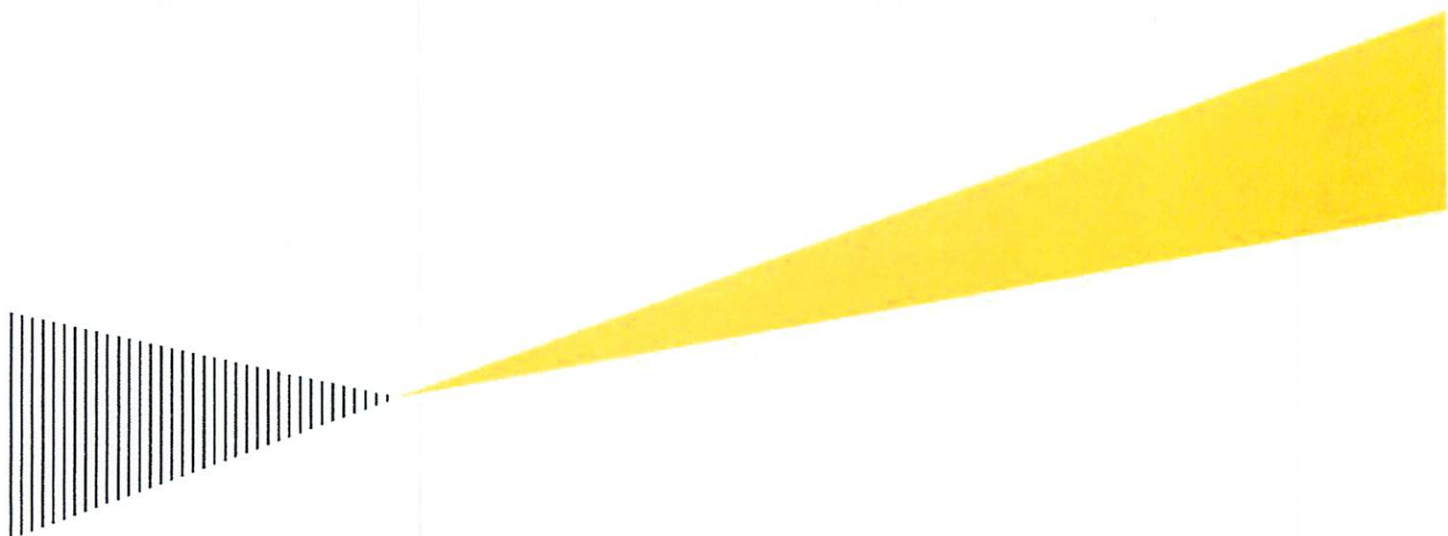


Omada Services A/S

Østerbrogade 135, 2100 Copenhagen Ø

CVR no. 28 13 36 18



Annual report 2016

Approved at the annual general meeting of shareholders on 1 May 2017

Chairman:


.....



Building a better
working world



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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Omada Services A/S for the financial year 1 January - 31 December 2016.

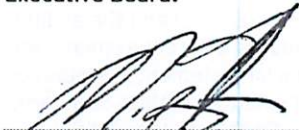
The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.


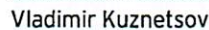
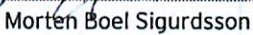
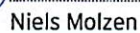
Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 1 May 2017
Executive Board:


Morten Boel Sigurdsson
Chief Executive Officer
Christian Stendevad
Executive Vice President,
Sales
Jacob Olsen
Chief Financial Officer

Board of Directors:


Peter Bubandt Colsted
Chairman
Vladimir Kuznetsov
Kvein Haleskog
Morten Boel Sigurdsson
Niels Molzen

Independent auditor's report

To the shareholders of Omada Services A/S

Opinion

We have audited the financial statements of Omada Services A/S for the financial year 1 January - 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations 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 financial statements" section of our report. We are independent of the Company 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 responsibilities for the financial statements

Management is responsible for the preparation of 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the 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 financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 reasonably be expected to influence the economic decisions of users taken on the basis of the 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 skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the 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 Company's internal control.

Independent auditor's report

- ▶ 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 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 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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 Management's review

Management is responsible for the Management's review.

Our opinion on the 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 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 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.

