StiboSystems

Stibo Systems A/S

Axel Kiers Vej 11, DK-8270 Højbjerg

CVR No. 35 82 26 90

Annual report 2015/16

Approved at the Company's annual general meeting on 15 August 2016

Chairman:

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Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Stibo Systems A/S for the financial year 1 May 2015 - 30 April 2016.

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

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 30 April 2016 and of the results of the Group's and the Company's operations and consolidated cash flows for the financial year 1 May 2015 - 30 April 2016

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

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

Højbjerg, 27 June 2016
Executive Board:

Mikael Lyngsø
CEO

Board of Directors:

Hans O. Damgaard Chairman	Mikael Lyngsø	Carsten Christensen

Independent auditors' report

To the shareholders of Stibo Systems A/S

Independent auditors' report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and the parent company financial statements of Stibo Systems A/S for the financial year 1 May 2015 - 30 April 2016. The consolidated financial statements and the parent company financial statements comprise accounting policies, income statement, balance sheet and notes for the Group as well as for the parent company and consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

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

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

Auditors' responsibility

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of consolidated financial statements and parent company 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 control. 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 consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 30 April 2016 and of the results of the Group's and the parent company's operations and consolidated cash flows for the financial year 1 May 2015 - 30 April 2016 in accordance with the Danish Financial Statements Act.

Independent auditors' report

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Aarhus, 27 June 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28

Jens Weiersøe Jakobsen State Authorised Public Accountant	Søren Jensen State Authorised Public Accountant

Management's review

Company details

Name	Stibo Systems A/S
Address	Axel Kiers Vej 11, DK-8270 Højbjerg
CVR no.	35 82 26 90
Registered office	Aarhus
Financial year	1 May - 30 April
Website	www.stibosystems.com
Telephone	+45 89 39 11 11
Fax	+45 89 39 11 12
Board of Directors	Hans O. Damgaard, Chairman Mikael Lyngsø Carsten Christensen
Executive Board	Mikael Lyngsø, CEO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, DK-8100 Aarhus C

Management's review

Financial highlights for the Group

DKK'000	2015/16	2014/15	2013/14
Key figures			
Revenue	735,419	623,985	488,583
Gross profit	545,334	487,035	362,023
Operating profit	115,217	121,077	64,861
Profit from financial income and expenses, net	2,565	4,007	1,670
Profit before tax	117,782	125,084	66,531
Profit for the year	87,419	93,820	48,033
Non-current assets	2,842	2,710	3,933
Current assets	591,303	559,257	352,568
Total assets	594,145	561,967	356,501
Share capital	50,000	50,000	50,000
Equity	285,256	246,943	150,738
Provisions	15,070	17,030	15,331
Non-current liabilities	0	0	0
Current liabilities	293,819	297,994	190,432
Investments in property, plant and equipment	1,637	1,372	1,820
Financial ratios			
Operating margin	15.7	19.4	13.3
Return on invested capital	39.5	55.2	54.1
Gross margin	74.2	78.1	74.1
Solvency ratio	48.0	43.9	42.3
Return on equity	32.9	47.5	38.0
Average number of employees	470	430	387

For terms and definitions, please see the accounting policies.

Management's review

Operating review

In the 2015/16 financial year Stibo Systems A/S has been very successful, with record-high license sales and double-digit revenue growth for the sixth consecutive year.

In recent years Stibo Systems A/S has made a breakthrough on the market for Multi-Domain Master Data Management (MDM) solutions. Stibo Systems A/S' solutions comprise a combination of consultancy services and software which improve the customers' business processes and competitiveness by streamlining and making the management of the enterprises' strategic information more effective. This is among other things relevant in connection with online trading, optimisation of supplier-relations and internal information flows in the enterprises.

Stibo Systems A/S, which the US analysis company Gartner assessed to be one of the market's leading suppliers together with IBM, Oracle, Informatica and SAP, is working for some of the world's leading enterprises within retail, manufacturing, distribution and service. The market for Multi-Domain MDM is now a large and mature market with estimated yearly revenue of more than DKK 10 billion and with annual growth rates of approx. 10%.

