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Michael Holm Holding ApS
Central Business Registration No 19000680
Lindevangsvej 17
8240 Risskov

Annual report 2014/15

The Annual General Meeting adopted the annual report on 10.02.2016

Chairman of the General Meeting

Name: Michael Holm

Contents

Entity details

Entity
Michael Holm Holding ApS
Lindevangsvej 17
8240 Risskov

Central Business Registration No: 19000680
Registered in: Aarhus
Financial year: 01.10.2014 - 30.09.2015

Executive Board
Michael Holm

Entity auditors
Deloitte Statsautoriseret Revisionspartnerselskab
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Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of Michael Holm Holding ApS for the financial year 01.10.2013 – 30.09.2014.

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

In my opinion, the consolidated financial statements and parent financial statements provide a true and fair view of the assets and liabilities of the Group and the Parent, and of their financial position, results and cash flows.

I also believe that the management commentary provides a true and fair view of the affairs and conditions referred to therein.

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

Aarhus, 10.02.2016

Executive Board

Michael Holm

Independent auditor's reports

To the owners of Michael Holm Holding ApS
Report on the financial statements

We have audited the consolidated financial statements and parent financial statements of Michael Holm Holding ApS for the financial year 01.10.2014 - 30.09.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent and the consolidated cash flow statement. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and parent financial statements

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the consolidated financial statements and parent financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.09.2015, and of the results of their operations and the Group's cash flows for the financial year 01.10.2014 - 30.09.2015 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statement.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statement.

Aarhus, 10.02.2016

Deloitte
Statsautoriseret Revisionspartnerselskab

Michael Bach
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

	2014/15 DKK'000	2012/13 DKK'000	2011/12i DKK'000	2010/11 DKK'000	2009/10 DKK'000
Financial high-lights					
Key figures					
Revenue	505.231	431.444	393.263	413.144	372.241
Gross profit/loss	335.733	288.647	279.269	301.972	283.312
Operating profit/loss	45.042	23.480	17.594	38.186	37.992
Net financials	-1.377	1.292	2.623	2.836	-698
Profit/loss for the year	20.455	12.045	9.372	18.405	16.097
Total assets	351.583	317.617	252.237	256.019	246.890
Equity	111.003	91.107	78.613	70.560	59.483
Employees in average	444	418	418	422	419
Ratios					
Gross margin (%)	66,5	66,9	71,0	73,1	76,1
Net margin (%)	4,0	2,8	2,4	4,5	4,3
Return on equity (%)	20,2	14,2	12,6	28,3	29,1
Equity ratio (%)	31,6	28,7	31,2	27,6	24,1

Management commentary

Primary activities

The primary activity for Michael Holm Holding ApS is to hold shares in Systematic A/S. Therefore, we have repeated the management commentary of Systematic A/S below.

Development in activities and finances

Sustainable Growth

For Systematic, the financial year (FY) ended 30 September 2015 was dominated by positive developments. Systematic demonstrated strong organic growth. The organisation has been very busy and the growth is realised by our engaged and loyal employees who have showed great dedication and passion to Systematic and our customers. We are confident that our ongoing investments in products and services and our strong organisation form the basis for continued sustainable growth.

The strong growth in our business operations resulted in all time high levels for the Group's order intake, revenue and profit. The position of cash and cash equivalents continues at a satisfactory level and the group has sufficient resources to facilitate ongoing investments in products and new businesses.

In Systematic, we strongly believe in the importance of being innovative. Also in FY15, we continued the high level of investment in further development of products and services. We develop our offerings to meet the demands of our target markets. In the years to come we will continue to develop our business through investment in products and new services. Systematic operates in markets where customers are increasingly expressing clear preferences for reliable, standardised software solutions; but also in markets where a strong commitment to successful project execution is recognised.

Systematic delivers its solutions as product offerings as well as project offerings. We have a strong commitment to delivering high quality products and solutions to our customers and it is our ambition to support our customers to become more efficient and effective in their businesses. Our customers' businesses and business models undergo continuous development, and we continue to develop our business model to be able to accommodate these changes as we wish to be regarded as a reliable and trustworthy partner by our customers. A partnership where issues and challenges are solved by working for common goals and ambitions. Our understanding of a partnership is a relation characterised by mutual trust in which the customer and Systematic develop and grow together.

Systematic operates in four business areas: Defence, Healthcare, Public & Private, and Library & Learning. Public & Private is sub-divided into five Market Units: Municipality, Government, Finance, Energy and Intelligence & National Security. Although the business areas are different and have different dynamics, there are also significant similarities between them.

We are dedicated to finding the best solution to match the requirements from our customers. From time to time Systematic is investing more resources than planned in a project to accommodate our ambitious objectives. On the short term, such an investment has an impact on our financial margins and our margins are still below what is being realised by some of our competitors. However, long term we strongly believe that satisfied customers are strong ambassadors for us in competitive markets and that these satisfied customers help strengthen the basis for further growth. Ultimately, it also means that our offerings become more attractive. Operating in international markets implies that our solutions must be able to travel around the globe and from the outset Systematic aims to prepare our products to be ready for specific functionality related to local requirements.

Management commentary

Hence, our investments in products tend to be more costly compared to an approach with a more narrow geographic focus

We have focussed on becoming smarter and more efficient in our market operations when engaging in tenders, by improving our qualification of sales opportunities, building closer cooperation with partners and in general improving our profile within selected international markets. However, it remains costly to engage in bidding processes. During the last year, we have experienced increasingly costly and challenging tender processes. We have won our share of these tenders, however, as we continue to mature our own processes we may decide to not bid certain tenders where customer requirements present too much risk to the company.

We expect that the future conditions for businesses will be characterised by rapid and frequent changes and it will challenge the ability of organisations to adapt and adjust swiftly to change. This will apply to Systematic as well. Our readiness to change and our ability to constantly adapt to the changes in the market environment will undoubtedly be tested. However, developing our employees and their competences while improving our products and services will remain a deliberative foundation for the future development of Systematic's business. When combining this with a constant focus on improving the efficiency of our activities and utilising our growing network of international partners, we have a strong foundation for sustainable growth.

Defence

In spite of a globally stagnating market, the Defence business unit experienced a significant increase in sales, revenues, and EBIT for FY15. We have managed to establish a close relationship with our customers who show much trust and loyalty towards us and have prolonged their contracts with new versions of existing systems as well as with new products. Further to this, we have confirmed sales to three new countries in Europe and Asia and are moving forward in the proof of concept phases with other new projects.

We have increased our suite of product offerings to grow our client base to include a wider range of both military and para-military forces. This encompasses a range of different functional areas such as border control, search & rescue, emergency management and special operations. We continue to develop our partner network where several partners now having acquired development kits and performing customisation and enhancements, integrating with specialist devices and sensors, or localising for international customers.

