Team Siri Holding ApS

Annual Report 2016

CVR 37 00 45 88
Lautrupbjerg 6
2750 Ballerup

The Annual Report was presented and
approved at the General Meeting on the 27th
of March 2017

Peter Tvermoes Meier
Chairman of the meeting

Content

Management statement on the Annual Report

Management have today considered and approved the annual report for 2016 for Team Siri Holding ApS. The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion the financial statements give a true and fair view of the group's and the parent company's assets and liabilities, the financial position at 31. December 2016, the result of the activities of the Group and the parent company and the group's cash flows for 1. January - 31. December 2016. Further it is our opinion that the Management report gives a true and fair view of developments in the activities included in the Management report.

We recommend that the annual report to be adopted by the shareholders at the annual general meeting.

Ballerup, 24th of March 2017

Management

Robb Curtis Warwick

Independent auditor's report

To the shareholders of Team Siri Holding ApS.

Opinion
We have audited the consolidated financial statements and the parent financial statements of Team Siri Holding ApS for the financial year 1. January - 31. December 2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31. December 2016, and of the results of their operations and the consolidated cash flows for the financial year 1. January - 31. December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exits. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements

Independent auditor's report
- Continued

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent'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 consolidated financial statements and the parent financial statements 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent auditor's report
- Continued

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 24th of March 2017

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Kim Gerner
State-Authorised Public Accountant

Company information

The company	Team Siri Holding ApS Lautrupbjerg 6 2750 Ballerup Phone: +45 72 27 90 00 Fax: +45 72 27 90 99 Homepage: www.bluegarden.com CVR 37 00 45 88 Accounting period: 1. January - 31. December Location: Ballerup
Management	Robb Curtis Warwick
Audit company	Deloitte Statsautoriseret Revisionspartnerselskab

Pten Rw

Financial highlights of the Group

	2016 MDKK	2015 MDKK
Key figures		
Income statement*		
Revenue	793	273
Gross profit*	503	148
Profit from operations	70	-37
Result of financial items, net	-16	-5
Profit for the year	45	-39
Balance sheet		
Total assets	704	693
Gross investments in intangible and tangible assets	41	11
Equity	214	160
Cash flow		
Cash flow from		
- operating activities	73	44
- investment activities	-78	-332
- financing activities	-13	384
Change in cash	-18	97
Number of employees (average for the year)	531	560
KPI %		
Gross margin*	64%	54%
Profit margin	9%	-14%
Return on assets	10%	-5%
Equity ratio	30%	23%
Return on equity	24%	-49%

*The company was established 24. August 2015 and acquired Bluegarden Group 9. September 2015. The figures cover the Bluegarden Group for the period of ownership.

Management report

Primary activities
The company's main activity is to hold shares in the Bluegarden Group as well as providing management services to the group companies.

Group structure
Team Siri Holding ApS was established by Marlin Equity Partners and the company acquired the shares in Bluegarden Holding A/S through the subsidiary Team Siri ApS on 9 September 2015 (together the Group).

Bluegarden Holding A/S is parent to the following group enterprises:

- Bluegarden A/S, Denmark
- Bluegarden AS, Norway
- Bluegarden AB, Sweden
- Medvind Informationsteknik AB, Sweden (subsidiary of Bluegarden AB)

Medvind Informationsteknik AB was acquired on 30. December 2016 by Bluegarden AB. Medvind is a market-leading supplier of IT systems for workforce planning and time & resource management.

Corporate mission and goals
Bluegarden is Scandinavia's leading provider of payroll and HR administration systems and services. The Group manages disbursement of salaries by means of its payroll systems and provides HR administration systems and numerous related outsourcing services to support our customers' organizations.

Mission:
Bluegarden's mission is to make the daily life of our customers easier and more efficient by handling or supporting payroll and HR administration processes.

Values:
- Precision
- Respect
- Simplicity
- Value creation
- Execution

Corporate mission and goals together with policies for the Bluegarden Group do also apply for Team Siri Holding ApS.

Strategic activities in 2016
In 2016, the key strategic activities were:
- Activities aimed at retaining and winning customers in the market for small and medium size enterprises in Denmark.
- Migrating customers from older payroll platforms to a new payroll solution for the purpose of phasing out older platforms and saving costs.
- Development and implementation initiatives on large customers within the private and public sectors in all three countries.

Management report

Development in activities and finances in 2016
In 2016, the Group realized revenue of DKK 793m, and operating expenses amounted to DKK 723m.

Profit before net financials stands at DKK 70m. Net financials for 2016 amounted to an expense of DKK 16m. The pre-tax profit was realised at DKK 54m. The financial performance is considered satisfactory compared to the expectations for the year.

The income tax charged on profit for the year was DKK 10m, leaving a profit of DKK 45m, which is transferred to retained earnings. The tax charged concerns the Danish companies, in aggregate realizing a profit. The value of non-capitalized tax losses that may be used by the Norwegian and Swedish subsidiaries is DKK 64m.

The Danish subsidiary realized a revenue growth of 1% compared to 2015, driven by higher revenue from business process outsourcing and consultancy services. The Danish company's profit before net financials was DKK 101m in 2016 (2015: DKK 71m excluding restructuring provisions), equivalent to a profit margin of 21% (2015: 15%).

In 2016, the Norwegian subsidiary experienced growth of 1%, mainly related to higher recurring revenue on existing customers. The Norwegian company achieved a profit before net financials of DKK 26.5m (2015: DKK 14m excluding restructuring provisions).

The Swedish company achieved revenue growth of 13% in 2016, driven by some significant wins, e.g. ICA who in the beginning of 2016 chose HR-Plus 8 as their new payroll and HR administration for its 35,000 employees in Sweden. The Swedish subsidiary became profitable for the first time, with a profit of DKK 3m.