Stibo System A/S' strong market position is underpinned by the fact that the Company already in 2013 was classified as "a Leader" in Gartner's "Magic Quadrant for MDM". This position was further strengthened in 2015. Moreover, Forrester classified Stibo Systems as "a Leader in Independent Product Information Management (PIM)".

As key part of Stibo Systems A/S' strategy, the Company continues to develop a robust "ecosystem" of partners. Several new partners have joined the "ecosystem" in the past year and continue to get enabled on Stibo Systems solutions. The Company is also deepening the relationships with key partners like Accenture, CGI and Tata Consultancy Services through proactive go-to-market planning and solution development. Today a significant part of our market opportunities is sourced or influenced through partners.

Financial ratios

Revenue:	DKK 735 million
Profit before tax:	DKK 118 million
Number of employees:	511

Revenue for 2015/16 totalled DKK 735 million - a 18% increase on last year. The increase in revenue is attributable to a considerable intake of new customers combined with a high activity level for existing customers.

Profit for the year before tax came in at DKK 118 million which is DKK 6 million less than the results in the 2014/15 financial year. The deviation compared to 2014/15 is due to investments in products and markets.

Management's review

Operating review

In conclusion the 2015/16 financial year was characterised by growth in sales, revenue and investments. These very satisfactory results derive from:

- Strong sale of licenses to existing markets and segments
- Successful establishment in new markets and new segments
- Continued investments in new markets, new segments and the development of the organisation to ensure the strongest basis for future growth.

Today, our list of customers includes nearly 300 important customers from the USA, Europe, South America, Asia and Australia. In 2015/16 agreements were made with more than 40 customers. Examples of new customers:

- Europe:
  - Auchan, Carrefour, Globus, Schneider Electric and Velux
- North America:
  - AAFES, Ahold, Barney's, Mayo Clinic, and McCormick
- Asia/Australia:
  - MasterCard, Orion Health and Staples

In the 2015/16 financial year, Stibo Systems established companies in Japan and South Korea to strengthen its presence in Asia.

Outlook

Expectations of Stibo Systems A/S' future development are very positive:

In the 2015/16 financial year, Stibo Systems A/S' order intake exceeded DKK 720 million, and the Company held a volume of orders at the end of this financial year in line with the previous year.

At the same time we expect the coming years to be positively affected by the investments which are now being effected in new markets - in particular in Asia and South America.

Altogether, results for the coming financial year are expected to be in line with 2015/16.

Particular risks

Currency risks

The Group is exposed to changes in exchange rates as the majority of the Group's revenue is settled in foreign currencies. The Group hedges the part of the concluded contracts that is not hedged by costs in the currency in question.

Interest rate risks

Due to its equity ratio and financial resources, the Group is only exposed to changes in the interest rate level to a minor extent.

Credit risks

Before new business relations are initiated, a credit rating of the customer is made, and if appropriate and possible, credit risks are hedged by means of insurances with credit insurance companies.

The Group reduces credit risks by issuing progress billings as work progresses.

Management's review

Operating review

Statutory corporate social responsibility statement under section 99a of the Danish Financial Statements Act

For a statement on corporate social responsibility, please see the annual report of the parent company, Stibo Holding A/S.

Goals and policies for the underrepresented gender under section 99b of the Danish Financial Statements Act

For goals and policies for the underrepresented gender, please see the annual report of the parent company, Stibo Holding A/S.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Income statement

		Consolidated		Parent company	
Note	DKK'000	2015/16	2014/15	2015/16	2014/15
	Revenue	735,419	623,985	735,419	623,985
2	Other operating income	0	0	25,264	26,832
		735,419	623,985	760,683	650,817
	Raw materials and consumables	-55,505	-33,859	-530,248	-415,041
	Other external costs	-134,580	-103,091	-45,054	-35,319
	Gross profit	545,334	487,035	185,381	200,457
3	Staff costs	-420,982	-356,781	-99,797	-99,309
4	Depreciation, amortisation and impairment losses	-9,135	-9,177	-1,876	-3,483
	Operating profit	115,217	121,077	83,708	97,665
9	Profit of group enterprises after tax	0	0	20,894	15,957
5	Financial income	3,948	4,637	2,055	3,521
6	Financial expenses	-1,383	-630	-390	-963
	Profit before tax	117,782	125,084	106,267	116,179
7	Tax on profit for the year	-30,363	-31,264	-18,848	-22,359
	Profit for the year	87,419	93,820	87,419	93,820

