expensed as incurred, with the exception of certain software development costs discussed below. Our research and development costs consist primarily of salaries, employee benefits, related overhead costs, and consulting fees associated with product development, testing, quality assurance, documentation, enhancements and upgrades for existing customers under maintenance.

Software Development Costs

We apply ASC 350-40, *Intangibles—Goodwill and Other—Internal Use Software*, to our review of development projects for software we do not intend to sell or otherwise market. These projects primarily relate to software used for our SaaS subscription offerings. In these reviews, all costs incurred during the preliminary project stages are expensed as incurred. Once the projects have been committed to and it is probable that the projects will meet functional requirements, costs are capitalized. These capitalized software costs are depreciated on a project-by-project basis over the expected economic life of the underlying product on a straight-line basis, which is typically two to three years. Depreciation commences when the software is available for its intended use. Amounts capitalized related to development of internal use software are included in property and equipment, net, on our Consolidated Balance Sheets and related depreciation is recorded as a component of amortization of intangible assets and depreciation in our Consolidated Statements of Operations. During the years ended December 31, 2022 and 2021, we capitalized approximately \$22.8 million and \$26.1 million related to internal use software and recorded approximately \$23.4 million and \$19.7 million in related depreciation expense, respectively. Unamortized costs of capitalized internal use software totaled \$22.5 million and \$23.1 million as of December 31, 2022 and 2021, respectively.

We apply ASC 985-20, *Software—Costs of Software to Be Sold, Leased, or Marketed*, in analyzing our development costs for software we intend to sell or otherwise market. ASC 985-20 requires the capitalization of certain software development costs subsequent to the establishment of technological feasibility for a software product. Research and development costs associated with establishing technological feasibility are expensed as incurred. Based on our software development process, technological feasibility is established upon the completion of a working model. We begin amortizing capitalized costs once a product is available for general release. Amortization is recognized based upon the greater of 1) the ratio of current revenues to total anticipated product revenues, or 2) the amount computed on a straight-line basis with reference to the product's expected useful life, which is typically two years. Costs capitalized for the completion of work between the time of technological feasibility and the point at which the software was ready for general release were \$3.9 million and \$5.1 million in the years ended December 31, 2022 and 2021, respectively. These capitalized software costs are included in intangible assets, net, on our Consolidated Balance Sheets. Amortization expense for capitalized costs totaled \$4.5 million and \$2.9 million in the years ended December 31, 2022 and 2021, respectively. This expense is included in amortization of intangible assets and depreciation in our Consolidated Statements of Operations. Unamortized costs capitalized totaled \$4.0 million and \$4.6 million as of December 31, 2022 and 2021, respectively. At least annually, we perform a net realizable value analysis related to these capitalized software costs. The amount by which unamortized software development costs exceed the net realizable value, if any, is recognized as amortization expense in the period it is determined.

Intangible Assets

Intangible assets represent customer contracts and relationships, acquired and developed technology, and trade names obtained in connection with acquisitions. Our intangible assets, other than acquired technology, are currently being amortized using straight-line amortization over their estimated useful lives, ranging from 12 months to 18 years. An accelerated amortization method may be used in circumstances when the realization of the economic value of the asset is deemed to have characteristics that more closely match the accelerated amortization methodology. In those cases, the asset would be amortized proportionally based upon the annual proportion of economic value contributed as it relates to the asset's total economic value. Acquired technology is amortized at the greater of straight-line or the ratio that current gross revenues for a product bear to the total of current and anticipated future gross revenues for that product. See Note 8, *Intangible Assets*.

The carrying amounts of intangible assets are reviewed whenever circumstances arise that indicate the carrying amount of an asset may not be recoverable. The carrying value of these assets is compared to the undiscounted future cash flows the assets are expected to generate. If the carrying value exceeds the undiscounted future cash flows, the asset is considered to be impaired. In this case the difference between the carrying value and the estimated fair value, based on the discounted future cash flows, is recognized as an impairment loss.

Goodwill

Goodwill represents the excess of consideration transferred over the fair value of net tangible and intangible assets acquired and liabilities assumed in a business combination. Goodwill amounts are not amortized, but rather are evaluated for potential impairment on an annual basis unless circumstances indicate the need for impairment testing between the annual tests. The judgments regarding the existence of impairment indicators are based on legal factors, market conditions, and operational performance, among other things.

Annual testing for goodwill impairment may begin with a qualitative comparison of our reporting units' fair value to their carrying value to determine if it is more-likely-than-not that the fair value is less than the carrying value and thus whether any further impairment testing is necessary. Further quantitative testing for goodwill impairment involves comparing the carrying value of a reporting unit's net assets to the estimated fair value of the reporting unit. We allocate goodwill to our reporting units based upon their relative fair values. For purposes of allocating our recorded goodwill to our reporting units, we estimated their fair values using a combination of an income approach (discounted cash flow method) and a market approach (market comparable method and market transaction method). If the reporting unit's carrying value exceeds its estimated fair value, the reporting unit is considered to be impaired, and this difference is recognized as an impairment loss, limited to the amount of goodwill recorded related to the reporting unit.

We conduct our annual impairment test as of October 1. The results of the annual tests performed on October 1, 2022 did not indicate any potential impairment for any of our reporting units. We believe there was no impairment of our goodwill and no indication of potential impairment existed as of December 31, 2022 or 2021. We have no accumulated impairment charges related to our goodwill.

Contingencies—Litigation Reserves

We provide for contingent liabilities, including those related to litigation matters, in accordance with ASC 450, *Contingencies*. Pursuant to this guidance, we record an accrual for a contingency when it is both probable that an asset has been impaired or a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. We do not record gain contingencies until they are realized. We expense all legal costs to resolve regulatory, legal, tax, or other matters in the period incurred and include such costs in general and administrative expenses in our *Consolidated Statements of Operations*. In the ordinary course of business, we regularly review the status of all regulatory, legal, tax, and other reserves for the possibility that the amount of recorded liabilities has changed or that new liabilities have arisen. As additional information becomes available, we reassess the potential liabilities and may revise our estimates accordingly. Such revisions in the estimates of the potential liabilities could have a material impact on our future results of operations, financial position, and cash flows. See Note 13, *Commitments and Contingencies – Litigation*.

Derivative Financial Instruments

In accordance with ASC 815, *Derivatives and Hedging*, we record derivative financial instruments on our Consolidated Balance Sheets as assets or liabilities at their fair value. We may use derivatives to partially offset our exposure to foreign currency exchange rate and interest rate risk on expected future cash flows, and certain existing assets and liabilities. Our derivative financial instruments consisted of cross currency swaps as of December 31, 2021. The cross currency swaps were settled in 2022, and we had no derivative financial instruments as of December 31, 2022. See Note 11, *Debt*. We use derivative financial instruments for hedging purposes only and not for trading or speculation. We have not designated any of our outstanding derivatives as hedging instruments for accounting purposes. For derivatives that are not designated as hedging instruments, the change in fair value is recognized currently in our Consolidated Statements of Operations. Cash inflows or outflows associated with the derivative instruments are included in cash flows from operating activities on our Consolidated Statements of Cash Flows.

Foreign Currency

The functional currency of our foreign subsidiaries is typically the applicable local currency. The translation from the respective foreign currencies to U.S. Dollars is performed for balance sheet accounts using current exchange rates in effect at the balance sheet date and for income statement accounts using a weighted average exchange rate during the applicable period. Gains or losses resulting from translation of balance sheet accounts are included as a separate component of accumulated other comprehensive income on our Consolidated Balance Sheets. Transaction gains and losses are recognized in our results of operations as a component of other (income) expense, net, in the accompanying Consolidated Statements of Operations.

