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

Annual report 01.10.2016 - 30.09.2017

The Annual General Meeting adopted the annual report on 22.01.2018

Chairman of the General Meeting

Name: Michael Holm

Contents

Entity details

Entity

Michael Holm Holding ApS

Lindevangsvej 17

8240 Risskov

Central Business Registration No (CVR): 19000680

Registered in: Aarhus

Financial year: 01.10.2016 - 30.09.2017

Statutory reports on the entity's website
Statutory report on corporate social responsibility:
https://da.systematic.com/corporate-social-responsibility/

Executive Board

Michael Holm

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of Michael Holm Holding ApS for the financial year 01.10.2016 - 30.09.2017.

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

In my opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2017 and of the results of its operations and cash flows for the financial year 01.10.2016 - 30.09.2017.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

Aarhus, 08.01.2018

Executive Board

Michael Holm

Independent auditor's report

To the shareholders of Michael Holm Holding ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Michael Holm Holding ApS for the financial year 01.10.2016 - 30.09.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.09.2017, and of the results of their operations and the consolidated cash flows for the financial year 01.10.2016 - 30.09.2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the 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.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements

Independent auditor's report

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s and the Entity’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report

Statement on the management commentary
Management is responsible for the management commentary.

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

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 08.01.2018

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Michael Bach
State Authorised Public Accountant
Identification No (MNE) 19691

Søren Lassen
State Authorised Public Accountant
Identification No (MNE) 18520

Management commentary

	2016/17 DKK'000	2015/16 DKK'000	2014/15 DKK'000	2013/14 DKK'000	2012/13 DKK'000
Financial highlights					
Key figures					
Revenue	1.120.957	684.844	505.231	431.444	393.263
Gross profit/loss	844.459	401.821	335.733	288.647	279.269
Operating profit/loss	379.941	67.287	45.042	23.480	17.594
Net financials	(4.084)	6.744	(1.377)	1.292	2.623
Profit/loss for the year	289.960	58.761	33.920	19.498	15.709
Total assets	882.235	489.638	351.583	317.617	252.237
Equity incl minority interests	488.986	218.065	175.835	147.082	126.770
Average numbers of employees	638	498	444	418	418
Ratios					
Gross margin (%)	75,3	58,7	66,5	66,9	71,0
Net margin (%)	25,9	8,6	6,7	4,5	4,0
Return on equity (%)	128,0	46,6	33,6	23,0	21,1
Equity ratio (%)	55,4	44,5	50,1	46,3	50,3

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	**Calculation formula**	**Calculation formula reflects**
Gross margin (%)	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$	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.
Equity ratio (%)	$\frac{\text{Equity x 100}}{\text{Total assets}}$	The financial strength of the entity.

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.

Systematic is one of Denmark's leading IT software and systems integrators. Systematic provides a wide range of IT services and solutions to its customers, primarily in the healthcare and public sector in Denmark, and defence sector internationally.

Development in activities and finances
The Group revenue grew 64% to DKK 436,1m. in financial year 2016/17, and the EBIT margin increased from 9.8% in the previous financial year to 33.9%; equal to an EBIT of DKK 379,9m. Net profit after tax equals EUR 289,9m.

Our cash position remains strong with DKK 495,4m.

The financial performance is better than expected and management finds the performance satisfactory.

Outlook
The Systematic group is entering the financial year 2017/18 with a strong order-book and a sufficient number of identified and qualified market opportunities. However, the financial results are depended in particular on the license revenue which traditionally is difficult to predict. Hence, there remains uncertainty regarding EBIT for the coming year but management expects EBIT in the range of DKK 75-150m.

Particular risks
Systematic's business entails a number of commercial and financial risk elements, but not more than those which are considered normal for an IT-software and systems integrator like Systematic.

Intellectual capital resources
As a professional software and systems integrator, Systematic is dependent on highly skilled and knowledgeable employees. 60% hold an academic degree in IT, software engineering, economics and other relevant degrees. In 2016/17, we hired 297 new employees bringing the total number of employees to 810 per 30th September 2017.

Statutory report on corporate social responsibility
Systematic's approach to CSR is firmly embedded in our corporate culture and core values. We respect the uniqueness of our employees and offer equal opportunity for learning and development in accordance with individual's needs and potential, and the company's interests.

In conducting our business, we aim to maintain high ethical standards, strive to execute our activities with integrity and accountability, and always be compliant with applicable legislation wherever we operate.

Systematic's position regarding CSR 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).