In Denmark, we have won a development project for the Danish Artillery for expansion of SitaWare HQ and Frontline and this project will have positive effect on our business in the short as well as in the long term by further increasing the range of user roles supported.

With regard to FY16, further product trials and evaluations are ongoing in a variety of military situations across the globe. For example, after great success in 2015, we will move on to phase two in our participation in the US Army Expeditionary War fighter Experiments (AEWE) with more advanced trials. We also expect to sign further contract extensions with existing customers in a number of regions including Ireland, Slovenia, Sweden and Finland. In Slovenia, the customer is updating both SitaWare HQ and SitaWare Frontline, and in Sweden, after a very positive reception to the release of SitaWare HQ Version 6, the customer has chosen to prolong their Enterprise Level maintenance contract.

Management commentary

Healthcare

The result in FY15 was positive including good growth in our Healthcare Business Unit, with new projects and new customers.

When the year started, we had set five specific goals for the unit. We wanted to consolidate our cooperation with the Central Denmark Region, we aimed at winning the first medical device integration solution in Denmark, and we wanted to grow our business in the Capital Region of Denmark in various areas. Furthermore, we aimed at entering a new business segment within home care and at winning a new customer for the Columna Service Logistics (CSL) platform.

The first goal was achieved by expanding our activities in relation to all three major product areas, Columna Clinical Information System (CIS), Columna Clinical Logistics (CCL) and CSL. Specifically, the roll out of our new mobile solution within acute care and the development of a new hospital visitation module to support for Aarhus University Hospital has moved our solutions forward.

Working together with a partner, we won the medical device integration in the Capital Region of Denmark and Region Zealand and hereby we achieved our second goal. This integration makes it possible for data to be captured where it occurs either at the bedside or where the patient goes and be sent directly to the Electronic Medical Record (EMR).

The third goal was achieved by winning several framework agreements for supplying consultancy services to the Capital Region of Denmark and Region Zealand where we are currently delivering various services.

Winning CURA in the municipality of Aarhus, we succeeded with our fourth goal. This achievement contains both a new customer and a new product for our Business Unit as we chose to deliver a new Electronic Citizen-Record system for home care and nursing. According to Gartner's definitions, CURA is regarded as "a good colleague" offering decision support to the caregivers and involving the citizens in their own care, thereby giving them the freedom to plan the services they receive. This project was both won and initiated in FY15.

Finally, our fifth goal was realised when the North Region Denmark chose to sign a region wide agreement for our CSL solution. The rollout will take place over the next years in all the hospitals in the region. Our innovative and unique solution has not been seen before either in Denmark or abroad, and it will help the region streamline their work process while at the same time improve patient satisfaction and safety by supporting the logistics in the hospitals.

In FY16, our focus will be on winning new customers for CURA and on targeting the sale of Columna CIS- & CSL-modules both in Denmark and abroad. We will aim at developing our cooperation with existing customers as well as winning new customers nationally and internationally, where Finland, among others, will continue to be a focus market for us in cooperation with our partners.

Public & Private

FY15 has been a year of strengthening our customer relationships and results. Through a continuous focus on delivering value, our strong base of existing customers has shown considerable growth, while expanding our customer base through successful acquisitions of several new customers. Our engagement with both existing

Management commentary

and new customers has been characterised by close dialogue and cooperation, in order to ensure business support and transformation through business critical IT.

To improve our customer focus further, the main strategic focus area for FY15 has been the execution of existing engagements and expansion of our main market areas i.e. Municipalities, Government, Finance, Energy, and Intelligence & National Security. We have worked on several large, complex and agile projects for customers such as SKAT for whom we have successfully developed and implemented the DIAS system, the digitisation of Danish corporate taxation, and we have developed, built and started the implementation of the Joint National Library System in Denmark. Further to this, we executed projects for customers such as the Danish Business Authority (Erhvervsstyrelsen) and KOMBIT (the IT community for all Danish municipalities) for whom we implemented the Service Platform as the authoritative and strategic integration platform for the Danish municipalities. At present, 65 of 98 municipalities use the integration platform that handles around 5 million calls per month, with a steadily rising trend in both users and traffic. Further to these examples, we have continued our large and important cooperation with the Danish police force that includes further development and deployment of the Bifrost patrol vehicle platform and 24/7 support of the Copenhagen Police Control Room.

Looking ahead to FY16, we aim for getting the opportunity to solve even more challenging projects within our main business areas. We have already proven that our ability to run agile projects under normal project constraints (quality, scope and budget) is successful. The high maturity of our methods, our close co-operation with customers and the ability of Systematic to complete large IT projects will be our offset for building and maintaining some of the big solutions that are needed to digitise Denmark for the benefit of the citizens and corporations. To utilise our deep domain knowledge in various sectors, technologies and methods we have launched a new consulting initiative during FY15 that we expect will gain further momentum during the coming years. One of the areas where we offer unique experience, domain knowledge and competencies is within cyber security in the private area where we support our customers in both the public and private sector where protection of both electronic assets and property has risen to become one of the major business issues.
On a general level, we will continue the ongoing advancement of our strong, long-term cooperation with existing customers, and broaden our offering to support them across the entire lifecycle of realising business value through IT.

Library & Learning

As a new player in the market, the Library & Learning business unit has focused nationally and internationally on branding and marketing our new business and our products and services.

In FY15, Library & Learning continued the acquired Dantek business as an integrated part of our Business Unit and the name has changed from Dantek to Systematic Library & Learning. We have increased the turnover through sales of services and existing products to both existing and new customers. This has resulted in a net growth in the total number of customers using our Dantek BiblioMatik library product.

We have worked on maturing and improving the set up for operation and support for the existing approximately 1,500 Danish and international customers. Further to this, we have carried out a customer satisfaction survey in September 2015, which showed an average satisfaction of 4.1 (on a scale from 1 to 5) with Dantek BiblioMatik. Especially operation and support scored high with 4.2 and 4.5 points respectively. We are pleased with the result of the survey however; we continue working on improving the quality of our services.

Management commentary

Library & Learning has developed and initiated the rollout of a new modern and contemporary library management system (LMS), Cicero, for public libraries and school libraries. The Cicero LMS system is the core of the Joint National Library Solution in Denmark, which was delivered and implemented on time in FY15. The system has been implemented in two pilot municipalities (Horsens and Aabenraa) in September 2015, and we are very grateful that these two municipalities have made themselves available as pilots. The rollout of the system will continue until the beginning of 2017 and is expected to end about a year earlier than originally planned by the customer.

