Ciklum ApS

Østerbrogade 125
2100 København
Denmark

CVR no. 26 76 86 24

Annual report 2016

The annual report was presented and approved at the Company's annual general meeting

on ________________________________ 20 ____

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chairman of the annual general meeting

Contents

Statement by the Executive Board

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

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's activities and financial matters, of the results for the year and of the Group's and the Parent Company's financial position.

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

Copenhagen, 31 May 2017

Executive Board:

Torben Majgaard (Chairman)	James Edward Donaldson	Arne Djernæs Hansen

KPMG

Independent auditor's report

To the shareholders of Ciklum ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Ciklum ApS for the financial year 1 January – 31 December 2016 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 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 company financial statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

KPMG

Independent auditor's report

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company 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 company financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these consolidated financial statements and parent company 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 company 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 Parent Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

— conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company 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 Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent company 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 Company to cease to continue as a going concern.

— evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Independent auditor's report

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

Copenhagen, 31 May 2017
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Joakim Juul Larsen
State Authorised
Public Accountant

Management's review

Company details

Ciklum ApS
Østerbrogade 125
2100 København
Denmark

Telephone:	+45 70 27 80 90
Website:	www.ciklum.com

CVR no.:	26 76 86 24
Established:	6 September 2002
Registered office:	Copenhagen
Financial year:	1 January – 31 December

Executive Board

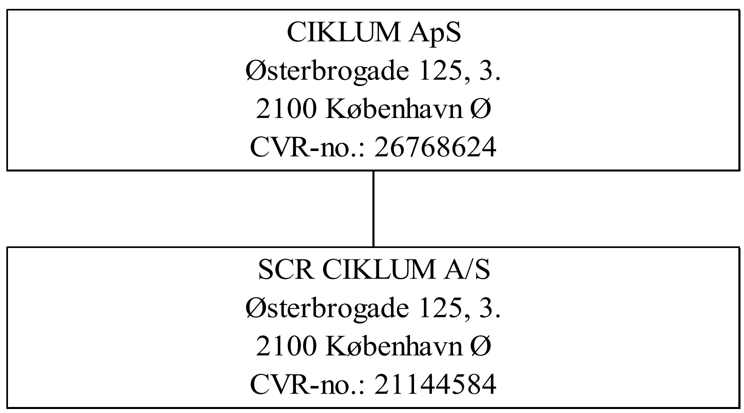
Torben Majgaard
James Edward Donaldson
Arne Djernæs Hansen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark

Management's review

Group chart



Management's review

Financial highlights for the Group

DKK'000	2016	2015	2014	2013	2012
Gross profit	14,953	14,419	11,344	15,195	8,227
Ordinary operating profit	8,282	5,745	2,576	5,026	3,204
Loss from financial income and expenses	-3,203	879	-225	-1,307	1,307
Profit for the year	**3,814**	**-2,916**	**1,656**	**3,718**	**408**
Total assets	27,714	57,543	56,554	49,976	63,282
Equity	**14,822**	**11,008**	**13,924**	**12,268**	**10,189**
Return on equity	29.5%	-23.4%	12.6%	30.3%	4.0%
Solvency ratio	53.5%	19.1%	24.6%	24.5%	16.1%

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015.

The financial ratios have been calculated as follows:

Return on equity $$\frac{\text{Profit/loss from ordinary activities after tax x 100}}{\text{Average equity}}$$

Solvency ratio $$\frac{\text{Equity ex. non-controlling interests at year end x 100}}{\text{Total equity and liabilities at year end}}$$

Management's review

Operating review

Principal activities of the Group

The Group's principal activities are facilitation and servicing of Danish and foreign software companies. The Group supplies the entire infrastructure to its customers, who independently take responsibility for the development of the software.

Development in activities and financial position

In 2016, the Group and the Parent Company realised a profit before tax of DKK 3,814 thousand and a profit before tax of DKK 3,221 thousand respectively.

Total equity in the Group has increased to DKK 14,822 thousand whilst total equity in the Parent Company has increased to DKK 14,229 thousand.

Expectations for the coming year

Management expects improved earnings in 2017 and the coming years.

Special risks – operating risks and financial risks

The Group is not exposed to any specific business or financial risks. The Group's main business risks are associated with market developments and the competitive situation in the market.

The clients of the Group primarily operate within the IT sector. Therefore, the Group has no financial challenges besides the ones posed by the financial climate in general.