Balance sheet
At 31. December 2016, the balance sheet totalled DKK 704m compared to DKK 693m at 31. December 2015. The increase arises primarily from increased receivables partly counterbalanced by a reduction of the value of fixed assets as amortisation and depreciation exceeded investments for the year and by reduced cash.

Unusual circumstances
On 30. December 2016, Bluegarden AB acquired Medvind Informationsteknik AB. The company is included in the balance sheet figures end of December 2016.

Uncertainty relating to recognition and measurement
At 31. December 2016, goodwill in the group from the acquisitions of the Bluegarden Group in 2015 and Medvind Informationsteknik AB in 2016 amounted to DKK 132m, and it was tested for impairment at this date. Due to the nature of business activities, expected cash flows need to be estimated many years ahead. Local management, Group Management and the Board of Directors have approved the budget for 2017 and the forecast for 2018. They include the effect of plans intended to ensure growth and efficiency improvement in the years ahead, including verification of the value of the Norwegian subsidiary's tax asset.

Customer relationships and trademarks were assets identified as part of the purchase price allocation when Team Siri Aps acquired the Bluegarden Group in 2015. As the important assumptions and key figures all have improved since the calculation in 2015 no impairment test have been prepared.

The main local payroll and frontend systems are significant intangible assets that have been tested for impairment at 31. December 2016. The impairment tests included expected selling prices, volumes and maintenance costs, which are estimated to be realised over the systems' useful lives, including major growth and efficiency improvement in the years ahead, and expected costs of completion for non-completed development areas.

Obviously, the budgets and forecasts forming the basis of the discounted cash flow calculations applied in the impairment tests are subject to uncertainty. A discount rate of 9.1% (2015: 9.1%) has been used in the calculations.

The impairment test of the assets mentioned did not give rise to any write-downs.

Management report

Outlook for 2017
A cautious assessment has been made of market conditions for 2017. The Group expects to realise moderate growth (above 5%) in 2017. In Sweden, the primary growth area is income for which already signed contracts with customers form the basis as well as full year income from the acquired Medvind Informationsteknik AB. The growth in Sweden is expected to be above 15%. Growth in the Danish company (2 - 6 %) is primarily attributable to customer businesses' demand for business process outsourcing services and process-supporting tools. Sales of consultancy services and income from already signed contracts underlies to a large extent the growth of the Norwegian subsidiary (3-5% growth).

An improved pre-tax profit (1 - 2 percentage points) is expected for 2017. The main improvements will be derived in Sweden (2 - 5 percentage points) and Denmark (1 - 2 percentage points). Expectations are that the generation of earnings will improve because of continued focus on improving efficiency of the entire business in 2017. The expected revenue growth will also contribute positively.

Negative market developments compared to the expected scenario or failure to realize revenue growth or reductions in costs will have an adverse impact on expected growth and earnings performance.

Personal data, including EU General Data Protection Regulation (GDPR)
Bluegarden Group is currently fully compliant with applicable privacy legislation in Denmark, Norway and Sweden.

Bluegarden Group follows developments around GDPR very close. This applies to both the clarification and interpretation in the EU institutions of the meaning and scope of the various articles of the Regulation and in relation to the national regulations. Bluegarden has a project team working on all aspects of the GDPR.

As to the individual articles of the GDPR are clarified and as the supplementary legislation in the member states is adopted, Bluegarden will implement, if necessary, the required changes for the processing personal data in Bluegarden.

Bluegarden will in good time, before GDPR takes effect in May 2018, be compliant with the new legislation in all three countries. This will take place within the ISO27001/2 framework for Information Security.

Bluegarden will also in good time before the GDPR takes effect take the initiative to enter into new data processor agreements with our customers and suppliers to secure that our data processor agreements meets the new legislation.

Subsequent events
On 15 March 2017, Visma Danmark Holding A/S signed an agreement to acquire all shares in Team Siri Holding ApS, who owns the Bluegarden Group. The transaction will be closed when the Competition Authorities have approved it.

Besides the above, no other events have occurred since the balance sheet date that would materially influence the evaluation of this annual report.

Particular risks

IT security and business continuity
As a technology business whose core services for customers are based on information technology, information security, process safety and business continuity are crucial. This applies to both applications and production processes where quality assurance is the focal point. The Company requires a high level of security in own processes and in those of sub-contractors. Security is tested on a regular basis and verified through auditor's reports, and audits are performed by companies specialised in IT security. The Company runs a programme to comply formally with the ISO27001/2 standard.

Market conditions and fluctuations
Demand for the Group's products and services is to some degree sensitive to economic developments as sales and utilization of payroll administration products are affected by the employment situation and the business climate in general. Risks are minimised by having a diversified portfolio of products and services.

Management report

Financial risks
The Group has companies and activities in the Scandinavian countries and manages exposure to currency risk from the Scandinavian currencies and Euro as well as the interest rate risks related to the Group's net interest-bearing debt. Steps are taken to reduce credit risks from customers by having strong processes in place for rating major customers.

Knowledge resources
Bluegarden's business activities are based on in-depth knowledge of and expertise in software development, payroll and HR administration. The Company requires that staff of the development, sales and service functions holds strong skills and have solid experience in the fields of payroll and HR so that they are always able to put themselves in the customer's position and provide services matching their demands and expectations.

In recent years, Management has prioritized development of the employees' competencies in the agile development methodology throughout the Group and not just within IT development. In addition, focus has been on strengthening the employees' awareness of process optimization to improve efficiency in their respective fields of responsibility and on how to create simple and effective solutions to the customers' needs.