Proposed profit allocation

DKK'000		
Proposed dividends	50,000	50,000
Transfer to reserve for net revaluation according to the equity method	20,894	15,957
Retained earnings	16,525	27,863
	87,419	93,820

Consolidated financial statements and parent company financial statements 1 May – 30 April

Balance sheet

		Consolidated		Parent company	
Note	DKK'000	30 April 2016	30 April 2015	30 April 2016	30 April 2015
	ASSETS				
	Non-current assets				
8	**Property, plant and equipment**				
	Fixtures and fittings, other plant and equipm.	2,842	2,710	697	866
		2,842	2,710	697	866
	Investments				
9	Investments in group enterprises	0	0	66,831	48,792
	Receivables from group enterprises	0	0	2,085	2,895
		0	0	68,916	51,687
	Total non-current assets	2,842	2,710	69,613	52,553
	Current assets				
	Receivables				
	Trade receivables	178,220	169,987	50,400	40,194
10	Contract work in progress	2,698	4,742	698	1,187
	Receivables from group enterprises	104,178	68,772	120,450	94,068
11	Deferred tax asset	664	988	0	0
	Other receivables	28,696	3,456	25,486	2,171
	Prepayments	6,997	8,039	2,068	3,365
		321,453	255,984	199,102	140,985
	Cash at bank and in hand	269,850	303,273	164,014	204,240
	Total current assets	591,303	559,257	363,116	345,225
	TOTAL ASSETS	594,145	561,967	432,729	397,778

Consolidated financial statements and parent company financial statements 1 May - 30 April

Balance sheet

		Consolidated		Parent company	
Note	DKK'000	30 April 2016	30 April 2015	30 April 2016	30 April 2015
	EQUITY AND LIABILITIES				
12	**Equity**				
	Share capital	50,000	50,000	50,000	50,000
	Net revaluation acc. to the equity method	0	0	33,297	15,288
	Retained earnings	185,256	146,943	151,959	131,655
	Proposed dividends	50,000	50,000	50,000	50,000
	Total equity	285,256	246,943	285,256	246,943
	Provisions				
11	Deferred tax	15,070	17,030	15,027	17,030
	Total provisions	15,070	17,030	15,027	17,030
	Liabilities other than provisions				
	Non-current liabilities				
	Payables to group enterprises	0	0	9,541	10,270
		0	0	9,541	10,270
	Current liabilities				
10	Prepayments from customers	169,452	160,519	50,639	43,483
	Trade payables	6,571	8,236	3,696	3,759
	Payables to group enterprises	2,663	2,165	11,457	10,572
	Corporation tax	23,071	22,214	21,794	19,523
	Other payables	92,062	104,860	35,319	46,198
		293,819	297,994	122,905	123,535
	Total liabilities other than provisions	293,819	297,994	132,446	133,805
	TOTAL EQUITY AND LIABILITIES	594,145	561,967	432,729	397,778

1 Accounting policies
13 Mortgages, collateral and contingent liabilities
14 Lease obligations
15 Related parties

Consolidated financial statements and parent company financial statements 1 May - 30 April

Cash flow statement

Note	DKK'000	Consolidated 2015/16	Consolidated 2014/15
	Operating profit	115,217	121,077
	Depreciation	1,457	2,326
	Cash generated from operations (operating activities) before changes in working capital	116,674	123,403
	Changes in working capital	-29,358	24,129
	Cash flows from operating activities	87,316	147,532
4	Financial income	3,948	4,637
5	Financial expenses	-1,383	-630
	Other adjustments	-346	702
	Cash generated from operations (ordinary activities)	89,535	152,241
	Corporation tax paid	-32,620	-2,675
	Cash flows from operating activities	56,915	149,566
7	Acquisition of property, plant and equipment	-1,637	-1,372
7	Disposal of property, plant and equipment	14	321
	Cash flows from investing activities	-1,623	-1,051
	Changes in Receivables from group enterprises	-35,732	-68,287
	Dividends paid	-50,000	0
	Cash flows from financing activities	-85,732	-68,287
	Cash flows for the year	-30,440	80,228
	Cash and cash at bank and in hand at 1 May	303,273	217,621
	Exchange gains/(losses) on cash at bank and in hand	-2,983	5,424
	Cash at bank and in hand at 30 April	269,850	303,273

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements and the parent company financial statements.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

1 **Accounting policies**

The annual report of Stibo Systems A/S for 2015/16 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

Pursuant to section 96(3) of the Danish Financial Statements Act, please see the annual report of Stibo Holding A/S for 2015/16 regarding auditors' fee.