Intellectual capital

The Group's services are based on the Group's focus on attracting skilled IT staff as well as retaining and developing the Group's key staff.

Environmental matters

The Group's operations do not have a significant impact on the external environment.

Events after the balance sheet date

There have not been any events after the balance sheet date that have any substantial impact on the Group's financial position that have not been incorporated in the financial statements.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Accounting policies

The annual report of Ciklum ApS for 2016 has been presented in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

The accounting policies used in the preparation of the consolidated financial statements and parent company financial statements are consistent with those of last year.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Ciklum ApS, and the subsidiary, SCR Ciklum A/S.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances, dividends, realised and unrealised gains and losses on intra-group transactions are eliminated.

The equity investment in the subsidiary is set off against the proportionate share of the subsidiary's fair value of net assets and liabilities at the date of acquisition.

Foreign currency translation

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

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

Consolidated financial statements and parent company financial statements 1 January – 31 December

Accounting policies

Income statement

Gross profit

Gross profit includes revenue, cost of materials and consumables as well as other external costs

Revenue

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Revenue from the sale of services, comprising fees charged for supplying the Company's consultants and infrastructure to its customers' software projects, is recognised in the income statement as the services are provided. Services based on time spent are recognised in revenue as the work is performed.

Cost of raw materials and consumables

Cost of raw materials and consumables includes costs for consumables and costs to consultants employed at affiliated group companies incurred in supplying the company's services.

Other external costs

Other external costs comprise costs related to distribution, sales, bad debt, office premises, etc.

Staff costs

Staff costs comprise wages and salaries, remuneration and emoluments, pensions and other staff costs related to the Company's employees, including the Executive Board.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Accounting policies

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments in group entities measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared. To the extent that the dividends exceed the accumulated earnings after the acquisition date, the dividends are recognised as a reduction of the cost of the equity investment.

Tax on profit/loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Accounting policies

Balance sheet

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Acquired rights are amortised on a straight-line basis over the useful life of the asset which normally is 5 years.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Property, plant and equipment

Fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Accounting policies

Investments

Equity investments in group entities are measured at cost. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Other receivables and deposits are recognised at amortised cost.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion at the balance sheet date and the projected income from the individual work. The stage of completion is stated as the share of costs incurred in proportion to estimated total costs relating to the individual work.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Accounting policies

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Provisions

Provisions comprise anticipated costs and warranty obligations. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at net realisable value or fair value if the obligation is expected to be settled in the distant future.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Accounting policies

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise payments relating to increases or reductions in capital and related costs as well as payment of dividends to shareholders and raising and repayment of interest-bearing debt.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank deposits.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Income statement

		Group		Parent Company	
DKK'000	Note	2016	2015	2016	2015
Gross profit		14,953	14,419	14,136	13,860
Staff costs	1	-5,977	-8,035	-5,977	-7,398
Depreciation, amortisation and impairment		-694	-639	-680	-607
Operating profit		8,282	5,745	7,479	5,855
Reversal of impairment/(Impairment for write-down of equity investment) in the group entity	7	0	0	276	-83
Other financial income	2	2,623	2,370	2,316	2,010
Other financial expenses	3	-5,826	-1,491	-5,826	-1,222
Profit/loss before tax		5,079	6,624	4,245	6,560
Tax on profit for the year	4	-1,265	-9,540	-1,024	-9,476
Profit/loss for the year	5	3,814	-2,916	3,221	-2,916

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

		Group		Parent Company	
DKK'000	Note	2016	2015	2016	2015
ASSETS					
Non-current assets					
Intangible assets	6				
Patents, licences and trademarks		1,060	1,290	1,060	1,290
Development projects in progress and prepayments		0	193	0	193
		1,060	1,483	1,060	1,483
Property, plant and equipment	7				
Fixtures and fittings, tools and equipment		165	238	125	185
Leasehold improvements		0	3	0	3
		165	241	125	188
Investments					
Equity investments in group entities	8	0	0	7,483	7,207
		0	0	7,483	7,207
Total non-current assets		1,225	1,724	8,668	8,878
Current assets					
Receivables					
Trade receivables		9,062	21,920	8,699	21,250
Contract work in progress	9	3,004	1,407	3,004	1,407
Receivables from group entities		11,890	28,692	8,550	21,667
Other receivables		690	138	41	16
Prepayments and accrued income	10	95	320	94	319
		24,741	52,477	20,388	44,659
Cash at bank and in hand		1,748	3,342	1,734	3,295
Total current assets		26,489	55,819	22,122	47,954
TOTAL ASSETS		27,714	57,543	30,790	56,832