Management commentary

Statutory report on the underrepresented gender
Systematic is doing business in a male-dominated field. Nevertheless, Systematic has for years focused on getting “the right” people in its management positions regardless of gender.

On the Board of Directors, 4 members were elected at the General Meeting, all of them men. The objective for balanced representation is 25% female no later than 2020. However, the key criteria for nomination of candidates will be competence and the ability to add value to Systematic’s strategy and growth.

In 2016/17 was a board member replaced without this resulting in changed gender balance. The 2020 target of 25% female representation is unchanged.

At the operational levels of management, we aim to enhance diversity. Our values and culture appeal to people of both genders with highly flexible working hours and a focus on work-life balance, flat hierarchy and transparency. In 2016/17, we hired in 12 female managers.

By 2018, it is our aim that the percentage of females in management positions will occupy a minimum of half of the total share of all female employee positions in Systematic. Currently, 26% of the total staff is female, and 15% of those hold management positions.

Events after the balance sheet date
No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2016/17

	Notes	2016/17 DKK	2015/16 DKK
Revenue	1	1.120.957.470	684.844.482
Cost of sales		(172.225.608)	(204.830.767)
Other external expenses	2	(104.273.335)	(78.193.193)
Gross profit/loss		**844.458.527**	**401.820.522**
Staff costs	3	(445.248.934)	(315.820.236)
Depreciation, amortisation and impairment losses	4	(19.268.167)	(18.713.463)
Operating profit/loss		**379.941.426**	**67.286.823**
Other financial income		4.150.883	7.048.046
Other financial expenses		(8.234.488)	(304.522)
Profit/loss before tax		**375.857.821**	**74.030.347**
Tax on profit/loss for the year	5	(85.897.649)	(15.269.163)
Profit/loss for the year	6	**289.960.172**	**58.761.184**

Consolidated balance sheet at 30.09.2017

	Notes	2016/17 DKK	2015/16 DKK
Completed development projects		28.065.590	29.483.184
Acquired intangible assets		3.185.401	4.244.649
Intangible assets	7	**31.250.991**	**33.727.833**
Other fixtures and fittings, tools and equipment		15.097.707	8.751.130
Leasehold improvements		4.632.074	1.375.629
Property, plant and equipment	8	**19.729.781**	**10.126.759**
Investments in associates		2.933.253	2.933.253
Other investments		5.252	5.252
Other receivables		6.034.182	5.499.237
Fixed asset investments	9	**8.972.687**	**8.437.742**
Fixed assets		**59.953.459**	**52.292.334**
Trade receivables		195.098.585	183.242.466
Contract work in progress	11	61.358.920	118.441.454
Other receivables		70.397.810	43.032.554
Receivables		**326.855.315**	**344.716.474**
Other investments		91.889.744	72.928.934
Other investments		**91.889.744**	**72.928.934**
Cash		**403.536.774**	**19.700.174**
Current assets		**822.281.833**	**437.345.582**
Assets		**882.235.292**	**489.637.916**

Consolidated balance sheet at 30.09.2017

	Notes	2016/17 DKK	2015/16 DKK
Contributed capital		3.700.000	3.700.000
Retained earnings		283.123.945	135.638.796
Proposed dividend		25.000.000	2.000.000
Equity attributable to the Parent's owners		**311.823.945**	**141.338.796**
Share of equity attributable to minority interests		**177.162.425**	**76.725.891**
Equity		**488.986.370**	**218.064.687**
Deferred tax	12	27.047.359	19.925.561
Provisions		**27.047.359**	**19.925.561**
Finance lease liabilities		0	82.143
Contract work in progress	11	28.973.350	9.323.916
Trade payables		39.702.951	21.240.296
Income tax payable		70.747.805	9.008.256
Other payables	13	152.182.964	183.693.206
Deferred income	14	74.594.493	28.299.851
Current liabilities other than provisions		**366.201.563**	**251.647.668**
Liabilities other than provisions		**366.201.563**	**251.647.668**
Equity and liabilities		**882.235.292**	**489.637.916**
Associates	10		
Unrecognised rental and lease commitments	16		
Contingent liabilities	17		
Transactions with related parties	18		
Group relations	19		
Subsidiaries	20		

