

## **Techedge ApS**

Dampfærgevej 3, 4. Sal

2100 København Ø

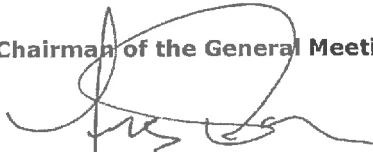
Central Business Registration

No 25573730

## **Annual report 2016**

The Annual General Meeting adopted the annual report on 31.03.2017

**Chairman of the General Meeting**



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Name: Jens H. Thomsen

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## Entity details

### Entity

Techedge ApS  
Dampfærgevej 3, 4. Sal  
2100 København Ø

Central Business Registration No: 25573730

Founded: 01.08.2000

Registered in: København

Financial year: 01.01.2016 - 31.12.2016

Phone: 35314080

Website: [www.grouptechedge.com](http://www.grouptechedge.com)

E-mail: [mail@grouptechedge.com](mailto:mail@grouptechedge.com)

### Board of Directors

Henrik Sahlholt, chairman

Andreas Velter

Johan Malling Boserup

### Executive Board

Kim Siegfried

### Bank

Jyskebank

Vesterbrogade 9

1780 København V

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

Postboks 1600

0900 København C

## Statement by Management on the annual report

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

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

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

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

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

Copenhagen, 31.03.2017

**Executive Board**

Kim Stegfrjed

**Board of Directors**

Henrik Sahrlott  
chairman

Andreas Velter

Johan Malling Boserup

## Independent auditor's report

### To the shareholders of Techedge ApS

#### Opinion

We have audited the consolidated financial statements and the parent financial statements of Techedge ApS for the financial year 01.01.2016 - 31.12.2016, 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 31.12.2016, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2016 - 31.12.2016 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 can arise from fraud or error and are considered material if, individually or in the aggregate, they could

## Independent auditor's report

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.

Copenhagen, 31.03.2017

### Deloitte

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No: 33963556

  
Nikolaj Thomsen  
statsautoriseret revisor

## Management commentary

	2016 DKK'000	2014/2015 DKK'000	2013/2014 DKK'000	2012/2013 DKK'000	2011/2012 DKK'000
<b>Financial highlights</b>					
<b>Key figures</b>					
Gross profit	113.164	140.486	75.973	67.236	52.844
Operating profit/loss	78.940	95.557	53.843	45.969	33.707
Net financials	(612)	2.609	(377)	(801)	712
Profit/loss for the year	62.579	75.983	41.943	33.817	26.763
Total assets	99.876	78.301	61.954	50.902	42.258
Investments in property, plant and equipment	246	1.716	907	108	231
Equity	78.798	53.616	46.796	36.838	29.524
<b>Ratios</b>					
Return on equity (%)	94,5	151,3	100,3	101,9	90,6
Equity ratio (%)	78,9	68,5	75,5	72,4	69,9

*Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.  
The key figures from 2014/2015 contain 18 months.*

### Ratios

Return on equity (%)

**Calculation formula**  

$$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity incl minority interests}}$$

Equity ratio (%)

$$\frac{\text{Equity} \times 100}{\text{Total assets}}$$

### Ratios

The entity's return on capital invested in the entity by the owners.

The financial strength of the entity.



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## Management commentary

### Primary activities

The company's primary activity is development of software and related activities.

### Development in activities and finances

The result of the year is DKK 62,579, and the equity amounts to DKK 78,798 as of 31 December 2016.

Management consider the result as satisfying and according to expectations.

### Outlook

Management expect that the results for 2017 will be at the same level as 2016.