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

Consolidated financial statements

The consolidated financial statements comprise the parent company, Stibo Systems A/S, and subsidiaries in which Stibo Systems A/S directly or indirectly holds more than 50% of the voting rights or which it, in some other way, controls.

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

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets or liabilities at the acquisition date. Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated income statement until the date of disposal. The comparative figures are not adjusted for acquisitions or disposals.

Gains or losses on disposal of subsidiaries and associates are stated as the difference between the sales amount and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated disposal costs.

Acquisitions of enterprises are accounted for using the acquisition method, according to which the identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset, not exceeding 20 years.

Foreign currency translation

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

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

Foreign subsidiaries and associates are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity. Foreign exchange adjustments of intra-group balances with independent foreign subsidiaries which are considered part of the investment in the subsidiary are recognised directly in equity. Foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign subsidiaries are also recognised directly in equity.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

1 **Accounting policies (continued)**

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently measured at fair value.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised in other receivables or other payables and in equity. Income and expenses related to such hedges are transferred from equity by realisation of the hedged item and recognised in the same financial statement item as the hedged item.

Income statement

Revenue

Revenue from the sale of goods and services is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place before year end and that the income can be reliably measured and is expected to be received. Revenue is measured ex. VAT and taxes charged on behalf of third parties.

Contract work in progress in respect of delivery of large systems is recognised in revenue by reference to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (percentage of completion method). Revenue is recognised when total income and expenses relating to the construction contract and the stage of completion at the balance sheet date can be reliably measured, and when it is probable that future economic benefits, including payments, will flow to the Group.

Other operating income

Other operating income comprises items secondary to the primary activities of the Company.

Other external costs

Other external costs comprise items primary to the activities of the Company for the year.

Staff costs

Staff costs comprise wages and salaries, remuneration, pensions and other costs regarding the Company's employees, including members of the Executive Board and the Board of Directors.

Development costs regarding new products are expensed as incurred as the conditions for capitalisation are not considered to have been met. In practice, the development of new products cannot be separated from the continued maintenance of the Group's other products.

Depreciation and amortisation

Comprises amortisation of depreciation of property, plant and equipment.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

1 **Accounting policies (continued)**

Profits/losses from investments in group enterprises

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the parent company after full elimination of intra-group profits/losses and amortisation of goodwill.

The proportionate share of the results after tax of the associates is recognised in the income statement after elimination of the proportionate share of intra-group profits/losses.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc. Interest costs are not capitalised.

Tax on profit/loss for the year

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

Stibo Holding A/S is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

On payment of joint taxation contributions, the current Danish corporation tax is allocated between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carryforwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

Tax for the year, comprising current tax and changes in deferred tax for the year, is recognised in the income statement. The tax expense relating to changes in equity is recognised directly in equity.

Balance sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation.

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

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Fixtures and fittings, tools and equipment 3-10 years

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

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

1 Accounting policies (continued)

Investments in group enterprises

Investments in group enterprises and associates are measured according to the equity method.

Investments in group enterprises are measured in the balance sheet at the proportionate share of the enterprises' net asset value determined in accordance with the parent company's accounting policies less or plus unrealised intra-group gains and losses.

Group enterprises with negative net asset value are measured at DKK 0 (nil), and any amounts owed by such enterprises 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 subsidiary's deficit.

Net revaluation of investments in group enterprises is recognised in the reserve for net revaluation according to the equity method in equity to the extent that the carrying amount exceeds cost.

Receivables

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

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and total expected income from the work.