Consolidated statement of changes in equity for 2016/17

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Share of equity attributable to minority interests DKK
Equity beginning of year	3.700.000	135.638.796	2.000.000	76.725.891
Ordinary dividend paid	0	0	(2.000.000)	(14.000.000)
Exchange rate adjustments	0	(1.823.093)	0	(1.215.396)
Profit/loss for the year	0	149.308.242	25.000.000	115.651.930
Equity end of year	**3.700.000**	**283.123.945**	**25.000.000**	**177.162.425**

	Total DKK
Equity beginning of year	218.064.687
Ordinary dividend paid	(16.000.000)
Exchange rate adjustments	(3.038.489)
Profit/loss for the year	289.960.172
Equity end of year	**488.986.370**

Consolidated cash flow statement for 2016/17

	Notes	2016/17 DKK	2015/16 DKK
Operating profit/loss		379.941.426	67.286.823
Amortisation, depreciation and impairment losses		19.268.167	18.856.611
Working capital changes	15	70.838.934	(73.318.581)
Cash flow from ordinary operating activities		**470.048.527**	**12.824.853**
Financial income received		4.150.883	7.048.046
Financial income paid		(8.234.488)	(304.522)
Income taxes refunded/(paid)		(16.578.524)	(1.471.198)
Cash flows from operating activities		**449.386.398**	**18.097.179**
Acquisition etc of intangible assets		(10.827.177)	(9.729.111)
Acquisition etc of property, plant and equipment		(15.763.134)	(7.401.131)
Sale of property, plant and equipment		125.497	0
Acquisition of fixed asset investments		(534.945)	0
Sale of fixed asset investments		0	59.202
Cash flows from investing activities		**(26.999.759)**	**(17.071.040)**
Reduction of lease commitments		(82.143)	(83.979)
Dividend paid		(16.000.000)	(13.425.000)
Cash flows from financing activities		**(16.082.143)**	**(13.508.979)**
Increase/decrease in cash and cash equivalents		**406.304.496**	**(12.482.840)**
Cash and cash equivalents beginning of year		92.629.108	104.321.382
Currency translation adjustments of cash and cash equivalents		(3.507.086)	790.566
Cash and cash equivalents end of year		**495.426.518**	**92.629.108**
Cash and cash equivalents at year-end are composed of:			
Cash		403.536.774	19.700.174
Securities		91.889.744	72.928.934
Cash and cash equivalents end of year		**495.426.518**	**92.629.108**

Notes to consolidated financial statements

1. Revenue

The Group's segments are business segments and geographical markets.

The Group's primary business segment in general consist of delivery of reliable and straightforward IT solutions and products. Secondary business segments are immaterial. Management wishes with regard to the Danish Financial Statements Act § 96 not to give additional information about the business and geographical breakdown of revenue ad a detailed breakdown of Group sales will be significantly harm the competitive situation.

The Group has no discontinued operations.

	2016/17 DKK	2015/16 DKK
2. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	682.990	425.804
Other assurance engagements	49.997	39.000
Tax services	536.687	53.023
Other services	324.328	495.042
	1.594.002	**1.012.869**

	2016/17 DKK	2015/16 DKK
3. Staff costs		
Wages and salaries	413.284.888	291.364.652
Pension costs	21.079.764	16.878.648
Other social security costs	10.495.072	7.019.601
Other staff costs	389.210	557.335
	445.248.934	**315.820.236**
Average number of employees	**638**	**498**

	Remuneration of management 2016/17 DKK	Remuneration of management 2015/16 DKK
Total amount for management categories	15.442.411	6.933.132
	15.442.411	**6.933.132**

Notes to consolidated financial statements

	2016/17 DKK	2015/16 DKK
4. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	13.304.019	14.842.311
Depreciation of property, plant and equipment	6.108.417	3.871.152
Profit/loss from sale of intangible assets and property, plant and equipment	(144.269)	0
	19.268.167	**18.713.463**

	2016/17 DKK	2015/16 DKK
5. Tax on profit/loss for the year		
Current tax	78.751.763	14.651.460
Change in deferred tax	7.145.886	1.276.614
Adjustment concerning previous years	0	(347.760)
Effect of changed tax rates	0	(311.151)
	85.897.649	**15.269.163**

	2016/17 DKK	2015/16 DKK
6. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	25.000.000	2.000.000
Retained earnings	149.308.242	33.624.859
Minority interests' share of profit/loss	115.651.930	23.136.325
	289.960.172	**58.761.184**

	Completed develop-ment projects DKK	Acquired intangible assets DKK
7. Intangible assets		
Cost beginning of year	81.261.443	24.376.232
Additions	10.189.000	638.177
Cost end of year	**91.450.443**	**25.014.409**
Amortisation and impairment losses beginning of year	(51.778.259)	(20.131.583)
Amortisation for the year	(11.606.594)	(1.697.425)
Amortisation and impairment losses end of year	**(63.384.853)**	**(21.829.008)**
Carrying amount end of year	**28.065.590**	**3.185.401**

Notes to consolidated financial statements

Delevopment projects

Completed development projects relates to software for the Defense segment. Revenue and earnings on the product marketed and sold worldwide have since the launch exceeded expectations in budgets and forecasts, and thus there are no identified indicators of impairment.