## Consolidated income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2014/2015 DKK</u>
<b>Gross profit</b>		<b>113.163.543</b>	<b>140.485.910</b>
Staff costs	1	(33.453.876)	(43.924.132)
Depreciation, amortisation and impairment losses	2	<u>(769.677)</u>	<u>(1.004.518)</u>
<b>Operating profit/loss</b>		<b>78.939.990</b>	<b>95.557.260</b>
Other financial income		3.832	2.750.758
Other financial expenses		<u>(616.248)</u>	<u>(141.595)</u>
<b>Profit/loss before tax</b>		<b>78.327.574</b>	<b>98.166.423</b>
Tax on profit/loss for the year	3	<u>(15.748.262)</u>	<u>(22.182.997)</u>
<b>Profit/loss for the year</b>	4	<b><u>62.579.312</u></b>	<b><u>75.983.426</u></b>

## Consolidated balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2014/2015 DKK</u>
Other fixtures and fittings, tools and equipment		949.805	1.688.062
<b>Property, plant and equipment</b>	5	<b>949.805</b>	<b>1.688.062</b>
Deposits		775.581	748.874
<b>Fixed asset investments</b>	6	<b>775.581</b>	<b>748.874</b>
<b>Fixed assets</b>		<b>1.725.386</b>	<b>2.436.936</b>
Trade receivables		5.688.943	7.121.506
Deferred tax		95.757	83.329
Other receivables		793.222	824.045
Prepayments	7	201.346	483.585
<b>Receivables</b>		<b>6.779.268</b>	<b>8.512.465</b>
<b>Cash</b>		<b>91.371.587</b>	<b>67.351.147</b>
<b>Current assets</b>		<b>98.150.855</b>	<b>75.863.612</b>
<b>Assets</b>		<b>99.876.241</b>	<b>78.300.548</b>

## Consolidated balance sheet at 31.12.2016

	Notes	2016 DKK	2014/2015 DKK
Contributed capital		500.000	500.000
Retained earnings		9.298.460	16.115.755
Proposed dividend		69.000.000	37.000.000
<b>Equity</b>		<b>78.798.460</b>	<b>53.615.755</b>
Deferred tax		0	1.022.554
<b>Provisions</b>		<b>0</b>	<b>1.022.554</b>
Income tax payable		0	4.574.917
<b>Non-current liabilities other than provisions</b>		<b>0</b>	<b>4.574.917</b>
Trade payables		1.183.181	1.179.533
Income tax payable		14.084.407	12.906.492
Other payables		3.458.799	3.345.116
Deferred income	8	2.351.394	1.656.181
<b>Current liabilities other than provisions</b>		<b>21.077.781</b>	<b>19.087.322</b>
<b>Liabilities other than provisions</b>		<b>21.077.781</b>	<b>23.662.239</b>
<b>Equity and liabilities</b>		<b>99.876.241</b>	<b>78.300.548</b>
Mortgages and securities	10		

## Consolidated statement of changes in equity for 2016

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	500.000	16.115.755	37.000.000	53.615.755
Ordinary dividend paid	0	0	(37.000.000)	(37.000.000)
Exchange rate adjustments	0	(396.607)	0	(396.607)
Profit/loss for the year	0	(6.420.688)	69.000.000	62.579.312
<b>Equity end of year</b>	<b>500.000</b>	<b>9.298.460</b>	<b>69.000.000</b>	<b>78.798.460</b>

## Consolidated cash flow statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2014/2015 DKK</u>
Operating profit/loss		78.939.990	95.557.260
Amortisation, depreciation and impairment losses		769.677	1.004.518
Working capital changes	9	2.161.561	17.179.205
<b>Cash flow from ordinary operating activities</b>		<b>81.871.228</b>	<b>113.740.983</b>
Financial income received		3.832	2.750.758
Financial income paid		(616.249)	(141.595)
Income taxes refunded/(paid)		(20.180.244)	(11.245.657)
<b>Cash flows from operating activities</b>		<b>61.078.567</b>	<b>105.104.489</b>
Acquisition etc of property, plant and equipment		(246.352)	(1.716.056)
Sale of property, plant and equipment		214.932	0
Acquisition of fixed asset investments		(26.707)	(222.278)
<b>Cash flows from investing activities</b>		<b>(58.127)</b>	<b>(1.938.334)</b>
Dividend paid		(37.000.000)	(70.000.000)
<b>Cash flows from financing activities</b>		<b>(37.000.000)</b>	<b>(70.000.000)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>24.020.440</b>	<b>33.166.155</b>
Cash and cash equivalents beginning of year		67.351.147	34.184.992
<b>Cash and cash equivalents end of year</b>		<b>91.371.587</b>	<b>67.351.147</b>