The Group has also worked with its core narrative and strategic roadmap. The aim is that the employees are even better in supporting the customer's business processes regarding payroll and HR, to make the customer's feel safe about their payroll and assure them of having a fully compliant and modern payroll process. The focus will continue to be on securing the satisfaction of the customers, delivering sustainable result improvements and thereby raise the market share. Internally the focus will be on having a continuously high engagement and satisfaction among the employees, to enable the realization of the company's strategic goals.

At year-end 2016, the headcount was 580 compared to 546 at year-end 2015.

Statutory report on corporate social responsibility

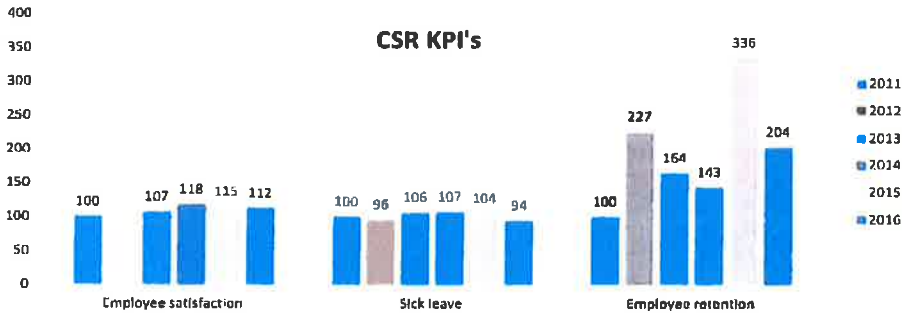
In 2017 Team Siri Holding ApS group adopted the corporate social responsibility policies from Bluegarden Holding A/S covering the whole group.

At Bluegarden, we believe that we can develop a profitable business while also demonstrating corporate social responsibility (CSR). Bluegarden's CSR policy has been established to support profitable performance in the following areas, directly as well as indirectly:
- Labour
- Climate, environment and energy
- Human rights and anti-corruption.
- Requirements for subcontractors and business partners on labour, human rights and anti-corruption.

In our day-to-day operations, we pursue a CSR policy and support behaviour that is based on activities that also produce higher profitability for the Company and its business partners.

Labour
For our employees, we want to ensure:
- Healthy and safe working conditions
- Job satisfaction of the employees
- Opportunities for development and challenges
- Fair standard of salaries
- Equality and equal Opportunities

In addition to these initiatives, employee involvement and competency development seek to keep employee satisfaction high, reduce staff turnover, reduce sickness absenteeism and further the diversity of staff mix.



Employee satisfaction is stable, however the small decline in 2016 is most likely due to the restructuring process completed in the autumn 2015 and the implementation of new organisation and work processes in the Danish BPO centres. Sickness absenteeism remains at a stable, low level, while the negative development in staff turnover, particularly in 2012 and also in 2015 as well as in 2016, has been affected by organizational changes. Diversity has not been measured.

Climate, environment and energy
Based on having a generally profitable performance, Bluegarden is working on reducing its total CO_2 emissions in accordance with the policy adopted.

Additionally Bluegarden makes an effort to help our customers reduce their consumption of paper by using electronic payslips and by providing an on-line storage feature that makes the large number of printouts superfluous for our customers.

The Group primarily emits CO_2 in connection with car and air transport as well as electricity and heating in buildings. Guidelines have been implemented governing the selection of cars, the aim of which is to ensure an environmentally sustainable car pool. As for air transport, the policy is that, if possible, meetings are to be held as conference calls or video conferences. Effects of the actions have not been measured.

Report on gender composition of Management

Human rights and anti-corruption.
All contracts that are made with Bluegarden contains demands of enforcement of human rights and anti-corruption, and therefore Bluegarden makes it a point to be leading in these areas as well. Human rights and anti-corruption has not been measured.

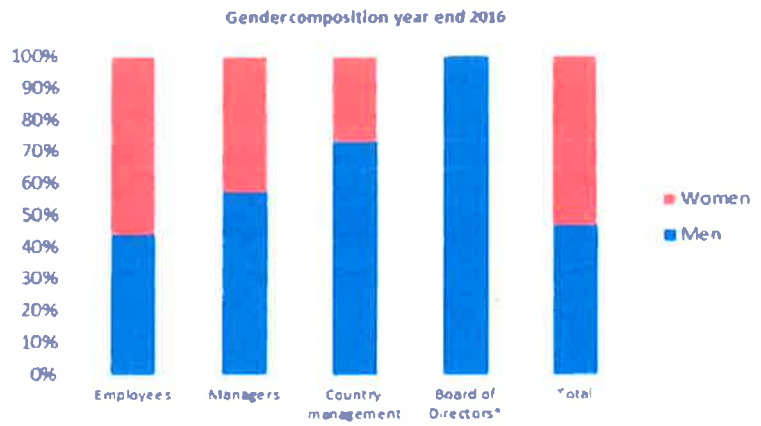
Requirements for subcontractors and business partners
Requirements regarding labour, human rights and anti-corruption must be incorporated in the standard terms and in the negotiations for contracts with subcontractors. This policy were in 2015 incorporated in the standard terms for new and renegotiated contracts with subcontractors.

The policy on equality stipulates that staff mix at all management levels should reflect the gender balance of the surrounding environment. Furthermore, equality compels staff to be respectful of the values of mutual respect, cohesion and diversity.

The gender compositions objective is considered fulfilled when at least 30% at each staff group are represented, or 20% in very small populations.

Through its recruiting activities, Bluegarden will ensure that both genders are represented in the selection of candidates. We want to promote an even gender balance in all job categories, however, without positive discrimination. All employments will still be made based on an overall assessment of who is best suited for the job.

Gender distribution for 2016 is illustrated below. The objective has been fulfilled in most areas. In the Group Board of Directors, the Company still has a challenge in meeting the targets set.