Systematic has sponsored and presented the awards ”Danish School Library of the Year 2015” (Årets Pædagogiske Læringscenter 2015”) as well as the award ”Systematic – Public Library of the Year Award 2015”. The latter being an international award presented in cooperation with the Danish Agency for Culture (Kulturstyrelsen). Furthermore, we have established a new international award focusing on the global challenge regarding functional illiteracy ”Systematic – Joy of Reading Award” that will be awarded the first time at the ”Next Library” conference in Aarhus in 2017.

Our cooperation with and sales of products to DOKK1 in Aarhus has also put Systematic on the international map with the library sector. We believe these activities will support our branding as a serious player in the Library & Learning business.

Concerning FY16, we expect to grow the business with new innovative and integrated products for both libraries and educational institutions that will enable them to provide their users with better service at lower costs.

Financials comments

Systematic entered FY15 with the highest order-book ever and we forecasted revenue growth while improving our EBIT-margin. We succeeded with these goals and managed to increase our order-book even further. The revenue grew 17% to EUR 67.7m and the EBIT margin increased from 5.5% to 8.9% equal to an EBIT of EUR 6.0m. For FY15 the Systematic Group posted a net profit after tax of EUR 4.5m.

After the very strong growth in the previous financial year, our order-book continued to grow as the order-intake of EUR 75.4m in 2014/15 exceeded the recognised revenue by 11% – reaching an all time high level for order-intake and order-book. The revenue for 2014/15 materialised at an all time high at EUR 67.7m. Systematic considers the order intake and the revenue to be very satisfactory. Our four core business units all contributed to the growth in revenue and all business units were profitable. The product licence and maintenance revenue continue to grow and in particular, the maintenance revenue demonstrated strong growth. As this revenue type by nature is recurring, it contributes to the foundation for future growth. A material part of the revenue is generated on basis of fixed price contracts or work invoiced on the basis of time and material.

It is a strategic decision within Systematic to grow cooperation with partners, including also software development partners and other partners sub-supplying products and services to our solutions and projects. Hereby, we can deliver cost effective and strong solutions to our customers while an increasing share of our cost becomes directly related to the level of activity. Hence, our variable costs related to partners and subcontractors have increased by 27% compared to the previous financial year.

Although partners, and in particular off-shore partners, perform an increased part of the work, the vast majority continues to be carried out by staff directly employed in the Systematic Group. However, it is important to emphasise that all software developers despite their physical location are fully integrated within the software development teams and the applied methods and the CMMI framework is institutionalised in our operation. Approximately 75% of our fixed cost base is directly related to our staff. The staff cost materialised at EUR

Management commentary

36.2m an increase of 10% from previous financial year. On average, during the year, Systematic employed 444 FTE (full time employees) and 53 external software developers were associated the Group on full time basis. As per 30 September 2015, Systematic had 490 employees and 56 external software developers.

The biggest fixed assets item is the total capitalised product development cost and it decreased slightly. Consequently our depreciation and amortisation decreased by modest 1%. The EBIT-margin of 8.9% is 3.4 percentage points above last year. Due to interest rates very close to zero, loss on currencies and decreasing market value on our positions of bonds the net financial income is negative. Company tax is calculated at EUR 1.3m. Net profit for the financial year ended at EUR 4.5m compared to EUR 2.5m in the previous years.

Due to the increased business volume, the balance sheet totals have increased by 9%. Intangible assets have decreased slightly whereas tangible assets and financial assets have increased by 100% and 17% respectively. The depreciation of completed development projects was EUR 0.2m lower than the product development cost capitalised during the year. Due to the higher level of activity and more than average invoicing of customers late in the financial year, trade receivable increased by 43% to EUR 12.6m. Other short term liabilities increased by EUR 3.5m while short term deferred income decreased by EUR 1.6m. The solvency ratio is at a satisfying level of 48%.

The increased position of trade receivable meant that the cash flow generated from operating activities is negative with EUR 0.8m. In combination with net investments of EUR 3.4m and financing activities – first and foremost paid dividends – of EUR 1.6m a net cash outflow of EUR 5.8m was realised. Our cash position remains strong. Including other investments – our bond portfolio – our position of cash and cash equivalents amounted to EUR 11.4m. As Systematic has no bank debt – in fact, we have unutilised credit facilities – the company is in a strong financial position, as evidenced by our AAA credit rating.

Systematic A/S

In FY15, the parent company Systematic A/S generated revenue of EUR 60.3m, which constitutes an increase of EUR 7.9m compared with FY14.The EBIT increased from EUR 2.8m to 5.6m. Profit after tax for the financial year was EUR 4.5m against EUR 2.5m in the previous financial year. Equity increased by EUR 2.9m to EUR 21.7m. The Board of Directors is proposing dividends for the financial year of EUR 3.4m.

Competences and Human capital

As a specialised solutions, software and services provider, Systematic is dependent on highly skilled and knowledgeable employees. Most of our employees are highly educated and with long and extensive expertise, mostly within software development and project management. More than 60% hold an academic degree in IT, software engineering, economics and other relevant degrees.

Systematic is focusing constantly on skills development, as the ability to develop competencies quickly and efficiently provides us with clear competitive advantages. Knowledge can subsequently be commercialised in the form of solutions, services and products for customers. In this context, knowledge is primarily related to our core competencies in products for supporting decision-making in critical situations, specific domain insight into our four core Business Units and software development methods. In respect of confidentiality and sensitivity, the knowledge is shared internally and externally with partners.

Management commentary

Continuous focus on helping staff develop their skills contributes to making Systematic an attractive workplace, which is reflected in a high level of employee satisfaction and low absence. Internal knowledge networks across business units and Systematic offices inspire staff to seek out, share and reuse the knowledge that their colleagues have already acquired and built up.

Sourcing of talent is increasingly important, particularly in our growth markets. The demand is met through local recruitment as well as cross-border mobility of existing and new employees. Different initiatives in the area of sourcing are ongoing to support an increasing need for a global and agile work force. Systematic welcomed 130 new colleagues in FY15 and in addition our sourcing partners allocated 20 new employees dedicated to Systematic activities. We maintain close contact with former employees through our Alumni network and events. Former employees often reapply to Systematic, and returning staff accounted for 12% of new hires in this financial year.

In 2015, Systematic was recertified in accordance with CMMI (Capability Maturity Model Integrated), an international standard for maturity in software development processes. CMMI Level 5 is the highest level in the field of business maturity – a certification we share with just 27 organisations in Europe and around 360 worldwide. Moreover, Systematic is one of the very few companies in the world that has succeeded in maintaining a Level 5 rating for more than ten years. We are recognised internationally for our ability to optimise and improve the efficiency of processes through a combination of the CMMI model and agile development methods based on Lean and Scrum. For our customers, the combination of CMMI, Lean and Scrum means that we can act in a flexible, interactive manner and apply a well-documented collaboration model to generate measurable results quickly and efficiently. Working relationships with our customers are centred around integrated teams, with all parties placing emphasis on openness and transparency. Systematic has repeatedly demonstrated that flexibility and agile methods can be combined to great effect with structure, predictability and credibility. In FY15, we completed more than 94% of all deliveries on or before time.