We recognized net foreign currency exchange transaction gains of \$131.8 million and \$14.5 million in the years ended December 31, 2022 and 2021, respectively. The net foreign currency exchange transaction gains recognized in the year ended December 31, 2022, included gains of \$94.4 million related to cross currency swaps. See Note 11, *Debt*.

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity of a business enterprise from non-stockholder transactions impacting stockholders' equity that are not included in the statements of operations and are reported as a separate component of stockholders' equity. Other comprehensive income (loss) includes the change in foreign currency translation adjustments and changes in defined benefit plan obligations.

We report accumulated other comprehensive income (loss) as a separate line item in the stockholders' equity section of our Consolidated Balance Sheets. We report the components of comprehensive income (loss) on our Consolidated Statements of Comprehensive Income (Loss).

Total accumulated other comprehensive income (loss) and its components were as follows for the years ended December 31, 2022 and 2021:

(in millions)	Foreign Currency Translation Adjustment	Funded Status of Defined Benefit Pension Plan ⁽¹⁾	Accumulated Other Comprehensive Income (Loss)
Balance, December 31, 2020	\$ 777.0	\$ (6.3)	\$ 770.7
Other comprehensive income (loss)	(394.9)	4.5	(390.4)
Less: other comprehensive income (loss) attributable to noncontrolling interests	0.6	-	0.6
Other comprehensive income (loss) attributable to Infor, Inc.	(394.3)	4.5	(389.8)
Balance, December 31, 2021	382.7	(1.8)	380.9
Other comprehensive income (loss)	(526.9)	6.7	(520.2)
Less: other comprehensive income (loss) attributable to noncontrolling interests	4.3	-	4.3
Other comprehensive income (loss) attributable to Infor, Inc.	(522.6)	6.7	(515.9)
Balance, December 31, 2022	\$ (139.9)	\$ 4.9	\$ (135.0)

(1) Funded status of defined benefit pension plan is presented net of tax liability of \$1.0 million and tax benefit of \$0.5 million as of December 31, 2022 and 2021, respectively.

Advertising Costs

We expense advertising costs as incurred. These costs are included in sales and marketing expense in our Consolidated Statements of Operations. For the years ended December 31, 2022 and 2021, advertising expenses were \$13.2 million and \$16.9 million, respectively.

Concentration of Risk

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash and cash equivalents, and trade receivables with customers. Cash and cash equivalents are generally held with a number of large, diverse financial institutions worldwide to reduce the amount of exposure to any single financial institution. We do not require collateral to secure accounts receivable. Credit risk with respect to trade receivables is mitigated by credit evaluations performed on existing and prospective customers and by the diversification of our customer base across different industries and geographic areas. No one customer accounted for more than 10% of our consolidated trade accounts receivable balance at December 31, 2022 or 2021. In addition, no individual customer accounted for more than 10% of our consolidated revenues in the years ended December 31, 2022 or 2021.

A significant portion of our business is conducted in currencies other than the U.S. Dollar, the currency in which our financial statements are reported. Significant changes in these currencies, especially the Euro and the British Pound, relative to the U.S. Dollar could materially impact our revenue, operating results and financial position. During the years ended December 31, 2022 and 2021, we did not pursue hedging strategies to mitigate foreign currency exposure.

Fair Value Measurements

We apply the provisions of ASC 820, *Fair Value Measurements and Disclosures*, to certain assets and liabilities that are recognized at fair value on a recurring basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. In measuring fair value, we use a three-level hierarchy that prioritizes fair value measurements based on the types of inputs used for the various valuation techniques. Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are as follows:

- Level 1:* Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2:* Other inputs that are directly or indirectly observable in the marketplace.
- Level 3:* Unobservable inputs which are supported by little or no market activity.

As of December 31, 2021, we had recorded Level 3 liabilities related to our derivative instruments of \$39.5 million. We have had no transfers of assets/liabilities into or out of Level 3 during the years ended December 31, 2022 or 2021.

The fair value of cross currency swaps was estimated as the net present value of projected cash flows based upon forward foreign currency exchange rates at the balance sheet date. The various models used to value the currency swaps were based on certain readily observable market data, such as current foreign currency exchange rates and the contractual USD/EUR interest rate and notational basis differentials, as well as certain unobservable inputs including estimated foreign currency exchange rate volatility, and estimates of other market inputs when observable data was not available. Given the consideration of unobservable inputs in determining the valuation of the cross currency swaps, their fair value was classified as Level 3 in the fair value hierarchy. The cross currency swaps were settled in 2022. See Note 11, *Debt*.

We have elected not to apply the fair value option for financial assets and liabilities that we are not required to carry at fair value. As of December 31, 2022 and 2021, our material financial assets and liabilities not carried at fair value included our cash and cash equivalents, accounts receivable, affiliate notes receivable, accounts payable, accrued expenses, and long-term debt. These financial instruments are recorded at their carrying values generally due to their short periods to maturity, with the exception of long-term debt, whose carrying value is deemed to approximate fair value.

In addition to the financial assets and liabilities recognized at fair value on a recurring basis, certain non-financial assets and liabilities are to be measured at fair value on a nonrecurring basis in accordance with applicable U.S. GAAP. This includes items such as non-financial assets and liabilities initially measured at fair value in a business combination (but not measured at fair value in subsequent periods) and non-financial long-lived asset groups measured at fair value for an impairment assessment. In general, non-financial assets including goodwill, other intangible assets and property and equipment are measured at fair value when there is an indication of impairment and are recorded at fair value only when any impairment is recognized. As of December 31, 2022 and 2021, we had not recorded any impairment related to such assets and had no other material non-financial assets or liabilities requiring adjustments or write-downs to their current fair value, except for the impairment of certain of our capitalized software costs recorded in 2021. See Note 6, *Property and Equipment*.

Income Taxes

We utilize the asset and liability method of accounting for income taxes as set forth in ASC 740, *Income Taxes*. Under this method, we recognize deferred tax assets and liabilities for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured by applying enacted statutory tax rates that are applicable to the future years in which deferred tax assets or liabilities are expected to be settled or realized to the differences between the financial statements carrying amount and the tax bases of existing assets and liabilities. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in our results of operations in the period in which the tax rate change is enacted. The guidance also requires a valuation allowance against net deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets may not be realized. Changes in valuation allowances are included in Infor's income tax provision in the period of change. In determining whether a valuation is warranted, Infor takes into account such factors as prior earnings history, expected future earnings, unsettled circumstances that, if unfavorably resolved, would adversely affect utilization of a deferred tax asset, carry-back and carry-forward periods, and tax strategies that could potentially enhance the likelihood of realization of a deferred tax asset. See Note 15, *Income Taxes*.

Equity-Based Compensation

We account for equity-based payments, including grants of employee stock options, restricted stock and other equity-based awards, in accordance with ASC 718, *Compensation—Stock Compensation*, which requires that share-based payments be recognized in our results of operations based on their fair values. All equity-based payments are based upon equity issued by a parent company of Infor. Pursuant to applicable FASB guidance related to equity-based awards, we have reflected compensation expense related to our parent company's equity grants. The fair value of the equity-based awards is recorded as compensation expense within our results of operations over the applicable vesting periods with an offset to additional paid-in capital for equity-classified awards, and to accrued expenses and other long-term liabilities for liability-classified awards. We utilize the Option-Pricing Method to estimate the fair value of the equity awards. We recognize the effect of forfeitures when they occur. See Note 14, *Equity-Based Award Plans*, for additional information on our equity-based compensation plans.