*Elected at the General Meeting

Income statement 1. January - 31. December 2016

	Note	Group 2016 TDKK	Group 2015 TDKK	Parent company 2016 TDKK	Parent company 2015 TDKK
Revenue	1	**792.810**	**272.756**	-	-
Cost of sales	2, 3, 4, 5	(289.321)	(124.722)	-	-
Gross profit		**503.489**	**148.034**	-	-
Research and development costs	2, 3, 4, 5	(181.110)	(77.198)	-	-
Sales and distribution costs	2, 3, 4, 5	(103.325)	(49.055)	-	-
Administrative expenses	2, 3, 4, 5	(149.194)	(58.685)	(10.712)	(44)
Profit from operations		**69.860**	**(36.904)**	**(10.712)**	**(44)**
Share of profit after tax in subsidiaries	6	-	-	53.048	(39.310)
Financial income	7	656	470	-	-
Financial expenses	8	(16.319)	(5.865)	(76)	-
Profit before tax		**54.197**	**(42.299)**	**42.259**	**(39.354)**
Tax on profit for the year	9	(9.571)	2.955	2.367	10
Profit for the year		**44.626**	**(39.344)**	**44.626**	**(39.344)**

Proposed distribution of profit

	Group 2016	Group 2015	Parent company 2016	Parent company 2015
Dividend	-	-	-	-
Reserve for equity method in subsidiaries	-	-	2.741	-
Transferred to retained earnings	44.626	(39.344)	41.886	(39.344)
	44.626	**(39.344)**	**44.626**	**(39.344)**

Balance sheet 31. December 2016

	Note	Group 2016	Group 2015	Parent company 2016	Parent company 2015
		TDKK	TDKK	TDKK	TDKK
Completed development projects		82.028	93.595	-	-
Acquired software		17.094	1.139	-	-
Trademarks		43.333	48.333	-	-
Customer Relationship		164.667	183.667	-	-
Goodwill		131.765	127.157	-	-
Development projects in progress		18.830	14.132	-	-
Intangible assets	10	**457.717**	**468.023**	-	-
Other plant and equipment		2.393	1.954	-	-
Leasehold improvements		1.070	1.384	-	-
Tangible assets	11	**3.463**	**3.338**	-	-
Investment in subsidiaries	12	-	-	203.772	159.941
Other receivables	13	4.840	4.977	-	-
Financial assets		**4.840**	**4.977**	**203.772**	**159.941**
Total fixed assets		**466.019**	**476.338**	**203.772**	**159.941**
Stock		**212**	**123**	-	-
Trade receivables		78.720	66.022	-	-
Contract work in progress	14	20.467	5.917	-	-
Other receivables		3.452	1.660	-	-
Deferred tax	15	8.141	7.859	-	137
Receivables at affiliated companies		0	-	2.377	-
Income tax receivable	9	-	-	-	-
Prepayments		39.266	35.403	-	-
Receivables		**150.046**	**116.861**	**2.377**	**137**
Cash		**88.110**	**100.177**	8.308	-
Total current assets		**238.367**	**217.161**	**10.685**	**137**
Total assets		**704.386**	**693.499**	**214.456**	**160.078**
		(10)			

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Balance sheet 31. December 2016

	Note	Group 2016	Group 2015	Parent company 2016	Parent company 2015
		TDKK	TDKK	TDKK	TDKK
Share capital		523	500	523	500
Reserve for equity method in subsidiaries		-	-	2.741	-
Retained earnings		213.858	159.407	211.118	159.407
Equity		**214.381**	**159.907**	**214.381**	**159.907**
Deferred tax	15	58.295	56.997	-	-
Provisions		842	5.573	-	-
Total provisions		**59.138**	**62.570**	-	-
Credit institutions		231.000	254.300	-	-
Payables to affiliated companies		-	-	-	-
Trade payables		-	-	-	-
Long term liabilities	16	231.000	254.300	-	-
Credit institutions	16	23.250	23.200	-	-
Trade payables		45.051	49.902	75	44
Prepayments received from customers	14	22.040	15.393		-
Payables to affiliated companies		(0)	-	-	-
Income tax	9	5.932	2.967	-	-
Payable joint tax contribution		-	-		127
Other payables		103.584	125.260	-	-
Short term liabilities		**199.857**	**216.722**	**75**	**171**
Total liabilities other than provisions		**430.857**	**471.022**	**75**	**171**
Total equity, provisons and liabilities		**704.376**	**693.499**	**214.456**	**160.078**

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Cash Flow statement 1. January - 31. December 2016

	Note	Group 2016	Group 2015
		TDKK	TDKK
Profit from operations		69.860	(36.904)
Adjustments*		88.528	36.790
Changes in working capital		(57.602)	53.712
Cash from operating activities before financial items		**100.786**	**53.598**
Financial income received		656	470
Financial expenses paid		(16.319)	(5.865)
Income tax paid		(11.982)	(4.244)
Net cash from operating activities		**73.141**	**43.959**
Purchase of intangible fixed assets		(39.508)	(11.323)
Purchase of tangible fixed assets		(1.270)	(156)
Proceeds from sale of intangible and tangible fixed assets		-	-
Purchase of financial assets**		(37.460)	(320.407)
Net cash from investment activities		**(78.238)**	**(331.886)**
Loan at credit institutions		-	190.968
Repayment of loans to credit institutions		(23.300)	(7.500)
Repayment of other long term debt		-	-
Capital contribution		10.065	201.031
Net cash from financing activities		**(13.235)**	**384.499**
Change in cash and cash equivalents		**(18.332)**	**96.572**
Cash and cash equivalents at 1. January		100.177	-
Additional cash from acquisition		6.255	-
Cash and cash equivalents at acqusition date		-	3.605
Cash and cash equivalents 31. December		**88.099**	**100.177**
Cash and cash equivalents:			
Cash		88.110	100.177
Cash and cash equivalents 31. December		**88.110**	**100.177**
		(11)	
***Adjustments**			
Depreciations		88.747	31.280
Foreign exchange adjustment - Tangible & Intangible assets		-569	387
Provisions		-20.412	5.122
		67.765	36.789
****Acqusition of companies**			
Intangible, tangible and financial assets		36.980	496.571
Receivables		-	100.432
Deferred tax, net amount		-2.390	-51.580
Trade payables and other debt		2.870	-134.588
Credit institutions and cash		-	-90.428
Total acquisition		37.460	320.407