Outlook

Systematic's potential can only be unleashed by the efforts of our highly qualified employees. They are the true vehicles in providing the value-generating solutions that move our customers' businesses in successful directions. Therefore, we will continuously invest in developing staff skills, improving the effectiveness of our internal processes and applying sourcing of development activities where it is efficient.

Systematic operates in a market where customers are increasingly expressing clear preferences for reliable, standardised software solutions. We develop our offerings to meet the demands of our target areas as satisfied customers are the best foundations for further growth. Systematics long term investments in products for Defence and Healthcare is recognized to be solid foundations for high quality customer solutions. Also in the coming years we will continue to develop our business through investment in products and new services.

During the last year there has been underlying positive macroeconomic trends particularly in USA, but also in Europe. These macroeconomic trends are expected to continue in FY16. A significant part of Systematic's business is with public bodies and the public sector is exposed to constant focus on cost and often tightly controlled of resources. Hence, it is essential we can demonstrate solutions that improves efficiency and support

Management commentary

future cost savings. Based on our strong product based solutions we believe we are well positioned to gain market share in a competitive environment.

Systematic enters FY16 with the highest order-book ever. Based on the strong order-book and a sufficient number of identified and qualified market opportunities for the coming year management expects revenue growth while improving the EBIT-margin.

Risk management

Systematic's business entails a number of commercial and financial risk elements that can potentially have a negative effect on the company's future activities and results. To reduce risk to the furthest possible extent, factors that are subject to uncertainty, and hence categorised as potential risk, are systematically monitored, analysed, managed and controlled.

The Board of Directors has the overall responsibility for Systematic's procedures to monitor, measure and manage the company's risks and for ensuring that such procedures are firmly embedded in the group's daily work. On a quarterly basis, the company's most important risk factors are reported to the Board of Directors, including an assessment of the probability of occurrence of each risk and of the likely impact on the company's financial performance, together with mitigation options. As the business is constantly developing and highly volatile, the list of risk factors is dynamic and all risk factors are assessed on regular basis.

An important element in Systematic's strategy is to grow the business based on standard products and solutions. Systematic has invested and is continuing to invest significant resources in enhancing and improving its products. To mitigate the risk related to future market acceptance of our products, product innovation is performed in close contact with the market and potential customers.

When Systematic decides to bid for a project or tender the decision is based on a thorough and comprehensive analysis of the opportunities and risk involved. After the contract is won, Systematic continues to monitor and assess the progress and the risk in the project. There is an inbuilt project risk in Systematic's business model that the group will invest resources in tender processes without any return and that the projects may eventually turn out to be more resource demanding than anticipated – however, a number of solid measures are taken to mitigate such risk.

Systematic has a strong culture based on our corporate values. The corporate values cannot replace internal controls but the values can support an environment where all employees take responsibility for protecting Systematic's business, assets and organisation. Management is very conscious about the importance of "the tone from the top" regarding behaviour and attitudes and how it may impact the corporate values. All new employees are introduced to and trained in the corporate values as it is the foundation for demonstrating the right behaviours and attitudes internally and externally.

Corporate Governance and Systematic Board of Directors

As a collective body, the Board of Directors promotes the long-term interests of Systematic in all respects. The Board of Directors is composed to ensure its independence of any special interests. The Board of Directors is responsible for ensuring that the financial and managerial control of the Group and the overall strategic management are conducted adequately. The Board of Directors monitors the Group's financial condition, risk ma-

Management commentary

nagement and business activities. Furthermore, on an on-going basis, the Board of Directors offers sparring to the Executive Management in relation to strategic, tactical and operational initiatives.

In FY15 Systematic's Board of Directors held five meetings, where representatives from customers were invited to two of the meetings. The customer presentations gave the Board insight into the practical use of our products and services and also how customers experience the cooperation with the Systematic organisation. One of the meetings was extended to a two days offsite strategy seminar held in April 2015 to discuss the Group's long-term strategy. One of the Board meetings took place at the offices of our UK subsidiary.

Annually, the Board of Directors carries out a self-assessment covering FY15. In November 2015, Systematic's Board of Directors and the CEO performed a self-assessment. The chairman facilitated the self-assessment process on the basis of individual discussions with all board members where contributions and suggested topics from all members subsequently formed the basis of the Board's discussion of the results. Also to ensure that the principles for good corporate governance is upheld. The self-assessment included an evaluation of the collaboration between the Board of Directors and the executive management. The process resulted in specific suggestions for how to improve the work of the Board of Directors. However, it was concluded that the Board's collective work is efficient and on an overall level, the relevant competences are represented by the aggregate competences of the Board of Directors. In some specific areas, the Board found it could benefit from more domain knowledge for the core business areas of Systematic. The Board also noted that, due to the relatively small number of Board members, the Board's competences in certain areas rely on individual persons. The Board concluded that the cooperation between the executive management and the Board of Directors and internally within the Board of Directors works smoothly and is based on transparency and on an open, direct and honest dialogue.

Systematic is doing business in a male dominated field. Nevertheless Systematic has for many years focused on getting competent people in its management regardless of gender.

For the composition of the Board of Directors the Board has decided that Systematic will seek to ensure that both genders are represented from 2017. Currently the Board of Directors – which is unchanged since last year - does not have female members and the Board will still seek to nominate female candidates before the annual general meeting in 2017. However the key criteria for nomination of candidates will be to seek competent Board members being able to add value to Systematic strategy and business control. At other levels of management, we also wish to enhance diversity. The structure of our policy and culture widely appeals to male as well as female managers with highly flexible working hours and focus on work-life balance. By 2017 it is our aim that female members in our management team will at least account for half of the share from what's average for Systematic. Currently 23% of staff in Systematic is female and 9% in our management team is female.

Corporate social responsibility

Corporate social responsibility policies

Corporate Social Responsibility (CSR) is rooted in the way we act, with respect for the individual – both as a person and in relation to our business. Systematic has worked explicitly with various aspect of the CSR-agenda on business level as well as the environment and social responsibility of our employees. Our approach to CSR

Management commentary

is firmly embedded in our corporate culture and core values. We aim to maintain and enhance our professional and commercial relations with all Systematic's stakeholders based on mutual respect.

