Software Improvement Group - Nordic ApS

Bredgade 30, 1260 København K

Company reg. no. 32 67 51 23

Annual report

1 January - 31 December 2017

The annual report have been submitted and approved by the general meeting on the 13 April 2018.

J.A. Oltmans
Chairman of the meeting

Contents

Notes to users of the English version of this document:
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance EUR 146.940 is the same as the English amount of EUR 146,940, and that 23,5 % is the same as the English 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 2017.

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 2017 and of the company's results of its activities in the financial year 1 January to 31 December 2017.

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, 22 March 2018

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 2017, 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 2017 and of the results of the company's operations for the financial year 1 January to 31 December 2017 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 as 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 on 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, 22 March 2018

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

Henrik Paaske
State Authorised Public Accountant
MNE-nr. 10067

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 gross profit for the year is EUR 546.417 against EUR 810.109 last year. The results from ordinary activities after tax are EUR -141.408 against EUR 271.910 last year. The management consider the results satisfactory.

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. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

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

Recognition of discontinued operation

Discontinued operation represents a considerable part of the enterprise, if activities and cash flows operationally and in respect of accounting can be separated from the other parts of the enterprise, and if the entity has either been sold or separated as intended for sale, and the sale is expected to be implemented with one year in accordance with a formal plan. Discontinued operation furthermore comprises enterprises which, in connection with their acquisition, have been classified as intended for sale.

The results after tax on discontinued operation and value adjustments after tax on related assets and liabilities as well as gain/loss from sales are recognised as a separate item in the profit and loss account with adaptation of the comparative figures. In the notes, net turnover, costs, value adjustments, and tax on the discontinued operation are recognised. Assets and related liabilities concerning discontinued operation are recognised in separate items in the balance sheet without adaptation of the comparative figures, and the principal items are specified in the notes.

Assets relating to discontinued operation comprise assets and disposal groups for which disposal is expected in connection with discontinued operation. Disposal groups are assets for which disposal takes place by sale or a similar transaction. Liabilities in connection with assets concerning discontinued operation are liabilities related directly to these assets, and they will be transferred when transactions take place. Assets are classified as assets concerning discontinued operation when their book value primarily will be recovered through disposal within 12 months in accordance with a formal plan in stead of through continued utilisation.

Assets or disposal groups concerning discontinued operation are measured at the lowest value at the time of the classification as a discontinued operation or at fair value less cost of sale. Assets are not depreciated or amortised as of the time when they are classified as discontinued operation.

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.

In case the foreign group enterprises and associated enterprises meet the criteria for being independent units, the profit and loss accounts are translated by using an average exchange rate for the period in question, and the balance sheet items are translated by using the closing rate. Differences arising in connection with the translation of the equity of foreign group enterprises at the beginning of the year to the closing rate are recognised directly in the equity. The same goes for differences arising in connection with translation of the profit and loss accounts from average exchange rate to the closing rate.

At recognition of foreign group enterprises which are integrated units, the monetary items are translated by using the closing rate. Non monetary items are translated by using the exchange rate prevailing at the time of acquisition or at the time of the following depreciation or writedown of the asset. The items of the profit and loss account are translated by using the exchange rate prevailing at the date of the transaction. However, items in the profit and loss account deriving from non monetary items are translated by using historical prices.

Currency adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in the equity. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised in the equity.

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.

Contract work in progress concerning construction contracts is recognised concurrently in the net turnover with the progress of the production. Thus the net turnover corresponds to the sales value of the completed productions of the year (the production method). The net turnover is recognised when the total income and costs of the contract and the scope of completion on the balance sheet date can be determined reliably, and when it is likely that the financial benefits will be received by the company.

When the results of a contract can not be determined reliably, the net turnover is only recognised on a cost basis, however, to the extent that it is probable that the costs will be recovered.

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.

Dividend from equity investments is recognised in the financial year where the dividend is declared.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

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

Land and buildings are measured at cost with addition of revaluations and with deduction of accrued depreciation and writedown. Land is not depreciated.

Land and buildings are revaluated on the basis of regular, independent evaluation of the fair value. The net revaluation at fair value adjustment is recognised directly on the equity after deduction of deferred tax and tied up in a particular revaluation reserve. Net impairment at fair value adjustments is recognised in the profit and loss account.

The basis of depreciation is cost with the addition of revaluations at fair value and with the deduction of expected residual value after the end of the useful life of the asset.

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in the company's equity.

