

# DANSK MICROSOFTWARE A/S

c/o KMD A/S  
Niels Bohrs Allé 185  
5220 Odense SØ

CVR No. 29619824

## Annual Report 01.04.2015-31.12.2015

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 27 May 2016



---

Torben Madsen  
Chairman

**Contents**

Management's Statement	3
Independent Auditor's Report	4
Company Information	5
Management's Review	6
Accounting Policies	7
Income Statement	11
Balance Sheet	12
Notes	14

**DANSK MICROSOFTWARE A/S**

**Management's Statement**

Today, Management has considered and adopted the Annual Report of DANSK MICROSOFTWARE A/S for the financial year 1 April 2015 - 31 December 2015.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2015 and of the results of the Company's operations for the financial year 1 April 2015 - 31 December 2015.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Ballerup, 27 May 2016

**Executive Board**

  
Mikael Vissing Jakobsen  
Man. Director

**Board of Directors**

  
Mette Louise Kaagaard  
Chairman

  
Mark Skriver Ostersen Nielsen

Jannich Kiholm Lund

DANSK MICROSOFTWARE A/S

## Independent Auditor's Report

To the shareholders of DANSK MICROSOFTWARE A/S

### Report on the Financial Statements

We have audited the Financial Statements of DANSK MICROSOFTWARE A/S for the financial year 1 April 2015 - 31 December 2015 comprising Accounting Policies, Income Statement, Balance Sheet and Notes. The Annual Report is presented in accordance with the Danish Financial Statements Act.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with the Danish Financial Statements Act, and for such internal controls as Management determines is necessary to enable preparation of Financial Statements that are free from material misstatements, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We have conducted our audit in accordance with international standards on auditing and additional requirements under Danish auditor regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain a high degree of assurance as to whether the Financial Statements are free from material misstatements.

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

In our opinion, the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualifications.

### Opinion

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2015 and of the results of the Company's operations for the financial year 1 April 2015 - 31 December 2015 in accordance with the Danish Financial Statements Act.


### Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Hellerup, 27 May 2016

**PricewaterhouseCoopers**  
**Statsautoriseret Revisionspartnerskab**  
**CVR-nr. 33771231**

Leif Ulbæk Jensen  
State Authorised Public Accountant



## DANSK MICROSOFTWARE A/S

### Company details

<b>Company</b>	DANSK MICROSOFTWARE A/S c/o KMD A/S Niels Bohrs Allé 185 5220 Odense SØ
CVR No.	29619824
Financial year	1 April 2015 - 31 December 2015
<b>Supervisory Board</b>	Mette Louise Kaagaard, Chairman Mark Skriver Ostersen Nielsen Jannich Kiholm Lund
<b>Executive Board</b>	Mikael Vissing Jakobsen, Man. Director
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerskab Strandvejen 44 2900 Hellerup CVR-no.: 33771231

## Management's Review

### **The Company's principal activities**

Dansk Microsoftware provides warehouse management systems and electronic record and case management systems to Danish municipalities and regions with a strong focus on social, health and other human services.

Dansk Microsoftware is a 100% owned subsidiary of Avaleo ApS.

Following KMD's acquisition of Avaleo ApS in February 2015, the Financial Year (FY) of Dansk Microsoftware A/S has been changed to the calendar year. As a consequence, FY 2015 only comprises 9 months from 1 April to 31 December 2015.

### **Development in activities and financial matters**

The Company's Income Statement of the financial year 01-04-2015 - 31-12-2015 shows a result of DKK 558.328 and the Balance Sheet at 31-12-2015 a balance sheet total of DKK 6.809.703 and an equity of DKK 2.765.822.

The operating profit from ordinary activities (EBIT) shows a decrease of DKK 1.4 million compared to the 12 months FY 2014/15. The outcome is considered satisfactory. Dansk Microsoftware's gross profit for FY 2015 was DKK 4.0 million compared to DKK 6.7 million in FY 2014/15.

### **Post financial year events**

Dansk Microsoftware A/S is expected to be merged with its parent company Avaleo ApS effectively from 1 January 2016, but will continue to provide products and services to its customers as in previous years.

### **Subsequent events**

No significant events have occurred after the end of the financial year that may materially affect the assessment of the financial position of the company at 31 December 2015.

## Accounting Policies

### Reporting Class

The Annual Report of DANSK MICROSOFTWARE A/S for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

### Reporting currency

The Annual Report is presented in Danish kroner.