In the conduct of business, Systematic maintains high ethical standards and strives to conduct its activities with integrity and responsibility. We are committed to proper and diligent conduct, respecting the services and products provided to customers. Systematic endeavors to comply with applicable legislation, local as well as international. We are aware of the risk of corruption and complies with applicable local anti-corruption legislation. We are fully aware of the importance of our corporate values and on the tone set from the top management. In Systematic we respect the individuality of our employees and offers equal opportunity for learning and growing in accordance with individual needs and capabilities as well as the company's interests. Systematic aims to reduce its environmental impact and to act with sustained reliability and respect for our surroundings Systematic's position regarding Corporate Social Responsibility is described in detail on our website at www.systematic.com/CSR (statutory report on corporate social responsibility under section 99a of the Danish Financial Statements Act).

Events after the balance sheet date

No significant events have occurred after the balance sheet date that affect the 2013/14 annual report.

Accounting policies

Reporting class

This Annual Report of the Group and the Parent Company has been prepared in accordance with provisions of the Danish Financial Statements Act governing reporting class C enterprises (big).

This Annual Report has been presented using the same accounting policies as were used last year.

The Group financial statements include Systematic A/S (Denmark), Systematic Software Engineering Ltd (UK), Systematic Software Engineering Inc (USA) and Systematic Oy Finland (Finland) Systematic Sweden AB (Sweden) and Systematic GmbH (Germany), Systematic Asia Pacific Pty. Ltd, Systematic France SAS, Systematic Library & Learning Holding A/S and Systematic New Zealand Ltd.

The financial statements of the Parent Company include Michael Holm Holding ApS alone.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will accrue to the Group, and the value of the assets can be accurately measured. Liabilities are recognised in the balance sheet when they are foreseeable and can be accurately measured.

On initial recognition, assets and liabilities are measured at cost. Subsequent to this, recognition is as described below for each item. Anticipated risks and losses arising before the date of the Annual Report that confirm or invalidate affairs and conditions existing at the balance sheet date are considered when recognising and measuring them. Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to the relevant financial year.

Consolidated financial statements

The consolidated financial statements include the Parent Company and its subsidiaries. All financial statements included in the consolidated financial statements are prepared using consistent accounting principles. The consolidated accounts are drawn up according to the past-equity principle by aggregating the items of each company. Elimination of consolidated inter-company items has been carried out.

Basis of consolidation

For the foreign subsidiaries, the items in the income statement have been included at the exchange rate on the transaction date. The balance sheet is converted at the rate of exchange at year end. The exchange rate adjustments arising from the translation of the subsidiaries’ equity at the beginning of the financial year to the exchange rate at the end of the financial year, and the exchange rate difference arising from the Translation of the income statement from the exchange rate ruling on the transaction date to the exchange rate at end of the financial year, are dealt with in the equity for the Group

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Accounting policies

Business combinations

Newly acquired or newly established companies are recognised in the Group financial statements from the date of acquisition and date of establishment, respectively. Companies divested or wound up are recognised into the consolidated income statement until the time of divestment and time of closure, respectively.

When purchasing new companies, the acquisition method is used. The newly acquired companies’ identifiable assets and liabilities are then entered at fair value at the time of acquisition. Provisions are made for costs connected to resolved and disclosed restructurings in the acquired company in conjunction with the acquisition. The tax effect of any reassessments is taken into account.

Positive differences in cost (goodwill) between cost of the acquired capital share and the value of the acquired assets and liabilities at the time of purchase are recognised under intangible fixed assets and are amortised over five years. Goodwill is written down to the lower of recoverable amount and carrying amount.

Foreign currency translation

All balance sheet accounts in foreign currencies are translated into EUR at the exchange rate at year end, or at a forward-covered rate.

Realised and unrealised profits and losses that stem from exchange rates are recognised in the income statement.

Income statement

Revenue

Revenue is recognised in the income statement when delivery is made and risk has passed to the buyer.

Contract work in progress is recognised in the income statement based on the stage of completion, whereby revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method). To prevent divulging any information that might be of value to our competitors, we do not provide information on the basis of market segment.

Other external expenses

Other external expenses comprise expenses incurred for rent and administration of the Group, as well as office supplies.

Staff costs

Staff costs comprise salaries and other expenses incurred for staff and management.

Amortisation, depreciation and impairment losses

Depreciation, amortisation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis

Accounting policies

of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

These items comprise interest income, the interest portion of finance lease payments, realised and unrealised capital gains and losses on securities, payables and transactions in foreign currencies as well as tax surcharge and tax relief under the Danish Tax Prepayment Scheme.

Other financial expenses

These items comprise interest expenses, the interest portion of finance lease payments, realised and unrealised capital gains and losses on securities, payables and transactions in foreign currencies as well as tax surcharge and tax relief under the Danish Tax Prepayment Scheme.

Income taxes

Tax for the year, consisting of current tax for the year and any changes in deferred tax, is recognised in the income statement by the proportion attributable to the profit or loss for the year.

Balance sheet

Intellectual property rights etc

Development projects relating to products that are clearly defined and identifiable, here the technical applicability, sufficient resources, and potential markets or development opportunities in the company are evidenced, and where it is intended to produce, market or use the projects, are recognised as intangible assets. Other development costs are recognised in the income statement when incurred.

Development project costs comprise costs that include salaries and amortisation directly or indirectly attributable to the development project.

Following the completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated sales period or up to a maximum of five years.

Development projects are written down to the lower of recoverable amount and carrying amount.

The value of other rights is recognised at cost less accumulated amortisation and write-down. Other rights are amortised over five years or written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Property, plant and equipment are measured at cost, less deductions for depreciation and write-downs. Cost comprises the acquisition price, costs directly attributable to the acquisition and costs for preparing the asset in question until such time as it is ready to be put into operation. For assets held under finance leases, the costs whichever is the lower of the asset’s fair value and the current value of future lease payments.

Accounting policies

The basis for depreciation is cost less the estimated residual value after the end of the asset's useful life. Depreciation is calculated on a straight-line basis from the following assessment of the assets' expected useful lives: computers/hardware 3 years, fixtures and fittings 5 years, and vehicles 6-7 years. Leasehold improvements are depreciated over the rental period.

The purchase of specific software for development purposes is capitalised and depreciated as computer equipment. The purchase of general software is charged to the income statement.

The acquisition of software specifically for software development is included as an asset, and will be depreciated as computers/hardware, whereas the acquisition of general software is recorded in the income statement.

Investments in group enterprises

Investments (shares) in group enterprises are recognised in accordance with the equity method. Shares are recorded in the balance sheet as the owner's share of the equity of the group enterprises, after deduction of any unrealised internal profit. If a subsidiary's equity is negative, the equity is offset against any outstanding account with the group enterprises.