3. Revenues

Contract Balances

The timing of our revenue recognition may differ from the timing of invoicing to our customers, and these timing differences result in receivables, contract assets, or contract liabilities which are reflected on our Consolidated Balance Sheets.

The following table summarizes our contract assets and liabilities as of December 31, 2022 and 2021:

(in millions)	<u>2022</u>	<u>2021</u>
Contract assets		
Deferred costs - Prepaid expenses	\$ 75.5	\$ 56.9
Unbilled accounts receivable - Other current assets	42.5	21.2
Deferred costs - Other assets	124.4	102.0
Total contract assets	<u>\$ 242.4</u>	<u>\$ 180.1</u>
Contract liabilities		
Current deferred revenue	\$ 1,177.4	\$ 1,201.4
Noncurrent deferred revenue - Other liabilities	19.1	16.2
Total contract liabilities	<u>\$ 1,196.5</u>	<u>\$ 1,217.6</u>

The following table sets forth the components of deferred revenue as of December 31, 2022 and 2021:

(in millions)	<u>2022</u>	<u>2021</u>
SaaS subscriptions	\$ 499.0	\$ 470.1
Software license fees	4.0	5.1
Software subscriptions and license fees	503.0	475.2
Product updates and support fees	579.2	635.0
Consulting services and other fees	116.6	112.7
Contract asset offset	(2.3)	(5.3)
Total deferred revenue	1,196.5	1,217.6
Less: current portion	1,177.4	1,201.4
Deferred revenue - noncurrent	<u>\$ 19.1</u>	<u>\$ 16.2</u>

Sales Allowances

The balance of our sales allowance is reflected in deferred revenue on our Consolidated Balance Sheets. The following is a rollforward of our sales reserve for the years ended December 31, 2022 and 2021:

(in millions)		
Balance, December 31, 2020	\$	37.1
Provision		29.6
Write-offs		(23.6)
Currency translation effect		(0.2)
Balance, December 31, 2021		42.9
Provision		21.4
Write-offs		(27.0)
Currency translation effect		(2.0)
Balance, December 31, 2022	<u>\$</u>	<u>35.3</u>

4. Acquisitions and Divestitures

The following is a summary of our significant acquisitions and divestitures.

2021 Acquisition

In October 2021, we acquired 100% of the equity of Lighthouse Systems Limited for \$33.9 million, net of cash acquired (the Lighthouse Acquisition), and including final working capital adjustments. Based in Crawley, UK, Lighthouse Systems is a leading provider of manufacturing execution system (MES) software for smart manufacturing, and serves customers worldwide in focus industries. Lighthouse Systems' MES solution helps Infor address a critical customer requirement of 24x7 manufacturing operations. We recorded approximately \$15.7 million of identifiable intangible assets and

\$19.4 million of goodwill related to the Lighthouse Acquisition. The acquired intangible assets relating to existing technology and customer relationships are being amortized over their weighted average estimated useful lives of approximately six and nine years, respectively. The goodwill arising from the Lighthouse Acquisition, related to expected synergies of our combined operations, is not deductible for tax purposes.

The operating results related to the Lighthouse Acquisition have been included in our Consolidated Financial Statements from the acquisition date.

2021 Divestiture

In October 2021, Infor sold its Enterprise Asset Management business (EAM), a SaaS-based asset management solution to Hexagon AB (Hexagon). The total proceeds received, including final working capital adjustments, were \$2,832.9 million, consisting of \$804.6 million in cash and Hexagon common shares with an aggregate stated value of \$2,028.3 million. We transferred all non-cash proceeds and primarily all cash proceeds from the EAM divestiture to KII and a subsidiary of KII in exchange for two notes receivable. See Note 17, *Related Party Transactions*. We recognized a pre-tax gain on the sale of \$1,596.6 million in the year ended December 31, 2021.

We determined that the EAM transaction did not meet the discontinued operations criteria. As such, the results of operations of EAM, through the closing date, are included in our Consolidated Statements of Operations.

5. Accounts Receivable

Accounts receivable, net is comprised of the following as of December 31, 2022 and 2021:

(in millions)	2022	2021
Accounts receivable	\$ 381.9	\$ 420.8
Unbilled accounts receivable	77.1	47.8
Less: allowance for expected credit losses	(28.2)	(15.6)
Accounts receivable, net	\$ 430.8	\$ 453.0

The following is a rollforward of our allowance for expected credit losses for accounts receivable for the years ended December 31, 2022 and 2021:

(in millions)		
Balance, December 31, 2020	\$	11.1
Provision		10.0
Write-offs and recoveries		(4.0)
Divestiture		(1.1)
Currency translation effect		(0.4)
Balance, December 31, 2021		15.6
Provision		22.4
Adjustment for adoption of CECL		2.5
Write-offs and recoveries		(11.4)
Currency translation effect		(0.9)
Balance, December 31, 2022	\$	28.2

6. Property and Equipment

Property and equipment, net consists of the following as of December 31, 2022 and 2021:

(in millions)	2022	2021	Useful Lives (in years)
Land, buildings and leasehold improvements	\$ 54.3	\$ 55.3	1–40
Computer equipment and software	182.5	155.7	1–3
Other equipment, furniture and fixtures	28.8	28.3	1–7
Equipment under finance leases	19.2	18.6	
Total property and equipment	284.8	257.9	
Less: accumulated depreciation and amortization	(178.7)	(114.8)	
Property and equipment, net	<u>\$ 106.1</u>	<u>\$ 143.1</u>	

Total depreciation expense related to our property and equipment for the years ended December 31, 2022 and 2021 was \$80.8 million and \$74.4 million, respectively.

During 2021, based on changes in facts and circumstances associated with certain of our capitalized software costs related to internal use software, we determined that the carrying value of the related assets were not fully recoverable and we recorded impairment charges of \$3.3 million. The impairment charge was recorded as a component of amortization of intangible assets and depreciation in our Consolidated Statements of Operations.

We have asset retirement obligations related to certain of our leased facilities. The accrued asset retirement obligations at December 31, 2022 and 2021 were \$10.2 million and \$9.8 million, respectively.

7. Leases

The following table summarizes lease-related balances within our Consolidated Balance Sheets as of December 31, 2022 and 2021:

(in millions)	Balance Sheet Classification	2022	2021
Assets			
Operating leases	Operating lease right-of-use assets	\$ 157.9	\$ 209.5
Finance leases	Property and equipment, net	6.1	8.5
Total leased assets		<u>\$ 164.0</u>	<u>\$ 218.0</u>
Liabilities			
Current:			
Operating lease liabilities	Operating lease liabilities	\$ 45.3	\$ 50.6
Finance lease liabilities	Accrued expenses	2.9	3.3
Noncurrent:			
Operating lease liabilities	Operating lease liabilities, noncurrent	135.2	179.0
Finance lease liabilities	Other long-term liabilities	2.6	3.7
Total lease liabilities		<u>\$ 186.0</u>	<u>\$ 236.6</u>

The following table sets forth the components of our lease expense for the years ended December 31, 2022 and 2021:

(in millions)	2022	2021
Operating lease cost ⁽¹⁾	\$ 47.7	\$ 54.0
Finance lease cost		
Amortization of right-of-use assets	5.2	6.7
Interest on finance lease liabilities	0.1	0.2
Finance lease cost	5.3	6.9
Total lease cost	<u>\$ 53.0</u>	<u>\$ 60.9</u>

(1) Includes an immaterial amount of short-term lease costs, variable lease costs, and sublease income.