## Notes to consolidated financial statements

	<u>2016</u> DKK	<u>2014/2015</u> DKK
<b>1. Staff costs</b>		
Wages and salaries	32.034.118	41.854.162
Other social security costs	439.860	357.792
Other staff costs	979.898	1.712.178
	<u>33.453.876</u>	<u>43.924.132</u>
Number of employees at balance sheet date	<u>39</u>	<u>40</u>
In accordance with Danish Financial Statements Act §98 b, section 2 information is not provided about management salaries.		
	<u>2016</u> DKK	<u>2014/2015</u> DKK
<b>2. Depreciation, amortisation and impairment losses</b>		
Depreciation of property, plant and equipment	769.677	1.004.518
	<u>769.677</u>	<u>1.004.518</u>
	<u>2016</u> DKK	<u>2014/2015</u> DKK
<b>3. Tax on profit/loss for the year</b>		
Tax on current year taxable income	16.783.346	22.171.193
Change in deferred tax for the year	(12.428)	3.659
Adjustment concerning previous years	(1.022.656)	8.145
	<u>15.748.262</u>	<u>22.182.997</u>
	<u>2016</u> DKK	<u>2014/2015</u> DKK
<b>4. Proposed distribution of profit/loss</b>		
Ordinary dividend for the financial year	69.000.000	0
Retained earnings	(6.420.688)	75.983.426
	<u>62.579.312</u>	<u>75.983.426</u>

## Notes to consolidated financial statements

	<b>Other fixtures and fittings, tools and equipment DKK</b>	
<b>5. Property, plant and equipment</b>		
Cost beginning of year	4.439.009	
Additions	246.352	
Disposals	(1.041.166)	
<b>Cost end of year</b>	<b>3.644.195</b>	
Depreciation and impairment losses beginning of the year	(2.750.947)	
Depreciation for the year	(769.677)	
Reversal regarding disposals	826.234	
<b>Depreciation and impairment losses end of the year</b>	<b>(2.694.390)</b>	
<b>Carrying amount end of year</b>	<b>949.805</b>	
	<b>Deposits DKK</b>	
<b>6. Fixed asset investments</b>		
Cost beginning of year	748.874	
Additions	29.180	
Disposals	(2.473)	
<b>Cost end of year</b>	<b>775.581</b>	
<b>Carrying amount end of year</b>	<b>775.581</b>	
<b>7. Prepayments</b>		
Prepayments consist of prepaid expenses.		
<b>8. Short-term deferred income</b>		
Deferred income consist of contract accrual.		
	<b>2016 DKK</b>	<b>2014/2015 DKK</b>
<b>9. Change in working capital</b>		
Increase/decrease in receivables	1.745.625	17.836.384
Increase/decrease in trade payables etc	812.545	(1.407.190)
Other changes	(396.609)	750.011
	<b>2.161.561</b>	<b>17.179.205</b>



## Notes to consolidated financial statements

### **10. Mortgages and securities**

Mortgages and securities consist of operational leasing of office rooms and company cars. Operational leasing amounts to DKK 1,915k. DKK 1,654k falls due within one year.