The owner's share of the group enterprises' profit/loss is included in the income statement after deduction of any inter-company transactions. The subsidiaries' profit or loss for the year is included in the item 'share of subsidiaries' profit'.

The profit and loss accounts for the foreign group enterprises are translated into EUR at the rate of exchange on the transaction date. The balance sheet is translated at the rate of exchange at year end. The exchange rate adjustments arising from the translation of investments in group enterprises at the beginning of the financial year to the exchange rate at the end of the financial year are dealt with in equity for the Group. This is also the case for the exchange rate difference arising from the translation of the income statement from the exchange rate on the transaction date to the exchange rate at the end of the financial year.

When purchasing capital shares in group enterprises and associates, the acquisition method is applied, in accordance with the description above for the Group financial statements.

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired. Goodwill is amortised over its estimated useful life which is normally 5 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Investments in associates

Investments in associates are measured at cost, less deductions for depreciation and write-downs. Cost comprises the acquisition price, costs directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost, which usually corresponds to their nominal value less any provision for bad debts.

Accounting policies

Other investments
Other investments recognized under fixed assets comprise listed securities which are measured at cost.

Contract work in progress
Work in progress (construction contracts) is calculated as the selling price of the work carried out on the date at which the balance sheet is prepared. The selling price is calculated based on the stage of completion and the total estimated income from the individual contracts in progress. The stage of completion is determined as the ratio between the actual and total budgeted consumption of resources.

Each contract in progress is included in the balance sheet under receivables or prepayments, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as financial costs are included in the income statement when incurred.

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

Other investments
Securities recognised under current assets comprise listed bonds and investments measured at fair value (market price) at the balance sheet date.

Cash
Cash comprises cash in hand and bank deposits.

Dividend
Dividends are recognised as a liability at the time of their adoption at the general meeting.

The dividend proposed for the financial year is disclosed as a separate item under equity.

Minority interests
The minority interests' proportion of the subsidiaries' results and net capital have been quoted separately in the income statement and in the balance sheet, respectively.

Deferred tax
Deferred tax is recognised and calculated by applying the liability method for all temporary differences between the accounting values and the tax values of assets and liabilities. The tax value of the assets is calculated on the basis of the planned use of each asset. Deferred tax is calculated based on the tax rates and regulations of the relevant countries that will be in effect when the deferred tax is estimated to become current tax, using

Accounting policies

the legislation in force on the date at which the balance sheet is prepared. Any changes in deferred tax resulting from changed tax rates are included in the income statement.

Finance lease commitments

Lease commitments relating to assets held under finance leases are recognised in the balance sheet under liabilities, and are measured at their amortised cost after their initial recognition. The interest portion of any lease payments is recognised over the term of the contracts as financial costs in the income statement.

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are recognised at amortised cost, which usually corresponds to their nominal value.

Deferred income

Deferred income comprises revenue for recognition in subsequent financial years. Deferred income is measured at cost, which usually corresponds to its nominal value.

Cash flow statement

The cash flow statement of the Group is presented using the indirect method, and shows cash flows from operating, investment and financial activities as well as the Group's cash and cash equivalents at the beginning and end of the financial year.

No separate cash flow statement has been prepared for the Parent Company because it is included in the consolidated cash flow statement.

Cash flows from operating activities

Are calculated as the operating profit or loss adjusted for non-cash operating items, working capital changes and corporation taxes paid.

Cash flows from investing activities

Comprise payments in connection with purchase and sale of intangible assets, property, plant and equipment and fixed asset investments.

Cash flows from financing activities

Comprise the raising of loans, instalments on interest-bearing debt and payment of dividends.

Accounting policies

Financial highlights

Key figures as stated in the five-year overview are calculated as follows:

Ratios	Calculation formula	Ratios reflect
Gross margin (%)	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$	The Entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Revenue}}$	The Entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$	The Entity's return on capital invested in the Entity by the owners.
Soliditetsgrad (%)	$\frac{\text{Equity x 100}}{\text{Total assets}}$	The financial strength of the Entity.

Consolidated income statement for 2014/15

	Notes	2014/15 DKK	2012/13 DKK'000
Revenue		505.231.022	431.444
Other external expenses	3	-169.498.407	-142.797
Gross profit/loss		**335.732.615**	**288.647**
Staff costs	1	-270.107.594	-244.583
Depreciation, amortisation and impairment losses	2	-20.582.834	-20.584
Operating profit/loss		**45.042.187**	**23.480**
Other financial income	4	2.552.628	3.009
Other financial expenses	5	-3.929.718	-1.717
Profit/loss from ordinary activities before tax		**43.665.097**	**24.772**
Tax on profit/loss from ordinary activities	6	-9.745.373	-5.274
Consolidated profit/loss		**33.919.724**	**19.498**
Minority interests' share of profit/loss		-13.464.885	-7.453
Profit/loss for the year		**20.454.839**	**12.045**

Proposed distribution of profit/loss		
Dividend for the financial year	3.425.000	98
Extraordinary dividend	750.000	0
Retained earnings	16.279.839	11.947
	20.454.839	**12.045**

Consolidated balance sheet at 30.09.2015

	Notes	2014/15 DKK	2012/13 DKK'000
Completed development projects		36.260.379	34.470
Acquired intangible assets		5.611.329	8.311
Intangible assets	7	**41.871.708**	**42.781**
Other fixtures and fittings, tools and equipment		7.594.248	3.656
Leasehold improvements		911.841	597
Property, plant and equipment	8	**8.506.089**	**4.253**
Investments in associates		2.933.253	2.933
Other investments		5.252	5
Other receivables		5.558.439	4.330
Fixed asset investments	9	**8.496.944**	**7.268**
Fixed assets		**58.874.741**	**54.302**
Trade receivables		94.265.457	65.906
Contract work in progress	12	48.348.560	43.805
Deferred tax assets	14	0	30
Other short-term receivables		42.202.403	11.174
Income tax receivable		3.570.304	0
Receivables		**188.386.724**	**120.915**
Other investments		57.223.458	42.566
Other investments		**57.223.458**	**42.566**
Cash		**47.097.924**	**99.834**
Current assets		**292.708.106**	**263.315**
Assets		**351.582.847**	**317.617**