The following table reconciles the undiscounted remaining lease payments under our operating and finance leases to the lease liabilities recorded on our Consolidated Balance Sheet as of December 31, 2022:

(in millions)	<u>Operating Leases</u>	<u>Finance Leases</u>	<u>Total</u>
2023	\$ 45.3	\$ 2.9	\$ 48.2
2024	38.8	1.7	40.5
2025	30.3	0.7	31.0
2026	21.2	0.2	21.4
2027	17.2	-	17.2
Thereafter	37.8	-	37.8
Total future minimum lease payments	<u>190.6</u>	<u>5.5</u>	<u>196.1</u>
Less: amounts representing interest	<u>(10.1)</u>	<u>-</u>	<u>(10.1)</u>
Present value of lease liabilities	180.5	5.5	186.0
Less: current portion	<u>(45.3)</u>	<u>(2.9)</u>	<u>(48.2)</u>
Noncurrent lease liabilities	<u>\$ 135.2</u>	<u>\$ 2.6</u>	<u>\$ 137.8</u>

As of December 31, 2022, we had no signed leases that had not yet commenced.

The following table summarizes the supplemental cash flow information related to our leases for the years ended December 31, 2022 and 2021:

(in millions)	<u>2022</u>	<u>2021</u>
Operating cash flows from operating leases	\$ 54.5	\$ 55.5
Operating cash flows from finance leases	0.1	0.2
Financing cash flows from finance leases	3.7	4.6
Right-of-use assets obtained in exchange for new lease obligations		
Operating leases	10.2	51.8
Finance leases	2.2	3.0

The following table summarizes other information related to our leases as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Weighted-average remaining lease term (years)		
Operating leases	5.6	6.0
Finance leases	2.3	2.4
Weighted-average discount rates		
Operating leases	2.9%	2.7%
Finance leases	2.7%	1.9%

8. Intangible Assets

Intangible assets, net consist of the following as of December 31, 2022 and 2021:

(in millions)	2022			Estimated Useful Lives (in years)	2021			Estimated Useful Lives (in years)
	Gross Carrying Amounts	Accumulated Amortization	Net		Gross Carrying Amounts	Accumulated Amortization	Net	
Customer contracts and relationships	\$ 3,669.4	\$ 716.1	\$ 2,953.3	9 - 18	\$ 3,832.3	\$ 475.3	\$ 3,357.0	9 - 18
Acquired and developed technology	1,429.8	687.6	742.2	1 - 7	1,471.3	451.7	1,019.6	1 - 7
Tradenames	329.1	66.3	262.8	1 - 17	330.1	43.4	286.7	1 - 17
Total intangibles	<u>\$ 5,428.3</u>	<u>\$ 1,470.0</u>	<u>\$ 3,958.3</u>		<u>\$ 5,633.7</u>	<u>\$ 970.4</u>	<u>\$ 4,663.3</u>	

During the fourth quarter of 2021 we recorded a \$363.6 million reduction of intangible assets, net related to the divestiture of EAM: \$302.5 million related to customer contracts and relationships and \$61.1 million related to acquired and developed technology. See Note 4, *Acquisitions and Divestitures*.

The following table presents amortization expense recognized in our Consolidated Statements of Operations, by asset type, for the years ended December 31, 2022 and 2021:

(in millions)	2022		2021	
Customer contracts and relationships	\$	262.2	\$	286.3
Acquired and developed technology		249.8		268.5
Tradenames		23.5		24.3
Total	\$	<u>535.5</u>	\$	<u>579.1</u>

The estimated future annual amortization expense related to the intangible assets as of December 31, 2022, was as follows:

(in millions)		
2023	\$	529.9
2024		502.0
2025		492.3
2026		337.1
2027		281.2
Thereafter		1,815.8
Total	\$	<u>3,958.3</u>

9. Goodwill

The following table reflects changes in the carrying amount of our goodwill for the years ended December 31, 2022 and 2021:

(in millions)			
Balance, December 31, 2020		\$	8,662.4
Measurement period adjustment			(4.2)
Goodwill acquired			19.4
Divestiture			(877.3)
Currency translation effect			(269.2)
Balance, December 31, 2021			7,531.1
Measurement period adjustment			0.1
Divestiture			(3.0)
Currency translation effect			(345.9)
Balance, December 31, 2022		\$	<u>7,182.3</u>

During the fourth quarter of 2021 we recorded an \$877.3 million reduction of goodwill related to the divestiture of EAM. See Note 4, *Acquisitions and Divestitures*. We allocated goodwill to EAM based on the relative fair values of EAM and the remainder of Infor going forward.

10. Restructuring Charges

We have recorded restructuring charges related to our acquisitions and on occasion to eliminate redundancies, improve our operational efficiency and reduce our operating costs. These cost reduction measures included workforce reductions, the exiting of certain leased facilities and the consolidation of space in certain other facilities. These restructuring charges include employee severance costs and costs related to reduction of office space. The employees terminated were typically from all functional areas of our operations and all geographic regions. Actions related to these restructuring activities have been completed.

The following tables summarize the accrued restructuring costs for the years ended December 31, 2022 and 2021. The adjustments to costs in the tables below consist of adjustments to the accrual that were accounted for as adjustments to current period earnings (Expense), or adjustments to the accrual that were related to the impact of fluctuations in foreign currency exchange rates (Foreign Currency Effect).

(in millions)	Balance December 31, 2021	Initial Costs	Adjustment to Costs			Balance December 31, 2022
			Expense	Foreign Currency Effect	Cash Payments	
Severance	\$ 4.8	\$ 21.9	\$ (0.9)	\$ 0.4	\$ (16.2)	\$ 10.0
Facilities and other	3.1	3.8	0.1	-	(2.0)	5.0
Total restructuring	<u>\$ 7.9</u>	<u>\$ 25.7</u>	<u>\$ (0.8)</u>	<u>\$ 0.4</u>	<u>\$ (18.2)</u>	<u>\$ 15.0</u>

(in millions)	Balance December 31, 2020	Initial Costs	Adjustment to Costs			Balance December 31, 2021
			Expense	Foreign Currency Effect	Cash Payments	
Severance	\$ 8.5	\$ 12.5	\$ (0.4)	\$ (0.3)	\$ (15.5)	\$ 4.8
Facilities and other	3.8	1.6	(0.4)	-	(1.9)	3.1
Total restructuring	<u>\$ 12.3</u>	<u>\$ 14.1</u>	<u>\$ (0.8)</u>	<u>\$ (0.3)</u>	<u>\$ (17.4)</u>	<u>\$ 7.9</u>

The remaining restructuring reserve accruals related to severance and current facilities costs are included in accrued expenses, and the long-term facilities cost reserve is included in other long-term liabilities on our Consolidated Balance Sheets.

In addition to these restructuring charges, we recorded a net \$9.9 million and \$3.5 million in restructuring costs in our Consolidated Statements of Operations related to impairment of operating lease ROU assets, ROU depreciation and sublease income during the years ended December 31, 2022 and 2021, respectively.