## General Information

### Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

## Income Statement

### Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

### Revenue

Income from the sale of goods is recognised in the Income Statement from the date of delivery and when the risk has passed to the buyer if it is possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

### Other operating income and expenses

Other operating income and expenses comprise items of a secondary nature to the principal activity of the Company.

## Accounting Policies

### Other external expenses

Other external expenses comprise expenses regarding sale and administration.

### Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life
Completed development projects	5 years
Concessions, patents, licenses, trademarks and other similar rights	10 years
Goodwill	5 years
Properties	20-50 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5 years

Land is not amortised.

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

### Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

### Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.



## Accounting Policies

### Balance Sheet

#### Intangible assets

Clearly defined and identifiable development projects where the technical rate of utilisation, sufficient resources and a potential future market or development potential in the Company are provable and where the intention is to manufacture, market or use the product or process are recognised as intangible assets if the value in use can be determined reliably and it is sufficiently certain that future earnings can cover production, sales and administration costs as well as total development costs.

Other development costs are recognised as costs in the Income Statement as they incur.

Development costs are calculated at the costs directly incurred and a share of the costs attributable to the individual development projects.

An impairment test of acquired intangible assets is performed in the event of indications of a decrease in value. Furthermore, annual impairment tests are performed for ongoing and activated development projects, if any. The impairment test is performed for each individual asset and group of assets, respectively. The assets are written down to the higher of the asset's or asset group's value in use and the net selling price (recoverable amount) in the event that this one is lower than the carrying amount.

#### Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

#### Inventories

Raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

#### Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

#### Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

#### Financial liabilities

Fixed-rate loans such as mortgage loans and loans from credit institutions are recognised initially at the proceeds received less transaction expenses incurred. In subsequent periods, loans are measured at amortised cost so that the difference between the proceeds and the nominal value is recognised in the Income Statement as an interest expense over the term of the loan.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

#### Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

## **Accounting Policies**

### **Accruals and deferred income, equity and liabilities**

Accruals and deferred income entered as liabilities consist of payments received regarding income in the subsequent financial years.

### **Contingent assets and liabilities**

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

## Income Statement

	Note	31.12.2015 kr.	2014/2015 kr.
<b>Gross profit</b>		<b>4.028.581</b>	<b>6.722.558</b>
Employee benefits expense	1	-3.053.176	-4.370.313
Depreciation and amortisations		-409.662	-385.197
<b>Profit from ordinary operating activities</b>		<b>565.743</b>	<b>1.967.048</b>
Finance income	2	0	376
Finance expenses	3	-138	-46.978
<b>Profit from ordinary activities before tax</b>		<b>565.605</b>	<b>1.920.446</b>
Tax expense on ordinary activities	4	-7.277	-430.273
<b>Profit</b>		<b>558.328</b>	<b>1.490.173</b>
<b>Proposed distribution of results</b>			
Retained earnings		558.328	1.490.173
		<b>558.328</b>	<b>1.490.173</b>

## DANSK MICROSOFTWARE A/S

## Balance Sheet as of 31. December

	Note	31.12.2015 kr.	31.03.2015 kr.
<b>Assets</b>			
Development projects	5	2.886.949	2.692.153
<b>Intangible assets</b>		<b>2.886.949</b>	<b>2.692.153</b>
Fixtures, fittings, tools and equipment	6	8.800	13.519
<b>Property, plant and equipment</b>		<b>8.800</b>	<b>13.519</b>
Other long-term receivables		5.000	57.164
<b>Investments</b>		<b>5.000</b>	<b>57.164</b>
<b>Fixed assets</b>		<b>2.900.749</b>	<b>2.762.836</b>
Raw materials and consumables		0	79.566
<b>Inventories</b>		<b>0</b>	<b>79.566</b>
Short-term trade receivables		2.147.153	593.907
Short-term tax receivables		0	94.376
Deferred income		25.583	48.850
<b>Receivables</b>		<b>2.172.736</b>	<b>737.133</b>
<b>Cash and cash equivalents</b>		<b>1.736.218</b>	<b>1.693.217</b>
<b>Current assets</b>		<b>3.908.954</b>	<b>2.509.916</b>
<b>Assets</b>		<b>6.809.703</b>	<b>5.272.752</b>