Consolidated balance sheet at 30.09.2015

	Notes	2014/15 DKK	2012/13 DKK'000
Contributed capital		3.700.000	3.700
Retained earnings		103.877.644	87.309
Proposed dividend		3.425.000	98
Equity		**111.002.644**	**91.107**
Minority interests	13	**64.832.038**	**55.975**
Provisions for deferred tax	14	19.707.912	14.212
Provisions		**19.707.912**	**14.212**
Finance lease liabilities		0	147
Non-current liabilities other than provisions		**0**	**147**
Finance lease liabilities		166.122	281
Loans raised by the issuance of bonds		0	2.026
Contract work in progress		7.900.085	11.153
Trade payables		15.055.868	18.975
Income tax payable		0	4.432
Other payables	15	78.019.936	52.529
Deferred income		54.898.242	66.780
Current liabilities other than provisions		**156.040.253**	**156.176**
Liabilities other than provisions		**156.040.253**	**156.323**
Equity and liabilities		**351.582.847**	**317.617**

Subsidiaries	10
Unrecognised rental and lease commitments	17
Contingent liabilities	18

Consolidated statement of changes in equity for 2014/15

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	3.700.000	87.309.460	98.400	91.107.860
Ordinary dividend paid	0	0	-98.400	-98.400
Extraordinary dividend paid	0	-750.000	0	-750.000
Exchange rate adjustments	0	-461.655	0	-461.655
Profit/loss for the year	0	17.779.839	3.425.000	21.204.839
Equity end of year	**3.700.000**	**103.877.644**	**3.425.000**	**111.002.644**

Consolidated cash flow statement for 2014/15

	Notes	2014/15 DKK	2012/13 DKK'000
Operating profit/loss		45.042.187	23.481
Amortisation, depreciation and impairment losses		20.772.217	20.756
Working capital changes	16	-59.315.978	50.046
Cash flow from ordinary operating activities		**6.498.426**	**94.283**
Financial income received		2.552.628	3.008
Financial income paid		-3.929.718	-1.717
Income taxes refunded/(paid)		-12.253.063	-14.806
Cash flows from operating activities		**-7.131.727**	**80.768**
Acquisition etc of intangible assets		-15.833.161	-12.555
Acquisition etc of property, plant and equipment		-8.073.236	-2.882
Sale of property, plant and equipment		0	166
Acquisition of fixed asset investments		-1.234.038	-29
Acquisition of enterprises		0	-10.139
Other cash flows from investing activities		0	6.342
Cash flows from investing activities		**-25.140.435**	**-19.097**
Instalments on loans etc		0	-3.603
Reduction of lease commitments		-262.355	0
Dividend paid		-5.648.400	0
Cash flows from financing activities		**-5.910.755**	**-3.603**
Increase/decrease in cash and cash equivalents		**-38.182.917**	**58.068**
Cash and cash equivalents beginning of year		142.400.668	83.977
Currency translation adjustments of cash and cash equivalents		103.631	355
Cash and cash equivalents end of year		**104.321.382**	**142.400**
Cash and cash equivalents at year-end are composed of:			
Cash		47.097.924	99.834
Securities		57.223.458	42.566
Cash and cash equivalents end of year		**104.321.382**	**142.400**

Notes to consolidated financial statements

1. Staff costs

	2014/15 DKK	2012/13 DKK'000
Wages and salaries	249.574.390	225.207
Pension costs	14.069.944	13.084
Other social security costs	6.026.399	5.834
Other staff costs	436.861	458
	270.107.594	**244.583**
Average number of employees	**444**	**418**

	Remunerati-on of mana-gement 2014/15 DKK	Remune-ration of manage-ment 2012/13 DKK'000
Total amount for management categories	5.556.119	5.201
	5.556.119	**5.201**

2. Depreciation, amortisation and impairment losses

	2014/15 DKK	2012/13 DKK'000
Amortisation of intangible assets	16.946.793	18.647
Depreciation of property, plant and equipment	3.636.041	1.937
	20.582.834	**20.584**

3. Fees to the auditor appointed by the Annual General Meeting

	2014/15 DKK	2012/13 DKK'000
Statutory audit services	322.800	398
Other assurance engagements	39.253	35
Tax services	98.977	98
Other services	702.019	390
	1.163.049	**921**

Notes to consolidated financial statements

4. Other financial income

	2014/15 DKK	2012/13 DKK'000
Interest income	1.876.777	1.480
Exchange rate adjustments	0	330
Fair value adjustments	0	1.056
Other financial income	675.851	143
	2.552.628	**3.009**

5. Other financial expenses

	2014/15 DKK	2012/13 DKK'000
Interest expenses	188.656	62
Exchange rate adjustments	1.460.183	1.531
Other financial expenses	2.280.879	124
	3.929.718	**1.717**

6. Tax on profit/loss from ordinary activities

	2014/15 DKK	2012/13 DKK'000
Tax on current year taxable income	5.068.344	3.960
Change in deferred tax for the year	5.742.222	1.410
Adjustment concerning previous years	-511.131	0
Effect of changed tax rates	-554.062	-96
	9.745.373	**5.274**

7. Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK
Cost beginning of year	146.748.380	22.547.298
Additions	16.850.002	0
Disposals	0	-812.686
Cost end of year	**163.598.382**	**21.734.612**
Amortisation and impairment losses beginning of year	-112.278.293	-14.236.200
Amortisation for the year	-15.059.710	-1.887.083
Amortisation and impairment losses end of year	**-127.338.003**	**-16.123.283**
Carrying amount end of year	**36.260.379**	**5.611.329**

Notes to consolidated financial statements

8. Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	36.621.800	7.529.827
Exchange rate adjustments	210.024	31.643
Additions	7.477.428	595.807
Disposals	-7.552.354	0
Cost end of year	**36.756.898**	**8.157.277**
Depreciation and impairment losses beginning of the year	-32.965.778	-6.933.260
Exchange rate adjustments	-332.175	-93.186
Depreciation for the year	-3.417.051	-218.990
Reversal regarding disposals	7.552.354	0
Depreciation and impairment losses end of the year	**-29.162.650**	**-7.245.436**
Carrying amount end of year	**7.594.248**	**911.841**
Recognised assets not owned by entity	**84.930**	**0**

9. Fixed asset investments

	Investments in associates DKK	Other investments DKK	Other receivables DKK
Cost beginning of year	2.933.253	5.252	4.329.653
Additions	0	0	1.228.786
Cost end of year	**2.933.253**	**5.252**	**5.558.439**
Carrying amount end of year	**2.933.253**	**5.252**	**5.558.439**

Notes to consolidated financial statements

10. Subsidiaries

	Registered in	Equity interest %
Systematic Software Engineering Ltd.	Surrey, UK	100,0
Systematic Software Engineering Inc.	Virginia, USA	100,0
Systematic Oy Finland	Tampere, Finland	100,0
Systematic Sweden AB	Stockholm, Sweden	100,0
Systematic GmbH	Cologne, Germany	100,0
Systematic Asia Pacific Pte. Ltd.	Singapore	100,0
Systematic France SAS	Paris, France	100,0
Systematic Library & Learning Holding A/S	Aarhus, Denmark	100,0
Systematic A/S	Aarhus, Denmark	60,0
Systematic New Zealand Ltd.	Willington, New Zealand	100,0

11. Associates

	Registered in	Equity interest %
Conscensia Holding A/S	Aalborg, Denmark	25,0

12. Contract work in progress

	2014/15 DKK	2012/13 DKK'000
Contract work in progress	309.943.254	152.678
Progress billings regarding contract work in progress	-269.494.779	-131.180
Transferred to liabilities other than provisions	7.900.085	22.307
	48.348.560	**43.805**

13. Minority interests

Minority interests are composed by not owned share of Systematic A/S.