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Statement of changes in equity

Group

Equity

TDKK	Share capital	Premium account	Retained earnings	Total
Equity 24. August 2015	50			50
Capital contribution	450	200.531		200.981
Premium transferred to Retained earnings		(200.531)	200.531	-
Foreign exchange adjustment			(1.121)	(1.121)
Dividend paid				-
Adjustment of hedge instruments at fair value			(659)	(659)
Profit for the year			(39.344)	(39.344)
Equity 1. January 2016	**500**	**-**	**159.407**	**159.907**
Capital contribution	23	10.042		10.065
Premium transferred to Retained earnings		(10.042)	10.042	-
Dividend paid				-
Extraordinary dividend				-
Adjustment of hedge instruments at fair value			(866)	(866)
Foreign exchange adjustment			649	649
Adjustment of deferred tax, Medvind				-
Profit for the year			44.626	44.626
Equity 31. December 2016	**523**	**-**	**213.858**	**214.381**

Parent company

Equity

TDKK	Share capital	Reserve for equity method in subsidiaries	Premium account	Retained earnings	Total
Equity 24. August 2015	50				50
Capital contribution	450		200.531		200.981
Premium transferred to Retained earnings			(200.531)	200.531	-
Foreign exchange adjustment				(1.121)	(1.121)
Dividend paid					-
Adjustment of hedge instruments at fair value				(659)	(659)
Profit for the year				(39.344)	(39.344)
Equity 1. January 2016	**500**	**-**	**-**	**159.407**	**159.907**
Capital contribution	23		10.042		10.065
Capital Injection			(10.042)	10.042	-
Premium transferred to Retained earnings					
Dividend paid					-
Extraordinary dividend					-
Adjustment of hedge instruments at fair value				(866)	(866)
Foreign exchange adjustment				649	649
Profit for the year		2.741		41.885	44.626
Equity 31. December 2016	**523**	**2.741**	**-**	**211.118**	**214.381**

The share capital of TDKK 523 is split on shares of DKK 1 or multiples thereof. 473 TDKK are A shares and 50 TDKK are B shares.

Distributions from the company will be allocated to holders of A shares until they have received an amount equal to their capital contribution including a yearly return of 12%.

Notes

		Group		Parent company	
		2016	2015	2016	2015
1	**Revenue**	TDKK	TDKK	TDKK	TDKK
	Revenue allocation by country				
	Denmark	481.220	174.909	-	-
	Sweden and Norway	311.590	97.847	-	-
		792.810	272.756	-	-
	Revenue by type of service				
	Salary handling and HR services	792.810	272.756	-	-
		792.810	272.756	-	-
2	**Staff costs**				
	Wages and salaries	299.680	153.022	-	-
	Pensions	27.609	13.721	-	-
	Social security costs	35.718	14.833	-	-
		363.007	181.576	-	-
	Wages, salaries, pension and social security costs are expensed as:				
	Costs of sales	145.578	69.333	-	-
	Research and development costs	111.513	50.910	-	-
	Sales and distribution costs	44.106	27.496	-	-
	Administration costs	41.899	26.868	-	-
	Capitalised own hours	19.911	6.969	-	-
		363.007	181.576	-	-
	Fees to Management	-	-	-	-
	Fees to Board of Directors	-	-	-	-
	Fees to Management and Board of Directors	-	-	-	-

For the group's management and management groups are established various programs for warrants and incentive payments.

	Average number of employees	531	560	0	0
3	**Fees to independent auditors**				
	General Meeting allected auditor:				
	Audit fees	1.006	929	74	45
	Other assurance engagements	321	0	-	-
	Tax and VAT advice fees	98	243	-	-
	Other service fees	131	62	-	-
		1.556	1.234	74	45

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Notes

	Group		Parent company	
	2016	2015	2016	2015
4 Depreciations and amortisation	TDKK	TDKK	TDKK	TDKK
Intangible assets	87.658	30.946	-	-
Tangible assets	1.089	334	-	-
	88.747	31.280	-	-
Depreciations and amortisation are expensed as:				
Costs of sales	10.864	5.025	-	-
Research and development costs	35.262	16.689	-	-
Sales and distribution costs	40.252	8.510	-	-
Administration costs	2.368	1.056	-	-
	88.747	31.280	-	-

5 Significant accounting estimates and judgements

When preparing the annual report, management may be required to make estimates as many financial statement items cannot be measured with certainty. Such estimates comprise assessments based on the latest information available at the time of financial reporting. It may be necessary to change previous estimates because of changes in the factors underlying the estimate. Also, the value of assets and liabilities often depends on future events that are subject to some uncertainty. When making the determination, Management's assessment of the most likely outcome is used as a basis, however, such outcome is inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may occur. Furthermore, the Company is exposed to normal business risks and uncertainties that may cause actual results to vary from those estimates.

Consequently, the budgets and forecasts forming the basis of the discounted cash flow calculations applied in the impairment tests of goodwill and development projects are subject to uncertainty. Changes in a downward direction in the assumptions underlying the impairment tests may lead to an indication of impairment of goodwill or proprietary software at a later point in time.