Based on our procedures, we conclude that the Management's review is in accordance with the 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, 1 May 2017

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Robert Christensen

State Authorised Public Accountant



Management's review

Company details

Name Omada Services A/S
Address, Postal code, City Østerbrogade 135, 2100 Copenhagen Ø

CVR no. 28 13 36 18
Established 1 October 2010
Registered office Copenhagen municipality
Financial year 1 January - 31 December

Website www.omada.net

Board of Directors Peter Bubandt Colsted, Chairman
Vladimir Kuznetsov
Kweilen Hatleskog
Morten Boel Sigurdsson
Niels Molzen

Executive Board Morten Boel Sigurdsson, Chief Executive Officer
Christian Stendevad, Executive Vice President, Sales
Jacob Olsen, Chief Financial Officer

Auditors Ernst & Young Godkendt Revisionspartnerselskab
Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg,
Denmark

Bankers Danske Bank
Nordea



Management's review

Management commentary

Business review

Omada Services A/S provides Professional Implementation & Advisory Services for partners and customers within the areas of Cybersecurity and Compliance.

Demerger of Omada Services A/S

Effective 1 January 2016, the Company's SAP activities were spun off into a separate entity, Omada SAP Services A/S, as part of a demerger. The demerger has been accounted for in accordance with the book value method. Refer to further description in the accounting policies in note 1.

Financial review

In 2016, Omada Services A/S continued to grow in accordance with the Omada Group's growth plan. Particularly the second half of the year showed strong double-digit growth and carried a strong momentum into 2017.

The income statement for 2016 shows profit for the year of DKK 1,385 thousand compared with DKK 10,724 thousand in 2015. The balance sheet shows equity of DKK 15,993 thousand.

This development reflects a strong underlying growth in business activities and leaves Omada Services A/S strongly positioned to participate in and execute the further growth strategy of the Omada Group in the coming years.

Events after the balance sheet date

Since the closing of the financial statements no events have occurred which could change the Company's financial position.

Outlook

Management expects to further grow in 2017 and to invest in increasing the Company's resource pool to support growth and to take advantage of the Company's market opportunities.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK'000	2016	2015
	Gross margin	25,130	55,039
2	Staff costs	-25,501	-43,603
	Profit/loss before net financials	-371	11,436
	Income from investments in associates	1,532	1,806
3	Financial income	222	490
4	Financial expenses	-33	-262
	Profit before tax	1,350	13,470
5	Tax for the year	35	-2,746
	Profit for the year	1,385	10,724
	Recommended appropriation of profit		
	Extraordinary dividend distributed in the year	0	5,000
	Net revaluation reserve according to the equity method	1,653	1,758
	Retained earnings/accumulated loss	-268	3,966
		1,385	10,724

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	2016	2015
	ASSETS		
	Non-current assets		
6	Financial assets		
	Investments in associate entities, net asset value	4,210	2,557
	Other receivables	4	4
		<u>4,214</u>	<u>2,561</u>
	Total non-current assets	<u>4,214</u>	<u>2,561</u>
	Current assets		
	Receivables		
	Trade receivables	214	0
	Receivables from group entities	22,451	35,944
	Income taxes receivable	35	0
	Other receivables	82	4
		<u>22,782</u>	<u>35,948</u>
	Cash	<u>1,174</u>	<u>4,345</u>
	Total current assets	<u>23,956</u>	<u>40,293</u>
	TOTAL ASSETS	<u>28,170</u>	<u>42,854</u>
	EQUITY AND LIABILITIES		
	Equity		
7	Share capital	2,000	2,000
	Net revaluation reserve according to the equity method	4,161	2,508
	Retained earnings	9,832	14,060
	Total equity	<u>15,993</u>	<u>18,568</u>
	Current liabilities		
	Bank debt	94	38
	Trade payables	715	5,606
	Payables to group entities	2,873	4,584
	Income taxes payable	0	2,746
	Other payables	8,495	11,312
	Total current liabilities	<u>12,177</u>	<u>24,286</u>
	Total liabilities	<u>12,177</u>	<u>24,286</u>
	TOTAL EQUITY AND LIABILITIES	<u>28,170</u>	<u>42,854</u>

- 1 Accounting policies
- 8 Contractual obligations and contingencies, etc.
- 9 Collateral
- 10 Related parties

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
Equity at 1 January 2016	2,000	2,508	14,060	18,568
Disposals on demerger	0	0	-4,081	-4,081
Transfer, see "Appropriation of profit"	0	1,653	-268	1,385
Exchange adjustment	0	0	121	121
Equity at 31 December 2016	2,000	4,161	9,832	15,993

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Omada Services A/S for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Changes to presentation and disclosures only

Effective 1 January 2016, the Company has implemented act no. 738 of 1 June 2015 with amendments to the Danish Financial Statements Act. As the implementation of the amendment act has no impact in terms of value on the income statement or the balance sheet in the financial year, nor on the comparative figures, the financial statements have been prepared based on the same accounting policies as last year.