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

		Group		Parent Company	
DKK'000	Note	2016	2015	2016	2015
EQUITY AND LIABILITIES					
Equity					
Share capital	11	1,700	1,700	1,700	1,700
Retained earnings		13,122	9,308	12,529	9,308
Proposed dividends for the financial year		0	0	0	0
Total equity		14,822	11,008	14,229	11,008
Provisions					
Provisions for deferred tax	12	140	285	148	293
Total provisions		140	285	148	293
Liabilities other than provisions					
Current liabilities other than provisions					
Bank loans		237	761	237	761
Prepayments received from customers	9	514	14,135	514	14,135
Payables to group entities		211	2,777	4,642	1,969
Trade payables		2,502	641	1,973	791
Corporation tax		1,081	9,623	841	9,562
Other payables	13	4,804	16,167	4,803	16,167
Deferred income	14	3,403	2,146	3,403	2,146
		12,752	46,250	16,413	45,531
Total liabilities other than provisions		12,752	46,250	16,413	45,531
TOTAL EQUITY AND LIABILITIES		27,714	57,543	30,790	56,832

Contractual obligations, contingencies, etc.	15
Mortgages and collateral	16
Related parties	17
Changes in working capital	18
Changed in short-term liabilities	19

Consolidated financial statements and parent company financial statements 1 January – 31 December

Statement of changes in equity

	Group			
DKK'000	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2016	1,700	9,308	0	11,008
Transferred over the profit appropriation	0	3,814	0	3,814
Equity at 31 December 2016	1,700	13,122	0	14,822

	Parent Company			
DKK'000	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2016	1,700	9,308	0	11,008
Transferred over the loss appropriation	0	3,221	0	3,221
Equity at 31 December 2016	1,700	12,529	0	14,229

Consolidated financial statements and parent company financial statements 1 January – 31 December

Cash flow statement for the Group

DKK'000	Note	2016	2015
Profit/loss for the year		3,814	-2,916
Reversal of depreciation for the year		694	639
Reversal of unpaid tax expense		1,265	9,540
Corporation tax paid		-9,952	-499
Changes in short term receivables	17	27,736	-389
Changes in short-term liabilities (other than bank, tax and dividends)	18	-24,432	4,826
Other operating activity cash flows		0	-403
Cash flows from operating activities		-875	10,798
Acquisition of intangible assets		-132	-54
Acquisition of property, plant and equipment		.-63	-159
Cash flows from investing activities		-195	-213
Changes in cash flows		-1,070	10,585
Cash flows 1 January		2,581	-8,004
Cash flows 31 December		1,511	2,581
Cash at 31 December, specification:			
Cash and bank in hand		1,748	3,342
Debt to financial institutions		-237	-761
Cash and cash equivalents at year end		1,511	2,581

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

		Group		Parent Company	
	DKK'000	2016	2015	2016	2015
1	**Staff costs**				
	Wages and salaries	5,946	7,925	5,946	7,354
	Pensions	16	70	16	21
	Other social security costs	15	40	15	23
		5,977	8,035	5,977	7,398
	Average number of full-time employees	6	8	6	7

Remuneration of the Company's Management and Board of Directors is not disclosed pursuant to section 98b(3)(ii) of the Danish Financial Statements Act.

		Group 2016	Group 2015	Parent 2016	Parent 2015
2	**Other financial income**				
	Interest income from group entities	592	629	360	269
	Other financial income	2,031	1,741	1,956	1,741
		2,623	2,370	2,316	2,010
3	**Other financial expenses**				
	Interest expense to the group entity	41	24	41	24
	Other financial expense	5,785	1,467	5,785	1,198
		5,826	1,491	5,826	1,222
4	**Tax on profit/loss for the year**				
	Current tax for the year	1,410	1,688	1,169	1,628
	Deferred tax adjustment for the year	-145	45	-145	41
	Adjustment in tax, prior years	0	7,807	0	7,807
		1,265	9,540	1,024	9,476
5	**Proposed profit appropriation**				
	Proposed dividend for the financial year	0	0	0	0
	Transferred to retained earnings	3,814	-2,916	3,221	-2,916
		3,814	-2,916	3,221	-2,916