When the selling price of a construction contract cannot be measured reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Individual work in progress is recognised in the balance sheet under either receivables or payables depending on the net value of the sales amount less progress billings and prepayments.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Corporation tax and deferred tax

Payable and receivable joint taxation contributions are recognised in the balance sheet under balances with group companies.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. 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 assets, including the tax value of tax loss carryforwards, 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.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

1 **Accounting policies (continued)**

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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities other than provisions

Amounts owed to mortgage credit institutions and banks are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Cash flow statement

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

Cash flows from operating activities

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

Cash flows from investing activities

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

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Segment information

The Group only operates within one segment.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

1 **Accounting policies (continued)**

Financial ratios

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin	$\frac{\text{Operating profit/loss x 100}}{\text{Revenue}}$
Return on capital employed	$\frac{\text{Operating profit/loss x 100}}{\text{Average operating assets}}$
Operating assets	Operating assets are total assets less cash at bank and in hand and securities.
Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$

2 **Other operating income**

The financial statement item substantially comprises income from management fee.

		Consolidated		Parent company	
	DKK'000	2015/16	2014/15	2015/16	2014/15
3	**Staff costs**				
	Wages and salaries	387,745	329,210	94,217	93,728
	Pensions	14,375	12,703	5,294	5,296
	Other social security costs	18,862	14,868	286	285
		420,982	356,781	99,797	99,309
	Average number of full-time employees	470	430	125	130

Pursuant to sections 98b, part 3, of the Danish Financial Statements Act, there is no information about remuneration to the Executive Board.

		Consolidated		Parent company	
	DKK'000	2015/16	2014/15	2015/16	2014/15
4	**Depreciation and impairment losses**				
	Fixtures and fittings, other plant and equipment	1,457	2,326	746	1,837
	Minor new acquisitions	7,678	6,851	1,130	1,646
		9,135	9,177	1,876	3,483

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

	DKK'000	Consolidated 2015/16	Consolidated 2014/15	Parent company 2015/16	Parent company 2014/15
5	**Financial income**				
	Interest income from group enterprises	1,173	1,750	1,329	1,801
	Other financial income	2,775	2,887	726	1,720
		3,948	4,637	2,055	3,521
6	**Financial expenses**				
	Interest expense to group enterprises	0	0	386	800
	Other financial expenses	1,383	630	4	163
		1,383	630	390	963
7	**Tax on the profit for the year**				
	Current tax for the year	33,281	28,546	22,114	19,353
	Adjustment of deferred tax	-2,918	2,718	-3,266	2,824
		30,363	31,264	18,848	22,359

8 Property, plant and equipment

DKK'000	Consolidated – Fixtures and fittings other plant etc.	Parent company – Fixtures and fittings other plant etc.
Cost at 1 May 2015	14,168	10,981
Foreign exchange adjustments in foreign enterprises	-65	0
Additions	1,637	577
Disposals	-147	0
Cost at 30 April 2016	15,593	11,558
Depreciation at 1 May 2015	-11,458	-10,115
Foreign exchange adjustments in foreign enterprises	31	0
Depreciation	-1,457	-746
Disposals	133	0
Depreciation and impairment losses at 30 April 2016	-12,751	-10,861
Carrying amount at 30 April 2016	2,842	697
Depreciated over	3-10 years	3-10 years

Consolidated financial statements and parent company financial statements 1 May – 30 April

Notes

DKK'000	Parent company 2015/16	Parent company 2014/15
9 **Investments in subsidiaries**		
Cost at 1 May	33,504	38,327
Additions	30	258
Disposals/dividends	0	-5,081
Cost at 30 April	33,534	33,504
Value adjustments at 1 May	15,288	11,206
Foreign exchange adjustments, foreign group enterprises	-2.885	6,184
Profit before tax	32,408	24,862
Tax on profit for the year	-11,514	-8,905
Dividends	0	-18,059
Adjustments at 30 April	33,297	15,288
Carrying amount at 30 April	66,831	48,792