DANSK MICROSOFTWARE A/S

Balance Sheet as of 31. December

	Note	31.12.2015 kr.	31.03.2015 kr.
<b>Liabilities and equity</b>			
Contributed capital		500.000	500.000
Retained earnings		2.265.822	1.707.494
<b>Equity</b>	7	<b>2.765.822</b>	<b>2.207.494</b>
Provisions for deferred tax		404.878	486.441
<b>Provisions</b>		<b>404.878</b>	<b>486.441</b>
Mortgage debt		7.577	3.124
Trade payables		25.188	45.624
Tax payables		88.840	0
Other payables		1.096.845	834.039
Deferred income, liabilities		2.420.553	1.696.030
<b>Short-term liabilities other than provisions</b>		<b>3.639.003</b>	<b>2.578.817</b>
<b>Liabilities other than provisions within the business</b>		<b>3.639.003</b>	<b>2.578.817</b>
<b>Liabilities and equity</b>		<b>6.809.703</b>	<b>5.272.752</b>
Contingent liabilities	8		
Collaterals and assets pledges as security	9		
Related parties	10		

## Notes

**1. Employee benefits expense**

	<b>31.12.2015</b>	<b>2014/2015</b>
Wages and salaries	3.217.270	4.640.793
Pensions	364.931	-543.412
Social security contributions	75.433	272.932
Capitalized development cost	-604.458	0
	<u><b>3.053.176</b></u>	<u><b>4.370.313</b></u>

**2. Finance income**

Other finance income	0	376
	<u><b>0</b></u>	<u><b>376</b></u>

**3. Finance expenses**

Other finance expenses	-138	-46.978
	<u><b>-138</b></u>	<u><b>-46.978</b></u>

**4. Tax expense**

Current tax	88.840	0
Adjustment to deferred tax for the year	-81.563	430.273
	<u><b>7.277</b></u>	<u><b>430.273</b></u>

**5. Development projects**

Cost at the beginning of the year	3.277.294	2.265.433
Addition during the year	604.458	1.011.861
<b>Cost at the end of the year</b>	<u><b>3.881.752</b></u>	<u><b>3.277.294</b></u>
Depreciation and amortisation at the beginning of the year	-585.141	-207.569
Depreciations for the year	-409.662	-377.572
<b>Impairment losses and amortisation at the end of the year</b>	<u><b>-994.803</b></u>	<u><b>-585.141</b></u>
<b>Carrying amount at the end of the year</b>	<u><b>2.886.949</b></u>	<u><b>2.692.153</b></u>

**6. Fixtures, fittings, tools and equipment**

Cost at the beginning of the year	239.261	223.420
Addition during the year	0	15.841
<b>Cost at the end of the year</b>	<u><b>239.261</b></u>	<u><b>239.261</b></u>
Depreciation and amortisation at the beginning of the year	-225.742	-218.117
Depreciations for the year	-4.719	-7.625
<b>Impairment losses and amortisation at the end of the year</b>	<u><b>-230.461</b></u>	<u><b>-225.742</b></u>
<b>Carrying amount at the end of the year</b>	<u><b>8.800</b></u>	<u><b>13.519</b></u>

**Notes****7. Statement of changes in equity**

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>I alt</b>
Equity, beginning balance	500.000	1.707.494	2.207.494
Net profit/loss for the year		558.328	558.328
	<b>500.000</b>	<b>2.265.822</b>	<b>2.765.822</b>

*The share capital has developed as follows:*

<b>31.12.2015</b>	<b>31.03.2015</b>	<b>2013/2014</b>	<b>2012/2013</b>	<b>2011/2012</b>
500.000	500.000	500.000	500.000	500.000
<b>500.000</b>	<b>500.000</b>	<b>500.000</b>	<b>500.000</b>	<b>500.000</b>

**8. Contingent liabilities**

No contingent liabilities exist at the balance sheet date.

**9. Collaterals and securities**

No securities or mortgages exist at the balance sheet date.

The shares in Dansk Microsoftware have been pledged as security for the senior loan agreement in the Keyemde Group.

Dansk Microsoft is jointly taxed with the other Danish companies in the AI Keyemde Group. The joint taxation also covers withholding tax in the form of tax on dividends, royalties and interest. The Danish companies are jointly and severally liable for the joint taxation. Any subsequent corrections to the taxable income subject to joint taxation or withholding taxes may lead to a higher liability.

**10. Related parties**

The following shareholder is listed in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the share capital: Avaleo ApS

Avaleo ApS has Domicile in Taastrup, Denmark.

The smallest group in whose consolidated financial statements the Company is included is KMD A/S, while the largest is AI Keyemde ApS.