11. Debt

The following table summarizes our long-term debt balances as of December 31, 2022 and 2021:

(in millions)	2022			2021		
	Principal Amount	Net Amount ⁽¹⁾	Contractual Rate	Principal Amount	Net Amount ⁽¹⁾	Contractual Rate
1.45% senior notes due July 15, 2023	\$ 350.0	\$ 349.6	1.450 %	\$ 350.0	\$ 348.9	1.450 %
1.75% senior notes due July 15, 2025	650.0	647.2	1.750 %	650.0	646.2	1.750 %
Revolving credit facility due June 2025	-	-	3.440 %	50.0	50.0	0.548 %
Deferred financing fees and debt discounts	(3.2)	-		(4.9)	-	
Total long-term debt	996.8	996.8		1,045.1	1,045.1	
Less: current portion	349.6	349.6		-	-	
Total long-term debt - noncurrent	\$ 647.2	\$ 647.2		\$ 1,045.1	\$ 1,045.1	

(1) Debt balances net of applicable unamortized debt discounts and deferred financing fees.

As of December 31, 2022 and 2021, we were in compliance with all applicable covenants included in the terms of our credit facilities and the indentures that govern our senior notes.

The weighted average contractual interest rate related to our long-term debt at December 31, 2022 and 2021, was 1.65% and 1.59%, respectively. The effective interest rate of each of our debt obligations is not materially different from the contractual interest rate.

The following table summarizes our future repayment obligations on the principal debt balances of our borrowings as of December 31, 2022:

(in millions)	
2023	\$ 350.0
2024	-
2025	650.0
2026	-
2027	-
Thereafter	-
Total	\$ 1,000.0

Credit Facilities

On June 1, 2020, we entered into a revolving loan agreement with KII (the Koch Revolver) with committed funds of \$150.0 million. As of December 31, 2022, we had no draws against the Koch Revolver. As of December 31, 2021, we had outstanding draws against the Koch Revolver of \$50.0 million. The Koch Revolver matures in June 2025 and bears interest at variable market rates. The current interest rate applicable to borrowings under the Koch Revolver is approximately 3.44% per annum. Amounts under the Koch Revolver are to be borrowed (and reborrowed) to finance working capital needs and for general corporate purposes.

Senior Notes

Infor 1.45% and 1.75% Senior Notes

On June 5, 2020, we issued \$350.0 million in aggregate principal amount of our 1.45% Senior Notes at an issue price of 99.969% and \$650.0 million in aggregate principal amount of our 1.75% Senior Notes at an issue price of 99.882% (together, the Infor Senior Notes). The 1.45% and 1.75% Senior Notes mature on July 15, 2023, and July 15, 2025, respectively. The Infor Senior Notes bear interest at the applicable rates per annum that is payable semi-annually in cash in arrears, on July 15 and January 15 each year, beginning on January 15, 2021. The Infor Senior Notes are general unsecured obligations of Infor, Inc.

Proceeds from the issuance of the Infor Senior Notes were used to make a distribution to our parent as a partial offset against the capital contributions Infor Holdings, LLC (an affiliate of the parent company of Infor) made in connection with the repayments of our then outstanding term loans and the redemption of our then outstanding senior notes.

On June 2, 2020, we entered into certain EUR/USD cross currency swaps with notional amounts totaling \$1,000.0 million to achieve an overall lower interest expense on our U.S. Dollar fixed rate debt. These cross currency swaps had an effective date of June 5, 2020, with 36-month and 60-month terms originally expiring on July 15, 2023 and July 15, 2025, respectively. The cross currency swaps synthetically converted the U.S. Dollar fixed rate on our Infor Senior Notes to Euro denominated fixed rate debt at a rate of 1.02%. The fair value of the cross currency swaps as of December 31, 2021 was \$39.5 million, and is included in other long-term liabilities on our Consolidated Balance Sheets. The cross currency swaps were early-settled in 2022 and no amounts were recorded on our Consolidated Balance Sheets as of December 31, 2022. The change in fair value of our cross currency swaps during the year ended December 31, 2022, was \$94.4 million, including \$54.9 million in realized gains on settlement, and was \$71.9 million during the year ended December 31, 2021, and is recorded as a component of other (income) expense, net in our Consolidated Statements of Operations. Interest payments received for the cross currency swaps are recorded in interest expense, net in our Consolidated Statements of Operations. For the years ended December 31, 2022 and 2021, gains recorded in interest expense, net under the cross currency swap agreements were \$4.5 million and \$7.0 million, respectively.

Deferred Financing Fees and Debt Discounts

As of December 31, 2022 and 2021, the balance of deferred financing fees, net of amortization, of \$2.8 million and \$4.3 million, respectively, was reflected on our Consolidated Balance Sheets as a direct reduction in the carrying amount of our long-term debt. Deferred financing fees include fees incurred in issuing the Infor Senior Notes. These deferred costs are being amortized using the effective interest method over the expected life of the related debt obligations and such amortization is included in interest expense, net in our Consolidated Statements of Operations.

In addition to the deferred financing fees, we have recorded debt discounts, net of accumulated amortization, of \$0.4 million and \$0.6 million as a direct reduction of the carrying amount of our long-term debt as of December 31, 2022 and 2021, respectively.

Interest Expense, Net

The following table sets forth the components of interest (income) expense, net recognized in our Consolidated Statements of Operations for the years ended December 31, 2022 and 2021:

(in millions)	2022	2021
Interest expense on credit facilities	\$ 16.5	\$ 16.5
Amortization of deferred financing fees and debt discounts	1.7	1.7
Interest on cross currency swaps	(4.5)	(7.0)
Other interest expense	2.8	1.6
Interest income	(106.2)	(9.8)
Interest (income) expense, net	\$ (89.7)	\$ 3.0

12. Common Stock

As of December 31, 2022 and 2021, there were 1,000 shares of Infor, Inc. common stock authorized, issued and outstanding, each with a par value of \$0.01 per share. KII, together with its affiliates, has 100.0% voting control of the Company. This ownership percentage is based on investments in Infor Software Holdings Parent, LLC (Infor Software Holdings Parent) and IGS Holding LP (IGS Holding), affiliates of the parent company of Infor, held by affiliates of KII.

13. Commitments and Contingencies

Litigation

From time to time, we are subject to litigation in the normal course of business. In accordance with applicable FASB guidance, we accrue for litigation exposure when a loss is both probable and estimable, and we provide disclosures of matters

for which the likelihood of material loss is at least reasonably possible. As of December 31, 2022 and 2021, we had accrued \$8.1 million and \$6.1 million, respectively, related to current litigation matters, which are included in accrued expenses on our Consolidated Balance Sheets.