Purchase price allocation regarding Trademarks and Customer Relationship

The purchase method is applied in the acquisition of new enterprises, under which identifiable assets and liabilities of these newly acquired enterprises are measured at fair value at the acquisition date.

In connection with the purchase price allocation regarding Intangible assets the Group has made use of conventional approaches to value Trademarks and Customer Relationship.

The determination of the value in use requires an estimate of the expected future cash flows as well as determination of a fair discount rate. Due to the nature of the business, estimates are made of cash flows for many years ahead, which inherently results in some uncertainty The budget for 2017 and the forecast 2018 have been approved by local management bodies and Group management. They include the effect of plans intended to ensure major growth and efficiency improvement in the years ahead.
Customer relationships and trademarks were assets identified as part of the purchase price allocation when Team Siri Aps acquired the Bluegarden Group in 2015. As the important assumptions and key figures all have improved since the calculation in 2015 no impairment test have been prepared.

Goodwill

A review for impairment of recognised consolidated goodwill amounts requires a calculation of the values in use of the cash-generating units to which the goodwill amounts relate. The determination of the value in use requires an estimate of the expected future cash flows as well as determination of a fair discount rate. Due to the nature of the business, estimates are made of cash flows for many years ahead, which inherently results in some uncertainty. The budget for 2017 and the forecast for 2018 have been approved by local management bodies and Group management. They include the effect of plans intended to ensure growth and efficiency improvement in the years ahead. The principal parameters used to determine the value of the Norwegian and Swedish subsidiaries are a discount rate of 9.1% (2015: 9.1%) and a long-term growth rate of 2% (2015: 2%).

The calculations made did not give rise to write-down of the carrying amount of goodwill.

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Completed development projects

The main local payroll and frontend systems are significant intangible assets that have been tested for impairment at 31. December 2016. The impairment test included expected selling prices, volumes and maintenance costs which are estimated to be realised over the systems' useful lives, including growth and efficiency improvement in the years ahead and expected costs of completion for non-completed development areas. The principal parameter used to calculate the value of completed development projects is a discount rate of 9.1% (2015: 9.1%). The calculation did not lead to any indication of impairment of local payroll and front-end systems.

Significant assets within other proprietary systems and software acquired have also been reviewed for impairment but no need for write down has been identified

Tax

A management estimate is required in the assessment of whether or not to recognise deferred tax assets and liabilities. The Group recognises deferred tax assets when it is probable that they may be set off against future tax payments. At 31. December 2016, the net carrying amount of deferred tax assets and liabilities is negative by DKK 58,3m (a negative DKK 57m at 31. December 2015). The tax asset of DKK 8m (DKK 8m at 31. December 2015) relates to the recognised value of a tax loss and balances of fixed assets of the Norwegian subsidiary. The value of non-capitalised tax losses that may be used by the Norwegian and Swedish subsidiaries is DKK 64m.

		Group		Parent company	
		2016	2015	2016	2015
		TDKK	TDKK	TDKK	TDKK
6	**Income from investment in subsidiaries**				
	Share of profit after tax in subsidiaries			69.300	(33.893)
	Amortisation of goodwill			(16.252)	(5.417)
				53.048	(39.310)
7	**Financial income**				
	Other financial income	56	57	-	-
	Foreign exchange gain	600	413	-	-
		656	470	-	-
8	**Financial expenses**				
	Interest expenses to affiliated companies	4	-	-	-
	Other financial expenses	15.799	5.663	41	-
	Foreign exchange loss	517	202	35	-
		16.319	5.865	76	-
9	**Tax on profit for the year**				
	Tax for the period	15.425	-	(2.367)	-
	Change in deferred tax	(5.379)	(2.955)	-	(10)
	Prior year adjustment, tax payable	(467)	-	-	-
	Prior year adjustment, deferred tax	(8)	-	-	-
	Adjustment of the tax rate	-	-	-	-
		9.571	(2.955)	(2.367)	(10)
	Tax payable:				
	Tax payable in Bluegarden Group at the acqusition date	-	7.211	-	-
	Tax payable 1. January	(2.967)	-	-	-
	Tax paid during the year	11.982	(4.244)	-	-
	Tax for the period and previous years	(14.947)	-	2.377	-
		(5.932)	2.967	2.377	-
	Tax paid during the year	11.982	(4.244)	-	-

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Notes

10 Intangible assets

Group (TDKK)	Completed development projects	Acquired software	Trade marks	Development projects in progress
Cost at 1. January	285.787	35.289	50.000	14.132
Foreign exchange adjustment	(739)	79	-	351
Additions	-	16.660	-	39.449
Disposals	(4.428)	(1.450)	-	0
Transfers between asset groups	35.102	-	-	(35.102)
Cost at 31. December	315.721	50.578	50.000	18.830
Amortisation and write down 1. January	192.192	34.150	1.667	-
Foreign exchange adjustment	(737)	45	-	-
Write down	-	-	-	-
Amortisation	46.667	739	5.000	-
Disposals	(4.428)	(1.450)	-	-
Transfers between asset groups	-	-	-	-
Amortisation and write down 31. December	233.693	33.484	6.667	-
Carrying amount at 31. December	**82.028**	**17.094**	**43.333**	**18.830**

	Customer Relationship	Goodwill
Cost at 1. January	190.000	371.444
Additions	-	20.860
Disposals	-	-
Transfers between asset groups	-	-
Cost at 31. December	190.000	392.304
Amortisation and write down 1. january	6.333	244.287
Write down	-	-
Amortisation	19.000	16.252
Disposals	-	-
Amortisation and write down 31. December	25.333	260.539
Carrying amount at 31. December	**164.667**	**131.765**