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

6 Intangible assets

DKK'000	Group and Parent Company: Patents, licences and trademarks	Development projects in progress and prepayments	Total
Cost at 1 January 2016	2,179	193	2,372
Additions	132	0	132
Cost at 31 December 2016	2,311	193	2,223
Amortisation at 1 January 2016	-889	0	-889
Amortisation	-362	-193	-555
Amortisation at 31 December 2016	-1,251	-193	-1,444
Carrying amount at 31 December 2016	1,060	0	1,060

7 Property, plant and equipment

DKK'000	Group: Leasehold improvements	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2016	176	1,405	1,581
Additions	0	63	63
Cost at 31 December 2016	176	1,468	1,644
Depreciation at 1 January 2016	-173	-1,167	-1,340
Depreciation	-3	-136	-139
Depreciation at 31 December 2016	-176	-1,303	-1,479
Carrying amount at 31 December 2016	0	165	165

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

7 Property, plant and equipment (continue)

	Parent Company		
DKK'000	Leasehold improvements	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2016	65	925	990
Additions	0	62	62
Cost at 31 December 2016	65	987	1,052
Depreciation at 1 January 2016	-62	-740	-802
Depreciation	-3	-122	-125
Depreciation at 31 December 2016	-65	-862	-927
Carrying amount at 31 December 2016	0	125	125

8 Equity investments in group entities

	Parent Company	
DKK'000	2016	2015
Cost at 1 January	7,483	7,483
Additions	0	0
Cost at 31 December	7,483	7,483
Impairment losses at 1 January	-276	-193
Reversal of impairment losses for the year	276	-83
Impairment losses at 31 December	0	-276
Carrying amount at 31 December	7,483	7,207

Name/legal form	Registered office	Voting rights and owner-ship interest	Equity	Profit for the year
			DKK'000	DKK'000
SCR CIKLUM A/S, CVR no,: 21 14 45 84	Copenhagen	100%	8,075	868

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		Group		Parent Company	
	DKK'000	2016	2015	2016	2015
9	**Contract work in progress**				
	Selling price of work performed	3,004	1,407	3,004	1,407
	Progress billings	-514	-14,135	-14,135	-14,135
		-2,490	-12,728	-2,490	-12,728
	recognised as follows:				
	Contract work in progress (assets)	3,004	1,407	3,004	1,407
	Contract work in progress (liabilities)	-514	-14,135	-14,135	-14,135
		-2,490	-12,728	-2,490	-12,728

10 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums and subscriptions.

11 Share Capital

The share capital consists of 1,700,000 shares of a nominal value of DKK 1. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

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Notes

	Group		Parent Company	
DKK'000	2016	2015	2016	2015
12 Deferred tax				
Deferred tax at 1 January	285	240	293	252
Deferred tax adjustment for the year	-145	45	-145	41
	140	285	148	293

	Group		Parent Company	
DKK'000	2016	2015	2016	2015
13 Other payables				
VAT	4,232	15,363	4,232	15,484
Payroll	9	338	9	217
Other payables	563	466	562	466
	4,804	16,167	4,803	16,167

14 Deferred income

Deferred income of DKK 3,403 thousand (2015: DKK 2,146 thousand) comprise payments received from customers that cannot be recognised until the subsequent financial year.

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15 Contractual obligations, contingencies, etc.

Contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax as well as for the joint registration for VAT.

Operating lease obligations

Remaining operating lease obligations at the balance sheet date fall due at DKK 473 thousand within 6 months (2015: DKK 473 thousand).

16 Mortgages and collateral

As security for Ciklum ApS' credit facilities from Jyske Bank A/S, Ciklum ApS has issued a letter of indemnity for a maximum of DKK 16,000 thousand for the mortgage on the Company's goodwill, domain names and rights and unsecured receivables arising from the sale of goods and services.

17 Related party disclosures

Ciklum ApS' related parties with significant influence comprise the following:

CEO Torben Majgaard, Kiev Ukraine, is the majority shareholder in the Ciklum Group through his ownership of the ultimate owner of the Group, Majgaard Holding Ltd.

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act.

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Notes

DKK'000	Group 2016	Group 2015
18 Changes in short term receivables		
Trade receivables	12,858	4,683
Contract work in progress	-1,597	143
Receivables from group entities	16,802	-5,697
Other receivables	-552	159
Prepayments and accrued income	225	323
	27,736	-389
19 Changes in short-term liabilities		
Prepayments received from customers	-13,621	-2,019
Trade payables	1,861	233
Payables to group entities	-2,566	-581
Other payables	-11,363	6,867
Deferred income	1,257	326
	-24,432	4,826