Felleskjøpet Agri SA (FKA) initiated legal proceedings against Infor (Steinhausen) II GmbH (Infor Steinhausen), a wholly-owned subsidiary of the Company, in Norway claiming damages of up to \$53.1 million (NOK 420.0 million) related to the suspension and delay of an ERP implementation project. Infor Steinhausen denied FKA's claims and asserted counterclaims. A trial was conducted in November-December 2017 before the trial court. On February 9, 2018, the trial court rendered its judgment finding Infor responsible for breach of contract and gross negligence, denying Infor's counterclaims and awarding FKA certain damages plus applicable interest and legal costs. We recorded litigation costs of \$42.9 million (approximately NOK 338.0 million) in fiscal 2018 in relation to these actions. As of December 31, 2020, we had reduced the amount accrued related to these actions to \$22.2 million. Infor disputed the trial court's judgment and filed an appeal of the lower court's findings through a re-presentation of all witness testimony and evidence in a de novo proceeding before the Court of Appeals. The main hearing before the Court of Appeals, after being rescheduled twice (once due to the COVID-19 outbreak), occurred in April and May 2021. The Court of Appeals issued its judgment and opinion on July 13, 2021, (a) finding against FKA and dismissing all of its claims against Infor, (b) finding in favor of Infor on its counterclaims against FKA, including that FKA had breached its agreement with Infor by terminating the parties' agreement, and (c) awarding damages, interest, and attorneys' fees to Infor in an amount of approximately \$21.1 million. As a result of this judgment, we removed the remaining \$21.9 million litigation reserve related to these actions from accrued expenses in the third quarter of 2021. In September 2021, FKA filed a petition with the Supreme Court requesting that the Supreme Court hear an appeal of this matter. The parties filed multiple pleadings with the Supreme Court in connection with FKA's petition. On December 22, 2021, the Supreme Court issued its decision denying FKA's petition requesting that the Supreme Court hear an appeal of the matter and remanded the matter to the Court of Appeals to reconsider its decision awarding damages to Infor but only insofar as it relates to the finding on VAT reimbursement, which amounts to a small portion (approximately \$1.5 million) of the damages awarded to Infor. As a result of this decision, we recorded a gain of \$19.6 million for the finalized portion of the award in the fourth quarter of 2021 as a component of other (income) expense, net, in the accompanying Consolidated Statements of Operations, with a corresponding amount included in other current assets on our Consolidated Balance Sheet at December 31, 2021. These amounts were received in 2022 and no uncollected amounts remained as of December 31, 2022.

We are subject to various other legal proceedings and the risk of litigation by employees, customers, patent owners, suppliers, stockholders or others through private actions, class actions, administrative proceedings or other litigation. While the outcome of these claims cannot be predicted with certainty, we are of the opinion that, based on information presently available, the resolution of any such legal matters existing as of December 31, 2022, will not have a material adverse effect on our financial position, results of operations or cash flows.

Guarantees

We typically grant our customers a warranty that guarantees that our product will substantially conform to Infor's current specifications for 90 days from the delivery date. We also indemnify our customers from third-party claims of intellectual property infringement relating to the use of our products. Infor's standard software license agreements contain liability clauses that are limited in amount. We account for these clauses under ASC 460, *Guarantees*. We have not previously incurred costs to settle claims or paid awards under these indemnification obligations. Accordingly, we have not recorded any liabilities related to these agreements as of December 31, 2022 or 2021.

Purchase Obligations

We have various purchase obligations under certain arrangements with our vendors and service providers. Our purchase obligations represent those commitments greater than \$0.1 million annually, including commitments related to providing our CloudSuite and other SaaS subscription offerings, development of our software applications, sales and marketing programs, information technology requirements, and other commitments.

The following table summarizes estimated future minimum payments for fixed and determinable portions of long-term purchase obligations not recognized on our Consolidated Balance Sheet as of December 31, 2022:

(in millions)	Off-Balance Sheet Purchase Obligations	
2023	\$	171.0
2024		149.0
2025		54.7
2026		5.5
2027		3.6
Thereafter		3.6
Total	\$	<u>387.4</u>

Letters of Credit

As of December 31, 2022 and 2021, the Company had a total of \$6.4 million and \$7.9 million, respectively, in letters of credit outstanding, each in favor of certain landlords for office space. These letters of credit renew annually at various dates through 2023.

14. Equity-Based Award Plans

Class D Management Incentive Units and Class A Restricted Stock Units

Prior to January 1, 2022, Infor was party to certain equity-based award plans sponsored by IGS Holding. Under these programs certain executive officers and non-executive employees of Infor were granted Management Incentive Units (MIUs) for Class D non-voting units (Class D Units), and certain executive officers were issued restricted stock units (RSUs) for Class A non-voting units (Class A Units). The Class D Unit and Class A Unit awards originally vested over four years.

In December 2021, we retired both the Class D Unit award program and the Class A Unit award program, and no Class D Units or RSU's were outstanding as of December 31, 2021. In the year ended December 31, 2021, we recorded compensation expense of approximately \$14.0 million related to the Class D Units and \$3.6 million related to the RSUs, including the impacts of retiring these plans.

In connection with the termination of the Class D Unit program, the Class D Unit awards that vested after January 2022 remained outstanding and were modified to a fixed settlement value. The vesting terms of the awards remained the same, with awards to be cash settled on a quarterly basis as they vest. Further, because these awards are no longer indexed to a share-based fair value, they are no longer considered share-based awards. Beginning in 2022, we accounted for these awards as performance bonuses, recognizing compensation expense based on the fixed value and spread over remaining service periods. We have recorded compensation expense of \$8.3 million in the year ended December 31, 2022, related to the Class D Units performance bonuses. The maximum amount remaining to be paid on these performance bonuses in 2023 (assuming no forfeitures due to terminations) is \$7.7 million.

The following table presents compensation expense recognized in our Consolidated Statements of Operations, by category, related to the share-based award programs described above, for the years ended December 31, 2022 and 2021:

(in millions)	2022		2021	
Cost of SaaS subscriptions	\$	0.1	\$	0.1
Cost of product updates and support fees		0.1		0.5
Cost of consulting services and other fees		0.7		1.6
Sales and marketing		0.8		7.2
Research and development		4.0		4.3
General and administrative		2.6		4.0
Total	\$	<u>8.3</u>	\$	<u>17.7</u>

15. Income Taxes

Infor and its domestic operations are included in KII's consolidated federal income tax return and consolidated returns of certain states. Infor records income tax provisions for these returns based on tax sharing agreements between the domestic operating entities and KII. Under the agreements, federal taxes are determined as though the domestic operations filed separate federal returns. State income taxes in jurisdictions where state consolidated returns are filed are calculated by applying KII's consolidated state effective tax rate to Infor's separately identifiable taxable income from domestic operations. Infor also records separate state and foreign income tax provisions for separate return filing jurisdictions and other standalone operations.

Current and deferred income tax provision consists of the following items for the years ended December 31, 2022 and 2021:

(in millions)	<u>2022</u>	<u>2021</u>
Total current	\$ 95.5	\$ 516.4
Total deferred	(49.7)	344.2
Total income tax provision	<u>\$ 45.8</u>	<u>\$ 860.6</u>

Deferred income tax assets and liabilities were as follows as of December 31, 2022 and 2021:

(in millions)	<u>2022</u>	<u>2021</u>
Gross deferred tax assets	\$ 503.9	\$ 427.6
Less: valuation allowance	(122.5)	(135.3)
Net deferred tax assets	381.4	292.3
Deferred tax liabilities	13.4	8.9
Net deferred tax assets	<u>\$ 368.0</u>	<u>\$ 283.4</u>

The material items included in the net deferred tax assets are driven by intangible assets and goodwill, net operating losses and tax credit carryforwards, and accrued liabilities. Infor has net operating loss, capital loss and tax credit carryforwards of \$179.1 million. The net operating loss carry forwards expire at various dates between 2023 and 2042. There are also net operating loss carryforwards with no expiration.

For the years ended December 31, 2022 and 2021, the effective tax rates are affected by recurring items, primarily earnings taxed in foreign jurisdictions at rates different than the statutory U.S. federal rate, U.S. taxes on foreign earnings, and valuation allowances. The effective tax rates are also affected by a revaluation of deferred income taxes on the carrying amount of assets and liabilities within Infor's subsidiaries as a result of business realignments, as well as the divestiture of Infor's EAM business and other discrete items that may occur in any given year but are not consistent from year to year.