	Group	
	2016	2015
	TDKK	TDKK
Amortisation and write down of intangible assets are included in the following cost groups:		
Cost of sales	10.163	4.810
Research and development costs	35.262	16.689
Sales and distribution costs	40.252	8.510
Administrative expenses	1.980	937
	87.658	30.946

Notes

11 Tangible assets

Group (TDKK)	Other plant and equipment	Leasehold improve-ments
Cost at 1. January	27.000	5.094
Foreign exchange adjustment	132	55
Additions	1.270	-
Disposals	(4.629)	(213)
Transfers within asset groups	51	(51)
Cost at 31. December	23.824	4.885
Depreciation and write down 1. january	25.046	3.709
Foreign exchange adjustment	193	52
Depreciation	821	268
Disposals	(4.629)	(213)
Depreciation and write down 31. December	21.431	3.816
Carrying amount at 31. December	**2.393**	**1.070**

	Group	
	2016	**2015**
	TDKK	TDKK
Depreciation and write down of tangible assets are included in the following cost groups:		
Cost of sales	701	215
Research and development costs	-	-
Sales and distribution costs	-	-
Administrative expenses	388	119
	1.089	**334**

12 Investment in subsidiaries	**2016** TDKK	**2015** TDKK
Cost 1. January	201.031	-
Addition	-	201.031
Cost 31. December	**201.031**	**201.031**
Value adjustment 1. January	(41.090)	
Foreign exchange adjustment	649	(1.121)
Adjustment of hedge instruments at fair value at year end	(866)	(659)
Result of the year	53.048	(39.310)
Dividend	(9.000)	-
Value adjustment 31. December	**2.741**	**(41.090)**
Carrying amount at 31. December	**203.772**	**159.941**

The Group's subsidiaries at 31. December 2016

Name	Registered office	Share capital	Ownership interest	Currency	Equity	Result for the year
Team Siri ApS	Ballerup, Denmark	0,5 MDKK	100%	TDKK	204	53
Bluegarden Holding A/S	Ballerup, Denmark	19,5 MDKK	100%	TDKK	136	84
Bluegarden A/S	Ballerup, Denmark	10,0 MDKK	100%	TDKK	125	80
Bluegarden AS	Oslo, Norway	13,9 MNOK	100%	TNOK	130	33
Bluegarden AB	Stockholm, Sweden	0,4 MSEK	100%	TSEK	86	4
- Medvind Informationsteknik AB	Stockholm, Sweden	0,3 MSEK	100%	TSEK	4	0

Notes

	Group	
	2016	2015
13 Other financial assets	TDKK	TDKK
Cost 1. January	4.977	5.022
Addition	(137)	(45)
Cost 31. December	4.840	4.977
Carrying amount at 31. December	**4.840**	**4.977**
14 Contract work in progress		
Sales value of contract work in progress	37.930	14.438
Payments on account	(17.462)	(8.521)
Contracts work in progress	20.467	5.917
Prepayments received	22.040	15.393

	Group		Parent company	
	2016	2015	2016	2015
15 Deferred tax	TDKK	TDKK	TDKK	TDKK
Deferred tax at 1. January	(49.138)	-	137	-
Deferred tax in Medvind Informationsteknik AB at the acqusition date (2015 Bluegarden Group)	(6.819)	(51.479)	-	-
Foreign exchange adjustment	419	(340)	-	-
Change in deferred tax	5.379	2.956	(10)	10
Deferred tax re adjustment of hedge instrument at fair value		(274)	-	-
Prior year adjustment, deferred tax	8	-	-	-
Payable joint taxation contribution	-	-	(127)	127
Deferred tax at 31. December	**(50.152)**	**(49.138)**	**-**	**137**
Intangible assets	(59.828)	(58.846)	-	-
Tangible assets	665	788	-	-
Hedge instrument	1.701	-	-	-
Provisions, deferred tax losses etc.	7.308	8.920	-	137
Transfered to deferred tax asset	(8.141)	(7.859)	-	(137)
Provisions for deferred tax	**(58.295)**	**(56.997)**	**-**	**-**
Deferred tax asset	8.141	7.859	-	137
	8.141	7.859	-	137

The Group has a deferred tax asset of DKK 64 m regarding tax losses, which has not been accounted for due to uncertainty about the future use.

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Notes

16 Long term liabilities

	Group 2016 TDKK	Group 2015 TDKK	Parent company 2016 TDKK	Parent company 2015 TDKK
Credit Institutions				
Falling due within 2 to 5 years	101.000	100.800	-	-
Falling due after 5 years	130.000	153.500	-	-
Long term liabilities	231.000	254.300	-	-
Falling due within 1 year	23.250	23.200	-	-
Short term liabilities	23.250	23.200	-	-
	254.250	**277.500**	-	-

17 Contingent liabilities and other financial obligations

Parent company
There are no leases obligations for the parent company

Team Siri Holding ApS is jointly liable for the Group's loan and credit facilities together with the subsidiaries. The total debt as per 31. December 2016 amounted to 254 MDKK.

Team Siri Holding ApS is jointly liable for VAT and other public charges together with the common registered group companies. Since 2013 the company is liable for income tax for the companies within the joint taxation and since 1. July 2012 for possible obligations to withhold tax on interest, royalties and dividend.

As part of the Senior Facility Agreement with the banks the shares in Team Siri Holding and the subsidaries have been pledged.

Group
Covering the years 2017-2019 the Group has entered leases regarding cars and office equipment at a total yearly expense of 4 MDKK.

The Group has property leases with a tenure from 6 months to 7 years. The costs for the Group in 2017 amount to 26 MDKK.

The Group has entered facility management agreements with a tenure up to 3 years and a cost in 2017 of 58 MDKK. Operation dependent variable costs will be added.