Other tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

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 and the residual value of the individual assets:

	Useful life	*Residual value*
Technical plants and machinery	*5-10 years*	*0-20 %*
Other plants, operating assets, fixtures and furniture	*3-5 years*	*0-20 %*

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.

Leasing contracts

At the first recognition in the balance sheet, leasing contracts concerning tangible fixed assets by which the company holds all essential risks and advantages attached to the proprietary right (financial leasing) are measured either at fair value or at the present value of the future leasing services, whichever value is lower. When calculating the present value, the internal interest rate of the leasing contract or alternatively the borrowing rate of the enterprise is used as discount rate. Afterwards, financially leased assets are treated in the same way as other similar tangible assets.

The capitalised residual leasing liability is recognised in the balance sheet as a liability, and the interest part of the leasing contract is recognised in the profit and loss account over the term of the contract.

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

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.

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.

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 assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Accounting policies used

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

Also capitalised residual leasing liabilities in connection with financial leasing contracts are recognised in the financial liabilities.

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

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

Profit and loss account 1 January - 31 December

All amounts in EUR.

Note		2017	2016
	Gross profit	**546.417**	**810.109**
1	Staff costs	-666.620	-502.474
	Depreciation and writedown relating to tangible fixed assets	-20.388	-3.684
	Operating profit	**-140.591**	**303.951**
	Other financial income	-12	0
2	Other financial costs	-4.813	-8.534
	Results before tax	**-145.416**	**295.417**
	Tax on ordinary results	4.008	-23.507
	Results from ordinary activities after tax	**-141.408**	**271.910**
	Results for the year after tax on discontinued operation	0	0
	Results for the year	**-141.408**	**271.910**
	Proposed distribution of the results:		
	Allocated to results brought forward	0	271.910
	Allocated from results brought forward	-141.408	0
	Distribution in total	**-141.408**	**271.910**

Balance sheet 31 December

All amounts in EUR.

Note	Assets	2017	2016
	Fixed assets		
3	Other plants, operating assets, and fixtures and furniture	63.475	3.254
	Tangible fixed assets in total	63.475	3.254
	Fixed assets in total	**63.475**	**3.254**
	Current assets		
	Trade debtors	531.066	529.466
	Other debtors	85.543	67.105
	Accrued income and deferred expenses	29.472	10.107
	Debtors in total	646.081	606.678
	Available funds	40.689	704.278
	Current assets in total	**686.770**	**1.310.956**
	Assets in total	**750.245**	**1.314.210**

Balance sheet 31 December

All amounts in EUR.

Note	Equity and liabilities	2017	2016
	Equity		
4	Contributed capital	16.789	16.789
5	Results brought forward	-69.390	72.018
	Equity in total	**-52.601**	**88.807**
	Provisions		
	Provisions for deferred tax	0	4.587
	Provisions in total	**0**	**4.587**
	Liabilities		
	Bank debts	45.892	0
	Trade creditors	51.976	19.051
	Debt to group enterprises	436.203	919.283
	Corporate tax	0	18.920
	Other debts	252.327	263.562
	Accrued expenses and deferred income	16.448	0
	Short-term liabilities in total	802.846	1.220.816
	Liabilities in total	**802.846**	**1.220.816**
	Equity and liabilities in total	**750.245**	**1.314.210**

Notes

All amounts in EUR.

		2017	2016
1.	**Staff costs**		
	Salaries and wages	506.550	416.594
	Pension costs	78.884	40.433
	Other costs for social security	4.823	3.801
	Other staff costs	76.363	41.646
		666.620	**502.474**
	Average number of employees	4	4
2.	**Other financial costs**		
	Other financial costs	4.813	8.534
		4.813	**8.534**
3.	**Other plants, operating assets, and fixtures and furniture**		
	Cost 1 January 2017	32.843	30.904
	Additions during the year	80.609	1.939
	Disposals during the year	-27.316	0
	Cost 31 December 2017	**86.136**	**32.843**
	Depreciation and writedown 1 January 2017	-29.589	-25.904
	Depreciation for the year	-20.388	-3.685
	Depreciation, amortisation and writedown for the year, assets disposed of	27.316	0
	Depreciation and writedown 31 December 2017	**-22.661**	**-29.589**
	Book value 31 December 2017	**63.475**	**3.254**
4.	**Contributed capital**		
	Contributed capital 1 January 2017	16.789	16.789
		16.789	**16.789**

Notes

All amounts in EUR.

		31/12 2017	31/12 2016
5.	**Results brought forward**		
	Results brought forward 1 January 2017	72.018	-199.892
	Profit or loss for the year brought forward	-141.408	271.910
		-69.390	**72.018**