## Parent income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2014/2015 DKK</u>
<b>Gross profit</b>		<b>79.478.842</b>	<b>101.855.952</b>
Staff costs	1	(19.289.558)	(24.509.668)
Depreciation, amortisation and impairment losses	2	(306.218)	(336.507)
<b>Operating profit/loss</b>		<b>59.883.066</b>	<b>77.009.777</b>
Income from investments in group enterprises		16.351.475	15.360.947
Other financial income		1.725	2.629.222
Other financial expenses		(611.863)	(14.326)
<b>Profit/loss before tax</b>		<b>75.624.403</b>	<b>94.985.620</b>
Tax on profit/loss for the year	3	(13.045.091)	(18.846.581)
<b>Profit/loss for the year</b>	4	<b>62.579.312</b>	<b>76.139.039</b>

## Parent balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2014/2015 DKK</u>
Other fixtures and fittings, tools and equipment		313.927	559.613
<b>Property, plant and equipment</b>	5	<b>313.927</b>	<b>559.613</b>
Investments in group enterprises		29.854.072	16.135.719
Deposits		570.145	540.965
<b>Fixed asset investments</b>	6	<b>30.424.217</b>	<b>16.676.684</b>
<b>Fixed assets</b>		<b>30.738.144</b>	<b>17.236.297</b>
Trade receivables		2.672.565	4.680.690
Receivables from group enterprises		4.581.425	0
Dividends receivable from group enterprises		0	6.714.360
Deferred tax		95.757	83.329
Other receivables		261.465	295.137
Prepayments	7	53.927	76.612
<b>Receivables</b>		<b>7.665.139</b>	<b>11.850.128</b>
<b>Cash</b>		<b>55.808.705</b>	<b>45.274.963</b>
<b>Current assets</b>		<b>63.473.844</b>	<b>57.125.091</b>
<b>Assets</b>		<b>94.211.988</b>	<b>74.361.388</b>

## Parent balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2014/2015 DKK</u>
Contributed capital		500.000	500.000
Reserve for net revaluation according to the equity method		9.220.304	15.342.165
Retained earnings		78.156	773.590
Proposed dividend		69.000.000	37.000.000
<b>Equity</b>		<b>78.798.460</b>	<b>53.615.755</b>
Income tax payable		0	4.574.917
<b>Non-current liabilities other than provisions</b>		<b>0</b>	<b>4.574.917</b>
Trade payables		1.197.912	1.178.506
Income tax payable		9.303.841	10.870.295
Other payables		2.763.873	2.518.157
Deferred income	8	2.147.902	1.603.758
<b>Current liabilities other than provisions</b>		<b>15.413.528</b>	<b>16.170.716</b>
<b>Liabilities other than provisions</b>		<b>15.413.528</b>	<b>20.745.633</b>
<b>Equity and liabilities</b>		<b>94.211.988</b>	<b>74.361.388</b>
Mortgages and securities	9		
Related parties with controlling interest	10		
Transactions with related parties	11		

## Parent statement of changes in equity for 2016

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend DKK
Equity beginning of year	500.000	15.342.165	773.590	37.000.000
Ordinary dividend paid	0	0	0	(37.000.000)
Exchange rate adjustments	0	(396.607)	0	0
Dissolution of revaluations	0	(19.842.800)	19.842.800	0
Other equity postings	0	2.586	(2.586)	0
Dividends from group enterprises	0	(2.236.515)	2.236.515	0
Profit/loss for the year	0	16.351.475	(22.772.163)	69.000.000
<b>Equity end of year</b>	<b>500.000</b>	<b>9.220.304</b>	<b>78.156</b>	<b>69.000.000</b>
				<b>Total DKK</b>
Equity beginning of year				53.615.755
Ordinary dividend paid				(37.000.000)
Exchange rate adjustments				(396.607)
Dissolution of revaluations				0
Other equity postings				0
Dividends from group enterprises				0
Profit/loss for the year				62.579.312
<b>Equity end of year</b>				<b>78.798.460</b>