The amendment act has solely implied new or changed presentation and disclosure requirements, which have been incorporated in the financial statements.

Changes in the entity's activities

The Company's activities underwent significant change in the financial year due to the demerger of the company into Omada SAP Services A/S.

The demerger is carried through based on the pooling-of-interests method according to which no fair value adjustments are made; nor is any goodwill calculated. The Company's assets and liabilities are demerged based on carrying amounts.

Demerger expenses and provisions for integration expenses are recognised in the period in which they are incurred.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

Licence and royalty income is recognised over the term of the agreement in accordance with the contents of the agreement.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Revenue from time limited software licences is accrued and recognised on a straight line basis over the term of the licence according to the terms of the licence agreement.

Sale of indefinite software licences is recognised as sale of goods whereby revenue is recognised when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

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

Gross margin

The items revenue, change in inventories of finished goods and work in progress, work performed for own account and capitalised, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Income from investments in group entities and associates

The item includes the Company's proportionate share of the profit/loss for the year in subsidiaries and associates after elimination of intra-group income or losses and net of amortisation and impairment of goodwill and other excess values at the time of acquisition.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other subsidiaries. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Investments in subsidiaries

On initial recognition, investments in subsidiaries are measured at cost and subsequently at the proportionate share of the entities' net asset values calculated in accordance with the parent company's accounting policies minus or plus any residual value of positive or negative goodwill calculated in accordance with the purchase method of accounting. Subsidiaries with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such entities are written down by the parent company's share of the net asset value if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the parent company has a legal or a constructive obligation to cover the entity's deficit. Net revaluations of investments in subsidiaries are transferred to the net revaluation reserve according to the equity method where the carrying amount exceeds the acquisition cost.

Newly acquired or formed entities are recognised in the financial statements from the date of acquisition or formation. Entities sold or otherwise disposed of are recognised up to the date of disposal.

Corporate acquisitions are accounted for using the purchase method according to which the acquired entity's identifiable assets and liabilities are measured at fair value at the date of acquisition. In connection with the acquisition, a provision is made for expenses related to adopted plans to restructure the acquired entity. The tax effect of revaluations made is taken into account.

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Cash

Cash comprises cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK'000	2016	2015
2 Staff costs		
Wages/salaries	24,616	42,308
Pensions	687	928
Other social security costs	198	367
	<u>25,501</u>	<u>43,603</u>
Average number of full-time employees	<u>39</u>	<u>51</u>
3 Financial income		
Interest receivable, group entities	175	256
Exchange adjustments	47	234
	<u>222</u>	<u>490</u>
4 Financial expenses		
Exchange adjustments	32	256
Other financial expenses	1	6
	<u>33</u>	<u>262</u>
5 Tax for the year		
Estimated tax charge for the year	-35	2,746
	<u>-35</u>	<u>2,746</u>

DKK'000	Investments in associate entities, net asset value	Other receivables	Total
Cost at 1 January 2016	50	4	54
Cost at 31 December 2016	50	4	54
Value adjustments at 1 January 2016	2,507	0	2,507
Exchange adjustment	121	0	121
Share of the profit/loss for the year	1,532	0	1,532
Value adjustments at 31 December 2016	4,160	0	4,160
Carrying amount at 31 December 2016	<u>4,210</u>	<u>4</u>	<u>4,214</u>

Name	Legal form	Domicile	Interest
Associates			
Omada International ApS	ApS	København Ø	50.00 %

Financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK'000	2016	2015
7 Share capital		
Analysis of the share capital:		
2,000,000 shares of DKK 1.00 nominal value each	2,000	2,000
	2,000	2,000

8 Contractual obligations and contingencies, etc.

Other contingent liabilities

Pursuant to section 254(2) of the Danish Companies Act, the Company and Omada SAP Services A/S are jointly and severally liable for the liabilities having been transferred from Omada Services A/S to Omada SAP Services A/S when the demerger was publicly announced, however not at an amount higher than the remaining net value at that time.

The Company is jointly taxed with its parent, Omada A/S, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2013 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

9 Collateral

As security for the parent company Omada A/S' debt to banks, the Company has provided a joint guarantee.

The Company has not placed any further assets or other items as collateral for loans and activities at 31 December 2016.

10 Related parties

Omada Services A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Omada A/S	Copenhagen Ø	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Omada A/S	Copenhagen Ø	Publicly available