	Other fixtures and fittings, tools and equipment DKK	Leasehold improve-ments DKK
8. Property, plant and equipment		
Cost beginning of year	44.933.657	8.997.587
Transfers	837.936	0
Additions	11.225.437	3.759.277
Disposals	(75.056)	0
Cost end of year	**56.921.974**	**12.756.864**
Depreciation and impairment losses beginning of year	(36.182.527)	(7.621.958)
Transfers	(59.516)	0
Depreciation for the year	(5.605.585)	(502.832)
Reversal regarding disposals	23.361	0
Depreciation and impairment losses end of year	**(41.824.267)**	**(8.124.790)**
Carrying amount end of year	**15.097.707**	**4.632.074**

	Investments in associates DKK	Other investments DKK	Other receivables DKK
9. Fixed asset investments			
Cost beginning of year	2.933.253	5.252	5.499.237
Additions	0	0	534.945
Cost end of year	**2.933.253**	**5.252**	**6.034.182**
Carrying amount end of year	**2.933.253**	**5.252**	**6.034.182**

	Registered in	Equity inte-rest %
10. Associates		
Conscensia Holding A/S	Aalborg, Denmark	25,0

Notes to consolidated financial statements

Associates not measured at equity value

Conscensia Holding A/S

Measured at cost. Profit for the financial year 1 July 2016 to 30 June 2017 was DKK 202.342 and Equity at 30 June 2017 was DKK 9.501.477.

	2016/17 DKK	2015/16 DKK
11. Contract work in progress		
Contract work in progress	575.904.792	547.362.632
Progress billings regarding contract work in progress	(543.519.222)	(438.245.087)
Transferred to liabilities other than provisions	28.973.350	9.323.909
	61.358.920	**118.441.454**

	2016/17 DKK	2015/16 DKK
12. Deferred tax		
Intangible assets	6.173.810	6.485.681
Property, plant and equipment	(284.711)	(496.630)
Receivables	26.676.348	13.954.581
Liabilities other than provisions	(5.518.088)	(18.071)
	27.047.359	**19.925.561**

Changes during the year	
Beginning of year	19.925.561
Recognised in the income statement	7.121.798
End of year	**27.047.359**

	2016/17 DKK	2015/16 DKK
13. Other short-term payables		
VAT and duties	6.084.088	6.337.755
Wages and salaries, personal income taxes, social security costs, etc payable	39.558.675	15.012.835
Holiday pay obligation	57.171.875	37.845.183
Other costs payable	49.368.326	124.497.433
	152.182.964	**183.693.206**

14. Short-term deferred income

Prepayments and accrued income related to service contracts.

Notes to consolidated financial statements

	2016/17 DKK	2015/16 DKK
15. Change in working capital		
Increase/decrease in receivables	37.591.879	(160.734.099)
Increase/decrease in trade payables etc	33.247.055	87.312.968
Other changes	0	102.550
	70.838.934	**(73.318.581)**

	2016/17 DKK	2015/16 DKK
16. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	**20.226.183**	**28.977.108**

	2016/17 DKK	2015/16 DKK
17. Contingent liabilities		
Recourse and non-recourse guarantee commitments	6.403.147	3.815.548
Contingent liabilities in total	**6.403.147**	**3.815.548**

The company is part of a Danish joint taxation with Michael Holm Holding ApS as the tax principal. According to the joint taxation provisions of the Danish Corporation Tax Act, the company is liable from the financial year 2012/13 for income taxes etc. for the jointly taxed enterprises and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these enterprises. The total net tax liability is incorporated in the accounts for Michael Holm Holding ApS.

18. Transactions with related parties

The annual report only discloses transactions with related parties that have not been completed on market terms. No such transactions have been completed during the financial year.

19. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Michael Holm Holding ApS, Aarhus.