Notes to consolidated financial statements

14. Deferred tax

	2014/15 DKK	2012/13 DKK'000
Intangible assets	8.157.913	7.755
Property, plant and equipment	-501.894	-376
Fixed asset investments	0	-62
Receivables	12.088.439	6.961
Liabilities other than provisions	-36.546	-96
	19.707.912	**14.182**

15. Other short-term payables

	2014/15 DKK	2012/13 DKK'000
VAT and duties	3.565.240	3.565
Wages and salaries, personal income taxes, social security costs, etc payable	5.929.444	5.929
Holiday pay obligation	29.960.795	29.961
Accrued interests	0	691
Other costs payable	38.564.457	12.383
	78.019.936	**52.529**

16. Change in working capital

	2014/15 DKK	2012/13 DKK'000
Increase/decrease in receivables	-63.098.725	22.533
Increase/decrease in trade payables etc	3.782.747	50.327
Other changes	N/A	-22.814
	-59.315.978	**50.046**

17. Unrecognised rental and lease commitments

	2014/15 DKK	2012/13 DKK'000
Commitments under rental agreements or leases until expiry	**20.756.281**	**15.476**

18. Contingent liabilities

	2014/15 DKK	2012/13 DKK'000
Other contingent liabilities	372.500	2.026
Contingent liabilities	**372.500**	**2.026**

Parent income statement for 2014/15

	Notes	2014/15 DKK	2012/13 DKK'000
Other external expenses		-73.116	-52
Operating profit/loss		**-73.116**	**-52**
Income from investments in group enterprises		20.197.327	11.179
Other financial income		676.273	1.200
Other financial expenses		-267.210	0
Profit/loss from ordinary activities before tax		**20.533.274**	**12.327**
Tax on profit/loss from ordinary activities	1	-78.435	-282
Profit/loss for the year		**20.454.839**	**12.045**

Proposed distribution of profit/loss		
Dividend for the financial year	3.425.000	98
Extraordinary dividend	750.000	0
Reserve for net revaluation according to the equity method	16.485.999	11.179
Retained earnings	-206.160	768
	20.454.839	**12.045**

Parent balance sheet at 30.09.2015

	Notes	2014/15 DKK	2012/13 DKK'000
Other fixtures and fittings, tools and equipment		0	0
Property, plant and equipment	2	**0**	**0**
Investments in group enterprises		97.248.054	83.962
Fixed asset investments	3	**97.248.054**	**83.962**
Fixed assets		**97.248.054**	**83.962**
Deferred tax assets	4	22.610	30
Receivables		**22.610**	**30**
Other investments		14.528.069	13.197
Other investments		**14.528.069**	**13.197**
Cash		**4.486.733**	**330**
Current assets		**19.037.412**	**13.557**
Assets		**116.285.466**	**97.519**

Parent balance sheet at 30.09.2015

	Notes	2014/15 DKK	2012/13 DKK'000
Contributed capital		3.700.000	3.700
Reserve for net revaluation according to the equity method		92.574.260	75.800
Retained earnings		11.303.384	11.510
Proposed dividend		3.425.000	98
Equity		**111.002.644**	**91.108**
Payables to group enterprises		5.000.000	5.000
Income tax payable		269.322	696
Other payables	5	13.500	715
Current liabilities other than provisions		**5.282.822**	**6.411**
Liabilities other than provisions		**5.282.822**	**6.411**
Equity and liabilities		**116.285.466**	**97.519**
Ownership	6		

Parent statement of changes in equity for 2014/15

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend DKK
Equity beginning of year	3.700.000	75.799.916	11.509.544	98.400
Ordinary dividend paid	0	0	0	-98.400
Extraordinary dividend paid	0	0	-750.000	0
Exchange rate adjustments	0	288.345	0	0
Profit/loss for the year	0	16.485.999	543.840	3.425.000
Equity end of year	**3.700.000**	**92.574.260**	**11.303.384**	**3.425.000**

	Total DKK
Equity beginning of year	91.107.860
Ordinary dividend paid	-98.400
Extraordinary dividend paid	-750.000
Exchange rate adjustments	288.345
Profit/loss for the year	20.454.839
Equity end of year	**111.002.644**

Notes to parent financial statements

	2014/15 DKK	2012/13 DKK'000
1. Tax on profit/loss from ordinary activities		
Tax on current year taxable income	70.897	270
Change in deferred tax for the year	7.538	11
Effect of changed tax rates	0	1
	78.435	**282**

	Other fixtures and fittings, tools and equipment DKK
2. Property, plant and equipment	
Cost beginning of year	124.200
Cost end of year	**124.200**
Depreciation and impairment losses beginning of the year	-124.200
Depreciation and impairment losses end of the year	**-124.200**
Carrying amount end of year	**0**

	Investments in group enterprises DKK
3. Fixed asset investments	
Cost beginning of year	4.663.466
Cost end of year	**4.663.466**
Revaluations beginning of year	79.298.916
Exchange rate adjustments	288.345
Share of profit/loss for the year	20.197.327
Dividend	-7.200.000
Revaluations end of year	**92.584.588**
Carrying amount end of year	**97.248.054**

Notes to parent financial statements

	2014/15 DKK	2012/13 DKK'000
4. Deferred tax		
Property, plant and equipment	22.610	30
	22.610	**30**

	2014/15 DKK	2012/13 DKK'000
5. Other short-term payables		
Accrued interests	0	691
Other costs payable	13.500	24
	13.500	**715**

6. Ownership

Following shareholders holding more than 5% of the company's share capitals votes or nominal value:

Michael Holm, Lindevangsvej 17, 8240 Risskov
Kasper Kielsgaard Holm, Møllergade 64C 1, 5700 Svendborg
Kathrine Kielsgaard, Jagtvej 120, 4 - 417, 2200 København N
Klaus Kielsgaard, Sølyst Strandpark 5, 2900 Nivå
Kaare Salling Holm, Lindevangsvej 17, 8240 Risskov
Kristian Salling Holm, Lindevangsvej 17, 8240 Risskov