Infor has approximately \$6,626.0 million of undistributed earnings for certain non-U.S. subsidiaries. The intention is to permanently reinvest the majority of the foreign earnings indefinitely or to repatriate such earnings when tax efficient to do so. Determination of the amount of unrecognized deferred tax liability on the undistributed earnings is not practicable.

Infor continues to recognize an estimate of potential interest and penalties related to liabilities for unrecognized tax benefits in the provisions for domestic and foreign income taxes. Interest and penalties recognized are not material to the Infor's Consolidated Financial Statements.

Infor is subject to income taxation in many jurisdictions around the world. Unrecognized tax benefits (or tax contingency reserves) reflect the difference between positions taken or expected to be taken on income tax returns and the amounts recognized in the Consolidated Financial Statements. Resolution of the related tax positions through negotiations with the relevant tax authorities or through litigation could take many years to complete. The timing of resolution on individual tax positions is difficult to predict since such timing is not entirely within the control of Infor. Infor records tax benefits for the largest amount more-likely-than-not to be sustained during an income tax audit. Reserves related to uncertain tax positions are included in other liabilities and are not material to Infor's Consolidated Financial Statements. Infor believes

that fluctuations related to uncertain tax positions occurring within the next twelve months will not have a significant effect on Infor's Consolidated Financial Statements.

Infor files tax returns in the U.S. federal jurisdiction and many foreign and state jurisdictions. Audits in major jurisdictions are generally completed through the following years: Canada (fiscal 2017), Australia (fiscal 2017), India (fiscal 2014), Japan (fiscal 2019), Germany (fiscal 2009), Sweden (fiscal 2018), and United Kingdom (fiscal 2018). Infor is generally no longer subject to tax examinations domestically for years prior to fiscal 2019. We are also currently under examination in various state jurisdictions. Infor believes any adjustments relating to all remaining unaudited tax years, when ultimately concluded, will not have a material effect on the Consolidated Financial Statements.

16. Retirement Plans

Defined Contribution Plans

We sponsor a 401(k) plan for all eligible employees in the U.S. Under the 401(k) plan, employees can generally make pre-tax contributions of up to the lesser of a maximum of 75.0% of their eligible compensation or the section 402(g) limit as defined by the Internal Revenue Service.

We also have defined contribution plans in certain foreign locations. We recognized expense for contributions to our defined contribution plans of \$22.8 million and \$18.8 million, in the years ended December 31, 2022 and 2021, respectively.

Defined Benefit Plans

We maintain defined benefit plans for certain of our employees in various countries which were assumed in connection with acquisitions we completed in prior years. The most significant of these defined benefit plans are in France, the United Kingdom, Switzerland, India and Germany. Benefits under the various plans are based primarily on applicable legal requirements, years of service and compensation levels. Our defined benefit plans in the United Kingdom and Germany have been frozen with no further benefits accruing. As of December 31, 2022, the remaining plans were funded to comply with the minimum legal funding requirements.

We used a measurement date of December 31, 2022, for our pension plans and accrued benefit obligations. Actuarial valuations of the plans occur on a triennial basis.

The following tables summarize the key data and assumptions for our defined benefit plans.

Projected Benefit Obligation - Plan Assets - Funded Status

The projected benefit obligation, plan assets, and funded status of our plans were as follows as of December 31, 2022 and 2021:

(in millions)	2022	2021
Projected benefit obligation	\$ 90.9	\$ 135.9
Fair value of plan assets	66.3	99.5
Funded status, end of fiscal year	\$ (24.6)	\$ (36.4)
Accumulated benefit obligation, end of fiscal year	\$ 79.4	\$ 123.8

Specific Items Included in Plan Assets

Specific items included in our plan assets were as follows for the years ended December 31, 2022 and 2021:

(in millions)	2022	2021
Employer contributions	\$ 4.0	\$ 5.5
Plan participants' contributions	\$ 0.3	\$ 0.3
Benefits payments	\$ (4.4)	\$ (3.8)

Amounts Recognized on Our Consolidated Balance Sheets

The amounts recognized on our Consolidate Balance Sheets were as follows as of December 31, 2022 and 2021:

(in millions)	<u>2022</u>	<u>2021</u>
Current liability	\$ (0.4)	\$ (0.2)
Non-current liability	(24.2)	(36.2)
Total	<u>\$ (24.6)</u>	<u>\$ (36.4)</u>

Amounts Recognized in Accumulated Other Comprehensive Income (Loss)

The amounts recognized in Accumulated Other Comprehensive Income (Loss) were as follows as of December 31, 2022 and 2021:

(in millions)	<u>2022</u>	<u>2021</u>
Net actuarial gain (loss)	\$ 6.0	\$ (2.2)
Prior service cost	(0.1)	(0.1)
Tax	(1.0)	0.5
Total amounts recognized in accumulated other comprehensive income (loss)	<u>\$ 4.9</u>	<u>\$ (1.8)</u>

Net Periodic Pension Cost

The net periodic pension cost recognized was as follows for the years ended December 31, 2022 and 2021:

(in millions)	<u>2022</u>	<u>2021</u>
Net periodic pension cost	<u>\$ 2.7</u>	<u>\$ 2.6</u>

Other Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income (Loss)

Other changes in plan assets and benefit obligation recognized in other comprehensive income(loss) were as follows for the years ended December 31, 2022 and 2021:

(in millions)	<u>2022</u>	<u>2021</u>
Net actuarial gain (loss)	\$ 8.2	\$ 5.7
Prior service cost	-	(0.1)
Tax	(1.5)	(1.1)
Total recognized in other comprehensive income (loss)	<u>\$ 6.7</u>	<u>\$ 4.5</u>
Total recognized in net periodic benefit cost and other comprehensive income (loss)	<u>\$ 4.0</u>	<u>\$ 1.9</u>

Defined Benefit Plans with Accumulated Benefit Obligations that Exceed the Fair Value of the Plan Assets

The accumulated benefit obligation exceeds the fair value of the plan assets for the majority of our defined benefit plans. The pension benefits and the fair value of plan assets for those plans with accumulated benefit obligations in excess of plan assets were as follows as of December 31, 2022 and 2021:

(in millions)	<u>2022</u>	<u>2021</u>
Projected benefit obligation	\$ 83.6	\$ 128.7
Accumulated benefit obligation	\$ 76.6	\$ 120.2
Fair value of plan assets	\$ 56.3	\$ 89.0

Fair Value of Plan Assets

The fair value of our defined benefit plan assets by asset category was as follows at December 31, 2022 and 2021:

(in millions)	2022				
	Fair Value Measurements Using Inputs Considered as			Net	
	Level 1	Level 2	Level 3	Asset Value	Total
Developed international equities	\$ -	\$ 1.8	\$ -	\$ 17.8	\$ 19.6
Fixed income securities	14.3	20.1	-	-	34.4
Opportunities	-	-	-	12.3	12.3
Total	\$ 14.3	\$ 21.9	\$ -	\$ 30.1	\$ 66.3

(in millions)	2021				
	Fair Value Measurements Using Inputs Considered as			Net	
	Level 1	Level 2	Level 3	Asset Value	Total
Cash and cash equivalents	\$ 5.9	\$ -	\$ -	\$ -	\$ 5.9
U.S. equities	-	-	-	0.9	0.9
Developed international equities	-	1.9	-	18.9	20.8
Fixed income securities	20.5	20.6	-	-	41.1
Opportunities	-	-	-	30.8	30.8
Total	\$ 26.4	\$ 22.5	\$ -	\$ 50.6	\$ 99.5

Level 1 pension plan assets are measured at fair value using the market approach or unadjusted quoted prices in an active market for identical assets or liabilities that the Company has the ability to access as of December 31. Level 2 pension plan assets are measured at fair value using the income approach or inputs other than quoted prices under Level 1 that are observable for the asset or liability, either directly or indirectly. Indices, yield curves, matrix pricing, and market corroborated pricing are used to measure the fair values of the level 2 assets. Fixed income securities consist of corporate and government bonds, mutual and commingled fixed income funds, and swaps that are valued using Level 1 or Level 2 inputs.