Notes to consolidated financial statements

	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
20. Subsidiaries					
Systematic A/S	Aarhus, Denmark	A/S	100,0	442.906.067	289.129.825
Systematic Software Engineering Ltd.	Surrey, England	Ltd.	100,0	13.924.722	2.127.778
Systematic Software Engineering Inc.	Virginia, USA	Inc.	100,0	17.801.534	15.891.109
Systematic OY Finland	Tampere, Finland	OY	100,0	4.416.008	275.449
Systematic Sweden AB	Stockholm, Sweden	AB	100,0	209.764	49.350
Systematic GmbH	Cologne, France	GmbH	100,0	1.403.863	400.026
Systematic Asia Pacific Pte. Ltd.	Singapore	Pte. Ltd.	100,0	514.198	181.629
Systematic France SAS	Paris, France	SAS	100,0	111.635	0
Systematic New Zealand Ltd.	Wellington, New Zealand	Ltd.	100,0	61.368	(50.506)
Systematic Development Center SRL	Bucharest, Romania	SRL	100,0	2.681.868	0
Systematic Library & Learning Holding A/S	Aarhus, Denmark	A/S	100,0	23.326.902	5.879.191
Systematic Library & Learning A/S	Aarhus, Denmark	A/S	100,0	24.908.117	5.797.100
Dantek AB	Växjö, Sweden	AB	100,0	1.142.735	245.033
Dantek GmbH	Berlin, Germany	GmbH	100,0	0	(33.002)

Parent income statement for 2016/17

	Notes	2016/17 DKK	2015/16 DKK
Other external expenses		(526.988)	(25.964)
Operating profit/loss		**(526.988)**	**(25.964)**
Income from investments in group enterprises		173.477.895	34.704.488
Other financial income	1	1.622.652	1.231.919
Other financial expenses		(31.116)	(25.992)
Profit/loss before tax		**174.542.443**	**35.884.451**
Tax on profit/loss for the year	2	(234.201)	(259.592)
Profit/loss for the year	3	**174.308.242**	**35.624.859**

Parent balance sheet at 30.09.2017

	Notes	2016/17 DKK	2015/16 DKK
Other fixtures and fittings, tools and equipment		0	0
Property, plant and equipment	4	**0**	**0**
Investments in group enterprises		265.743.637	115.088.835
Fixed asset investments	5	**265.743.637**	**115.088.835**
Fixed assets		**265.743.637**	**115.088.835**
Deferred tax	6	12.717	16.957
Receivables		**12.717**	**16.957**
Other investments		46.579.704	28.528.113
Other investments		**46.579.704**	**28.528.113**
Cash		**1.235.441**	**660.940**
Current assets		**47.827.862**	**29.206.010**
Assets		**313.571.499**	**144.294.845**

Parent balance sheet at 30.09.2017

	Notes	2016/17 DKK	2015/16 DKK
Contributed capital	7	3.700.000	3.700.000
Reserve for net revaluation according to the equity method		261.080.171	110.425.369
Retained earnings		22.043.774	25.213.427
Proposed dividend		25.000.000	2.000.000
Equity		**311.823.945**	**141.338.796**
Payables to group enterprises		1.519.324	2.500.000
Income tax payable		174.640	402.459
Other payables		53.590	53.590
Current liabilities other than provisions		**1.747.554**	**2.956.049**
Liabilities other than provisions		**1.747.554**	**2.956.049**
Equity and liabilities		**313.571.499**	**144.294.845**
Contingent liabilities	8		
Related parties with controlling interest	9		
Transactions with related parties	10		

Parent statement of changes in equity for 2016/17

	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	110.425.369	25.213.427	2.000.000
Ordinary dividend paid	0	0	0	(2.000.000)
Exchange rate adjustments	0	(1.823.093)	0	0
Dividends from group enterprises	0	(21.000.000)	21.000.000	0
Profit/loss for the year	0	173.477.895	(24.169.653)	25.000.000
Equity end of year	**3.700.000**	**261.080.171**	**22.043.774**	**25.000.000**

	Total DKK
Equity beginning of year	141.338.796
Ordinary dividend paid	(2.000.000)
Exchange rate adjustments	(1.823.093)
Dividends from group enterprises	0
Profit/loss for the year	174.308.242
Equity end of year	**311.823.945**

Notes to parent financial statements

	2016/17 DKK	2015/16 DKK
1. Other financial income		
Financial income arising from group enterprises	0	8.124
Other interest income	585	0
Fair value adjustments	675.876	549.706
Other financial income	946.191	674.089
	1.622.652	**1.231.919**

