Software Improvement Group - Nordic ApS

Bredgade 30, 1260 København K

Company reg. no. 32 67 51 23

Annual report

1 January - 31 December 2016

The annual report have been submitted and approved by the general meeting on the 16 March 2017.

Theis Eichel
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance EUR 146.940 means the amount of EUR 146,940, and that 23,5 % means 23.5 %.

Management's report

The managing director has today presented the annual report of Software Improvement Group - Nordic ApS for the financial year 1 January to 31 December 2016.

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

I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2016 and of the company's results of its activities in the financial year 1 January to 31 December 2016.

I am of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

København K, 14 March 2017

Managing Director

Theis Eichel

Independent auditor's report

To the shareholders of Software Improvement Group - Nordic ApS

Opinion

We have audited the annual accounts of Software Improvement Group - Nordic ApS for the financial year 1 January to 31 December 2016, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2016 and of the results of the company's operations for the financial year 1 January to 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 and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section “Auditor’s responsibilities for the audit of the annual accounts”. We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company’s ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the 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.

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

- Conclude on the appropriateness of the management's preparation of the annual accounts being based the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management’s review and in that connection consider whether the management’s review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

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

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 14 March 2017

BUUS JENSEN
State Authorised Public Accountants
Company reg. no. 16 11 90 40

Henrik Paaske
State Authorised Public Accountant

Company data

The company	Software Improvement Group - Nordic ApS Bredgade 30 1260 København K	
	Company reg. no.	32 67 51 23
	Domicile:	Copenhagen
	Financial year:	1 January - 31 December
Managing Director	Theis Eichel	
Auditors	BUUS JENSEN, Statsautoriserede revisorer	
Parent company	Software Improvement Group B.V., Holland	

Management's review

The principal activities of the company

SIG is a consultancy firm that provides impartial, objective, verifiable and quantitative assessments of risks related to your corporate software systems. Our analysis software allows us to measure quality, reliability and security aspects according to international standards, to lay bare the underlying architecture and to assess the risks related to a system.
We make these aspects transparent for everyone. Whether you have a brand new client portal or a 30-year-old mainframe system, or an SAP application. Whether you are a financial institution, a logistics provider, a government agency or a high-tech service provider we provide transparency and help you get in control. Regarding maintainability, security, performance and many aspects of IT, SIG provides factbased advice with high impact

Development in activities and financial matters

The financial results for 2016 are shown in the following financial statements.
The management consider the 2016 result as satisfying.

Accounting policies used

The annual report for Software Improvement Group - Nordic ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual report is presented in euro (EUR).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Other plants, operating assets, fixtures and furniture	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Work in progress for the account of others

Contract work in progress is measured at the selling price of the work performed, however with deduction of invoicing on account and expected losses.

The selling price is measured on the basis of the stage of completion on the balance sheet date and the total expected income from the individual contracts. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual contract.

When the sales value of a contract can not be determined reliably, the selling price is measured solely at the costs incurred, or at the net realisable value, if this is lower.

Contracts are recognised as trade debtors if the selling price of the work performed exceeds invoicing on account and expected losses. Contracts are recognised as liabilities if invoicing on account and expected losses exceed the selling price.

Costs in connection with sales work and the achievement of contracts are recognised in the profit and loss account when incurred.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

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

Profit and loss account 1 January - 31 December

All amounts in EUR.

Note		2016	2015
	Gross profit	**784.122**	**437.519**
1	Staff costs	-476.487	-339.919
	Depreciation and writedown relating to tangible fixed assets	-3.684	-10.301
	Operating profit	**303.951**	**87.299**
	Other financial income	0	1.108
2	Other financial costs	-8.534	-631
	Results before tax	**295.417**	**87.776**
	Tax on ordinary results	-23.507	0
	Results for the year	**271.910**	**87.776**
	Proposed distribution of the results:		
	Allocated to results brought forward	271.910	87.776
	Distribution in total	**271.910**	**87.776**

Balance sheet 31 December

All amounts in EUR.

Assets

Note		2016	2015
	Fixed assets		
3	Other plants, operating assets, and fixtures and furniture	3.254	5.000
	Tangible fixed assets in total	3.254	5.000
	Fixed assets in total	**3.254**	**5.000**
	Current assets		
	Trade debtors	529.466	287.739
4	Work in progress for the account of others	51.799	59.363
	Other debtors	15.306	20.641
	Accrued income and deferred expenses	10.107	7.597
	Debtors in total	606.678	375.340
	Available funds	704.278	149.359
	Current assets in total	**1.310.956**	**524.699**
	Assets in total	**1.314.210**	**529.699**

Balance sheet 31 December

All amounts in EUR.

Note	Equity and liabilities	2016	2015
	Equity		
5	Contributed capital	16.789	16.789
6	Results brought forward	72.018	-199.892
	Equity in total	**88.807**	**-183.103**
	Provisions		
	Provisions for deferred tax	4.587	0
	Provisions in total	**4.587**	**0**
	Liabilities		
	Trade creditors	19.051	16.645
	Debt to group enterprises	919.283	573.555
	Corporate tax	18.920	0
	Other debts	263.562	122.602
	Short-term liabilities in total	1.220.816	712.802
	Liabilities in total	**1.220.816**	**712.802**
	Equity and liabilities in total	**1.314.210**	**529.699**

Notes

All amounts in EUR.

		2016	2015
1.	**Staff costs**		
	Salaries and wages	416.594	304.465
	Pension costs	40.433	26.202
	Other costs for social security	3.801	2.257
	Other staff costs	15.659	6.995
		476.487	**339.919**
	Average number of employees	4	4
2.	**Other financial costs**		
	Financial costs, group enterprises	0	187
	Other financial costs	8.534	444
		8.534	**631**
3.	**Other plants, operating assets, and fixtures and furniture**		
	Cost 1 January 2016	30.904	30.904
	Additions during the year	1.939	0
	Cost 31 December 2016	**32.843**	**30.904**
	Depreciation and writedown 1 January 2016	-25.904	-23.313
	Depreciation and writedown for the year	-3.685	-2.591
	Depreciation and writedown 31 December 2016	**-29.589**	**-25.904**
	Book value 31 December 2016	**3.254**	**5.000**
4.	**Work in progress for the account of others**		
	Sales value of the production of the period	51.799	59.363
	Work in progress for the account of others, net	**51.799**	**59.363**
5.	**Contributed capital**		
	Contributed capital 1 January 2016	16.789	16.789
		16.789	**16.789**

Notes

All amounts in EUR.

		31/12 2016	31/12 2015
6.	**Results brought forward**		
	Results brought forward 1 January 2016	-199.892	-287.668
	Profit or loss for the year brought forward	271.910	87.776
		72.018	**-199.892**