The pension plan assets are reflected in either other assets or other long-term liabilities on our Consolidated Balance Sheets depending on whether the related plan is over-funded or under-funded, respectively.

Determination of Benefit Obligations

Generally, the discount rates used to determine benefit obligations are determined as of the applicable measurement date, by considering various current yield curves representing high quality, long-term fixed income instruments, the duration of which are consistent with the duration of the applicable plan liabilities. The long-term expected rate of return for each asset class is based upon actual historical returns and future expectations for returns for each asset class. A single, long-term rate of return is then calculated as the weighted average of the target asset allocation and the long-term return assumption for each asset class.

Weighted-Average Assumptions Used to Determine Benefit Obligations

The weighted-average assumptions used to determine benefit obligations were as follows as of December 31, 2022 and 2021:

	2022	2021
Projected benefit obligation		
Discount rate	4.9 %	1.9 %
Rate of compensation increase	3.7 %	3.3 %
Net periodic benefit cost		
Discount rate	2.2 %	1.4 %
Expected rate of return on plan assets	3.6 %	2.8 %
Rate of compensation increase	3.9 %	3.3 %

Investment Policy

Our investment strategy for our plan assets is to seek a competitive rate of return relative to an appropriate level of risk. The investments are held in cash, equity, and debt index funds. Investments held in these funds are based on the fair value of the underlying securities within the fund, which represents the net asset value, a practical expedient to fair value, of the units held by the pension plan at year end. The asset allocations for our pension plans by asset category are as follows:

	<u>Target Allocation 2023</u>	<u>Percentage of Plan Assets at December 31, 2022</u>
Equity securities	11.5 %	11.3 %
Debt instruments	31.6 %	31.5 %
Other	56.9 %	57.2 %

Future Contributions

We made contributions to our defined benefit plans of \$4.0 million and \$5.5 million in the years ended December 31, 2022 and 2021. We expect to contribute approximately \$4.9 million to our defined benefit plans during calendar 2023.

Future Benefit Payments

As of December 31, 2022, we anticipate future benefit payments related to our defined benefit plans over the next 10 years will be as follows:

(in millions)		
2023	\$	3.6
2024		4.2
2025		5.5
2026		5.5
2027		5.5
2028 through 2032		31.1
Total	\$	<u>55.4</u>

17. Related Party Transactions*Administrative, Management and Other Fees*

From time-to-time, KII and their affiliated companies may charge us administrative fees for tax, legal, accounting, human resources, and other services, as well as management or other fees for advisory services relating to financing and strategic business planning, acquisitions and investments, and certain other services. These fees are primarily recognized as a component of general and administrative expenses in our Consolidated Statements of Operations in the period when incurred. In the years ended December 31, 2022 and 2021, we recorded administrative, management or other fees of \$75.0 million and \$24.5 million, respectively.

*Related Party Operating Activity**Revenues and Expenses*

In the normal course of business, we may sell products and services to companies affiliated with KII. During the past several years, we have entered into SaaS subscription agreements with affiliates of KII for various Infor software products including our CloudSuite HCM, CloudSuite Financials, and other software. Revenues related to our software products and our professional services provided to companies affiliated with KII are recognized according to our revenue recognition policy as described in Note 2, *Summary of Significant Accounting Policies*. Revenues from companies affiliated with KII were \$44.8 million \$46.6 million in the years ended December 31, 2022 and 2021, respectively.

Payments for products and services to KII affiliated companies were insignificant in the years ended December 31, 2022 and 2021.

Equity Distributions

In the years ended December 31, 2022 and 2021, we recorded equity distributions of \$2,350.6 million and \$443.3 million, respectively, to affiliates of the parent company of Infor. These distributions related primarily to a return of capital as well as the funding of our parent companies' payment of preferred dividends and settlement of RSU and Class D Unit share-based awards. The 2022 distributions included \$236.6 million in cash and \$2,114.0 million in non-cash distributions related to the transfer of a related party note receivable to an affiliate of our parent company. The 2021 distributions included \$318.7 million in cash and \$124.6 million in non-cash distributions related to the forgiveness of notes receivable from affiliates of our parent company.

Due to/from Affiliates

Infor, through certain of our subsidiaries, had net receivables from affiliates of the parent company of Infor of \$18.1 million as of December 31, 2022 and 2021. The receivables arose primarily due to loans between Infor and affiliates of our parent company, our payment of deferred financing fees and interest related to certain of our affiliate companies' debt, and activity related to applicable tax allocation agreements. These receivables are included in receivable from stockholders in the equity section on our Consolidated Balance Sheets.

As of December 31, 2022 and 2021, we had various amounts recorded on our Consolidated Balance Sheets related to our transactions with KII and their affiliated companies:

We are party to a Cash Management Agreement (CMA) with KII. The receivable balance associated with the CMA was \$341.7 million and \$0.2 million at December 31, 2022 and 2021, respectively, and is included in other current assets on our Consolidated Balance Sheets.

In 2022, we entered into revolving note receivable agreements with a subsidiary of KII to optimize our liquidity investments both domestically and internationally. Such notes have stated maturity dates but are readily available to fund our liquidity needs. From time to time, these notes are refinanced or combined with existing notes to create new revolving note agreements. The receivable balance associated with these agreements was \$609.2 million at December 31, 2022, and is included in other current assets on our Consolidated Balance Sheets.

In October 2021, we transferred primarily all the proceeds from the EAM divestiture to KII and a subsidiary of KII in exchange for two notes receivable. The note receivable balances were \$740.9 million and \$2,028.3 million at December 31, 2021, representing the total principal balance of the notes. See Note 4, *Acquisitions and Divestitures*. The \$740.9 million note was payable on demand and was included in other current assets on our Consolidated Balance Sheet as of December 31, 2021. This note was repaid in 2022. The \$2,028.3 million note matures in September 2026 and was included in other assets on our Consolidated Balance Sheet as of December 31, 2021. In December 2022, the balance on this note, along with accrued interest receivable, was transferred to an affiliate of our parent company as a non-cash distribution and no amounts were outstanding at December 31, 2022. See *Equity Distributions* above.

In the years ended December 31, 2022 and 2021, we recorded interest income of \$102.6 million and \$9.6 million, respectively, related to the CMA and these affiliate notes receivable as a component of interest (income) expense, net in our Consolidated Statements of Operations

In addition, accounts and other receivables from affiliates were \$5.6 million and \$18.4 million at December 31, 2022 and 2021, respectively. Interest receivable from affiliates was \$3.7 million and \$8.7 million at December 31, 2022 and 2021, respectively.

We had no borrowings under the Koch Revolver as of December 31, 2022. As of December 31 2021, we had outstanding draws against the Koch Revolver of \$50.0 million. See Note 11, *Debt*.

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18. Subsequent Events

We have evaluated subsequent events through February 24, 2023, the date these Consolidated Financial Statements were available to be issued. We concluded that no subsequent events have occurred that would require recognition or disclosure in the Consolidated Financial Statements.