	2016/17 DKK	2015/16 DKK
2. Tax on profit/loss for the year		
Current tax	229.961	253.939
Change in deferred tax	4.240	5.653
	234.201	**259.592**

	2016/17 DKK	2015/16 DKK
3. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	25.000.000	2.000.000
Transferred to reserve for net revaluation according to the equity method	173.477.895	34.704.488
Retained earnings	(24.169.653)	(1.079.629)
	174.308.242	**35.624.859**

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

Notes to parent financial statements

	Investments in group enterprises DKK
5. Fixed asset investments	
Cost beginning of year	4.663.466
Cost end of year	**4.663.466**
Revaluations beginning of year	110.425.369
Exchange rate adjustments	(1.823.093)
Share of profit/loss for the year	173.477.895
Dividend	(21.000.000)
Revaluations end of year	**261.080.171**
Carrying amount end of year	**265.743.637**

	2016/17 DKK	2015/16 DKK
6. Deferred tax		
Property, plant and equipment	12.717	16.957
	12.717	**16.957**
Changes during the year		
Beginning of year	16.957	
Recognised in the income statement	(4.240)	
End of year	**12.717**	

	Number	Par value DKK	Nominal value DKK
7. Contributed capital			
A-shares	3.700	100	370.000
B-shares	33.300	100	3.330.000
	37.000		**3.700.000**

Notes to parent financial statements

8. Contingent liabilities

The company is the tax principal of a Danish joint taxation. According to the joint taxation provisions of the Danish Corporation Tax Act, the company is liable from the financial year 2013/2014 for income taxes etc. for the jointly taxed enterprises and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these enterprises. The total tax liabiity is incoporated in the accounts for Michael Holm Holding ApS.

9. Related parties with controlling interest

Michael Holm, Lindevangsvej 17, 8240 Risskov possess the majority of the share capital of the company, and has therfore has the controlling interest.

10. Transactions with related parties

The annual report only discloses transactions with related parties that have not been completed on market terms. No such transactions have been completed during the financial year.

Accounting policies

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

Changes in accounting policies
Accounting policies have changed as a consequence of changes to the Danish Financial Statements Act in the following areas:

Development costs
For development costs recognized in the balance sheet, an amount corresponding to the development costs recognized after 01.10.2016 is included in the "Reserve for development expenditure" under equity. The reserve is reduced by current depreciation.

In accordance with the transitional provisions of the Danish Financial Statements Act, it is only for development costs that are recognized for the first time on 01.10.2016 or later that a corresponding amount is recognized in the item "Reserve for development expenditure".

Fixed assets
The expected residual value after the end of life is reassessed on an ongoing basis. Previously, the residual value was calculated at the time of the asset being used without subsequent reassessment. The Group has no significant residual values on property, plant and equipment. In accordance with the transitional provisions of the Danish Financial Statements Act, the residual value of plant and equipment is reassessed only for the first time, 30.09.2017.

Effect of change of practice
The changes in accounting policies has no impact on assets, liabilities, financial position and profit or loss.

Apart from the above areas, the annual report has been prepared in accordance with the same accounting policies as last 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
The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Accounting policies

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.

Business combinations
Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually.

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries which are considered part of the total investment in the subsidiary in question are classified directly as equity.

Accounting policies

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate of the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

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).

Cost of sales

Cost of sales includes direct project costs incurred for achieving the revenue. Project costs concerning contract work in progress is recognized as incurred and is measured at cost.

Other external expenses

Other external expenses include expenses relating to the Entity’s ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises’ profit/loss after full elimination of internal profits or losses.

Other financial income

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

Accounting policies

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

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet
Intellectual property rights etc
Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights and acquired intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Accounting policies

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-7 years
Leasehold improvements	5-20 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
In the parent financial statements, investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits and losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straigth-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 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. Investments are written down to the lower of recoverable amount and carrying amount.

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

Other investments
Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date.

Accounting policies

Contract work in progress
Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, 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 financecosts are recognised in the income statement as incurred.

Other investments
Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date.

Cash
Cash comprises cash in hand and bank deposits.

Dividend
Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Minority interests
Minority interests consist of non-controlling interests' share of equity in subsidiaries not 100% owned by the Parent.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Finance lease liabilities
Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised

Accounting policies

cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Operating leases

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 measured at amortised cost, which usually corresponds to nominal value.

Income tax receivable or payable

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

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

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

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

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

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

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