Name	Registered office	Voting rights and ownership
Stibo Systems Inc.	USA	100%
Stibo Systems Healthcare Inc.	USA	100%
Stibo Systems Ltd.	England	100%
Stibo Systems GmbH	Germany	100%
Stibo Systems S.A.S	France	100%
Stibo Systems Asia Ltd.	Hong Kong	100%
Stibo Systems Korea Ltd.	South Korea	100%
Stibo Systems Japan	Japan	100%
Stibo Systems Hong Kong Ltd	Hong Kong	100%
Stibo Systems China Ltd.	Hong Kong	100%
Stibo Software Ltd.	China	100%
Stibo Systems China Ltd.	China	100%
Stibo Systems Pty. Ltd.	Australia	100%
Stibo Systems B.V.	Holland	100%
Stibo Systems Sârl	Switzerland	100%
Stibo Systems Inc.	Canada	100%
Stibo Systems Do Brazil Ltda.	Brazil	100%
Stibo Systems AB	Sweden	100%
Stibo Systems Columbia	Columbia	100%
Stibo Systems Spain S.L.	Spain	100%

DKK'000	Consolidated 2015/16	Consolidated 2014/15	Parent company 2015/16	Parent company 2014/15
10 **Contract work in progress**				
Recognised as follows:				
Contract work in progress	2,698	4,742	698	1,187
Prepayments	-169,452	-160,519	-50,639	-43,483
	-166,754	-155,770	-49,941	-42,296

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Notes

DKK'000	Consolidated 2015/16	Consolidated 2014/15	Parent company 2015/16	Parent company 2014/15
11 Deferred tax				
Deferred tax at 1 May	16,042	14,617	17,030	15,331
Value adjustments for the year	19	-168	0	0
Changes for the year, see note 6	-2,918	2,718	-3,266	2,824
Changes for the year relating to changes in equity	1,263	-1,125	1,263	-1,125
Deferred tax at 30 April	14,406	16,042	15,027	17,030
Deferred tax asset	-664	-988	0	0
Deferred tax liability	15,070	17,030	15,027	17,030
	14,406	16,042	15,027	17,030

12 Equity - Consolidated

DKK'000	Share capital	Retained earnings	Proposed dividends	Total
Equity at 1 May 2015	50,000	146,943	50,000	246,943
Profit for the year	0	37,419	50,000	87,419
Foreign exchange adj. on the translation of foreign entities	0	-3,582	0	-3,582
Value adjustments for the year of hedging instruments	0	4,476	0	4,476
Distributed dividends	0	0	-50,000	-50,000
Equity at 30 April 2016	50,000	185,256	50,000	285,256

Parent company

DKK'000	Share capital	Retained earnings	Net revaluation acc. to the equity method	Proposed dividends	Total
Equity at 1 May 2015	50,000	131,655	15,288	50,000	246,943
Profit for the year	0	16,525	20,894	50,000	87,419
Foreign exchange adj. on the translation of foreign entities	0	-697	-2,885	0	-3,582
Value adjustments for the year of hedging instruments	0	4,476	0	0	4,476
Distributed dividends	0	0	0	-50,000	-50,000
Equity at 30 April 2016	50,000	151,959	33,297	50,000	285,256

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

13 Mortgages, collateral and contingent liabilities

Parent company

The Company is jointly taxed with other Danish group companies. As group company, together with the other group companies included in the joint taxation, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties.

The jointly taxed companies known net liabilities to SKAT are recognised in the financial statements of the administrative company, Stibo Holding A/S. Any subsequent corrections to the joint taxation income and withholding taxes, etc. may imply that the Company's liabilities increase.

14 Lease obligations

Parent company

The Company has entered into rent obligations with a term of 1 year totalling DKK 3.7 million (2014/15: DKK 3.5 million).

Lease obligations (operating leases) falling due within five years total DKK 1.8 million (2014/15: DKK 1.6 million).

Consolidated

The Group has entered into rent obligations falling due within five years and totalling DKK 24.9 million (2014/15: DKK 24.7 million).

Lease obligations (operating leases) falling due within five years total DKK 1.8 million (2014/15: DKK 1.6 million).

15 Related parties

Stibo Systems A/S' related parties comprise the following:

Parties exercising control

The Stibo-Foundation, Axel Kiers Vej 11, 8270 Højbjerg.

Stibo Systems A/S is wholly-owned by Stibo A/S, Aarhus, whose ultimate parent company is the Stibo-Foundation, Aarhus.