## Notes to parent financial statements

	<b>2016 DKK</b>	<b>2014/2015 DKK</b>
<b>1. Staff costs</b>		
Wages and salaries	18.343.789	23.086.146
Other social security costs	114.460	153.290
Other staff costs	831.309	1.270.232
	<b>19.289.558</b>	<b>24.509.668</b>
Average number of employees	<b>22</b>	<b>23</b>
In accordance with Danish Financial Statements Act §98 b, section 2 information is not provided about management salaries.		
	<b>2016 DKK</b>	<b>2014/2015 DKK</b>
<b>2. Depreciation, amortisation and impairment losses</b>		
Depreciation of property, plant and equipment	306.218	336.507
	<b>306.218</b>	<b>336.507</b>
	<b>2016 DKK</b>	<b>2014/2015 DKK</b>
<b>3. Tax on profit/loss for the year</b>		
Tax on current year taxable income	13.057.519	18.834.777
Change in deferred tax for the year	(12.428)	3.659
Adjustment concerning previous years	0	8.145
	<b>13.045.091</b>	<b>18.846.581</b>
	<b>2016 DKK</b>	<b>2014/2015 DKK</b>
<b>4. Proposed distribution of profit/loss</b>		
Ordinary dividend for the financial year	69.000.000	0
Transferred to reserve for net revaluation according to the equity method	16.351.475	15.360.947
Retained earnings	(22.772.163)	60.778.092
	<b>62.579.312</b>	<b>76.139.039</b>

## Notes to parent financial statements

		<b>Other fixtures and fittings, tools and equipment DKK</b>
<b>5. Property, plant and equipment</b>		
Cost beginning of year		2.085.569
Additions		60.532
<b>Cost end of year</b>		<b>2.146.101</b>
Depreciation and impairment losses beginning of the year		(1.525.956)
Depreciation for the year		(306.218)
<b>Depreciation and impairment losses end of the year</b>		<b>(1.832.174)</b>
<b>Carrying amount end of year</b>		<b>313.927</b>
	<b>Investments in group enterprises DKK</b>	<b>Deposits DKK</b>
<b>6. Fixed asset investments</b>		
Cost beginning of year	790.968	540.965
Additions	0	29.180
<b>Cost end of year</b>	<b>790.968</b>	<b>570.145</b>
Revaluations beginning of year	15.344.751	0
Exchange rate adjustments	(396.607)	0
Share of profit/loss for the year	16.351.475	0
Dividend	(2.236.515)	0
<b>Revaluations end of year</b>	<b>29.063.104</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>29.854.072</b>	<b>570.145</b>

### 7. Prepayments

Prepayments consist of prepaid expenses.

### 8. Deferred income

Deferred income consist of contract accrual.

### 9. Mortgages and securities

Mortgages and securities consist of operational leasing of office rooms and company cars. Operational leasing amounts to DKK 1,397k. DKK 1,071k falls due within one year.

## Notes to parent financial statements

### **10. Related parties with controlling interest**

The following shareholders holds a significant influence on the company:

Sahlholt Holding ApS, Denmark

AVelter Holding ApS, Denmark

Cavendish Square Holding B.V., Netherlands

### **11. Transactions with related parties**

There has been no transactions with related parties which has not been according to market conditions.



## 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 (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

The comparative balances for 2014/2015 contains 18 months. The comparative balances has been adjusted. Proposed dividends has been reconciled in the equity. The effect amounts to DKK37,000k and has been adjusted in current liabilities.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Consolidated financial statements

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

### Basis of consolidation

The consolidated financial statements 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.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

## Accounting policies

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

### **Income statement**

#### **Gross profit or loss**

Gross profit or loss comprises revenue, license cost, and external expenses.

#### **Revenue**

Revenue from the sale licenses is recognised in the income statement based on license period. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### **Cost of sales**

Cost of sales comprises cost of licenses, consultants and other cost directly associated with the company's primary activities.

#### **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 writedowns 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**

Amortisation, depreciation and impairment losses relating to equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale 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 from group enterprises**

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

#### **Other financial income**

Other financial income comprises interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

## Accounting policies

### Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### 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

#### Property, plant and equipment

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.

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	3-5 years
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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

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.

Investments in group enterprises 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.

## Accounting policies

### Deferred tax

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

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

### Prepayments

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

### 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.

### 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 payable or receivable 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.

## Accounting policies

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

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as payment of dividend.

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