As part of the loan agreement for the Group the shares in Team Siri Holding ApS, Team Siri ApS, Bluegarden Holding A/S, Bluegarden A/S, Bluegarden AB have been pledged together with tangible assets, debtors and inventory in Bluegarden AS, Norway. The Group is subject to a number of covenants related to the loans from credit institutions.

18 Related parties and ownership

Controlling interest and ownership
The shares in Team Siri Holding ApS are owned by the ultimate owner Marlin Ultimate GP, LLC (USA)

Other related parties
Other related parties are the subsidiaries within the Team Siri ApS group, Team Siri Holding ApS's owners and their related parties.

19 Subsequent events

On 15 March 2017, Visma Danmark Holding A/S signed an agreement to acquire all shares in Team Siri Holding ApS, who owns the Bluegarden Group. The transaction will be closed when the Competition Authorities have approved it.

Besides the above, no other events have occurred since the balance sheet date that would materially influence the evaluation of this annual report.

Notes

20 Accounting policies

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied are consistent with those applied last year. The income statement is presented according to the functional structure as in previous years, however research and development costs are now shown separately to improve transparency. Comparison figures have been adjusted.

Recognition and measurement

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Group, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Group, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered on recognition and measurement.

Consolidation policies

The consolidated financial statements comprise the Parent, Team Siri Holding ApS, and the enterprises (group enterprises) that are controlled by the Parent.

Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising control.

The consolidated financial statements are prepared on the basis of the financial statements of Team Siri Holding ApS and its subsidiaries. The consolidated financial statements are prepared combining uniform financial statement items. On consolidation, intra-group income and expenses, intra-group accounts and dividend as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' proportionate share of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

Investments in subsidiaries are offset at the proportionate share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Notes

20 Accounting policies, continued

Business combinations
Newly acquired enterprises are recognised from the time of acquisition. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied in the acquisition of new enterprises, under which identifiable assets and liabilities of these newly acquired enterprises are measured at fair value at the acquisition date. On acquisition, provisions are made for costs relating to decided and published restructuring of the acquired enterprise. Allowance is made for the tax effect of the restatements made.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities acquired are recognised under intangible assets, and they are amortised systematically in the income statement based on an individual assessment of their useful lives, however, no more than 20 years. Negative differences in amount (negative goodwill), equalling an estimated adverse development of the relevant enterprises, are recognised in the balance sheet separately as deferred income, and in the income statement as such adverse development is realised.

Profit/loss from fixed asset divestments
Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, respectively, including any non-amortised goodwill and estimated selling or winding-up expenses.

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates

When recognising foreign subsidiaries, their income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in equity.

Derivative financial instruments
On initial recognition, derivative financial instruments are recognised in the balance sheet at cost, subsequently at fair value. Derivative financial instruments are recognised in other receivables or other payables.

Changes in the fair value of derivative financial statements classified as and complying with the requirements for hedging future transactions are taken directly to equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not qualify as hedging instruments, changes in fair market value are recognised currently in the income statement as financial income or financial expenses.

Notes

20 Accounting policies, continued

Income statement

Revenue
Revenue consists of invoiced sales, licencing income from standard software and fees etc from services sold if delivery has been made and risk has been transferred to the buyer before year-end and if the income can be determined reliably. License income from fixed-term contracts is recognised applying the straight-line method over the contract period. Revenue also includes non-invoiced sales which are recognised at the selling price of work completed based on the stage of completion at the balance sheet date (percentage of completion method).

Revenue is recognised net of VAT and duties and less sales discounts.

Cost of sales
Cost of sales include IT operations, software operating leases, external production costs, amortisation and depreciation, salaries and a share of indirect costs.

Research and development costs
Research and development costs comprise salaries, other staff related costs, external consultancy costs as well as amortisation of development costs capitalised and other costs directly and indirectly attributable to the research and delvelopment activitities.

Research and development costs are expensed in the year in which they incurred when they do not qualify for capitalisation.

Sales and distribution costs
Sales and distribution costs consist include sales commission, salaries, marketing, amortisation and depreciation and a share of indirect costs. Amortization of goodwill is allocated to sales and distribution costs.

Administrative expenses
Administrative expenses consist of expenses related to the Group's administrative functions, including salaries, amortisation and depreciation and a share of indirect costs.

Profit/loss from investments in group enterprises
The proportionate share of the individual group enterprises' profit/loss after full elimination of intra-group profits/losses less or plus amortisation on consolidated goodwill or negative goodwill is recognised in the Parent's income statement.

Financial income and expenses
These items comprise interest income and interest expenses, realised and unrealised gains and losses from foreign currency transactions as well as tax surcharge and tax relief under the Danish Tax Prepayment Scheme.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to profit/loss for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The company is part of the joint taxation arrangement with Team Siri Holding ApS as the administration company. The current Danish income tax is allocated among the jointly taxed companies proportionately to their taxable income (full allocation with a refund concerning tax losses).

Notes

20 Accounting policies, continued

Balance sheet

Intangible assets

Goodwill
Goodwill is amortised over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Goodwill is amortised on a straight-line basis over the amortisation period, which is no more than 20 years and the longest for enterprises with a strong market position and a long-term earnings profile.

The carrying amount is reviewed annually for impairment in addition to that reflected through amortisation.

An impairment test is made in the event of indication of impairment. Write-down is made to the lower of recoverable amount and carrying amount.

Other intangible assets
Other intangible assets include development projects in progress and completed development projects with related intellectual property rights as well as software.

Development project costs comprise salaries, amortisation and other expenses that are directly or indirectly attributable to development activities.

Development projects regarding new products and material improvements of functionalities and processes of existing systems and products are recognised as intangible assets. It is a requirement in this respect that the development projects are identifiable, that the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and that the intention is to manufacture, market or use the product or process in question. Other development costs are recognised as costs in the income statement as incurred.

Completed development projects are amortised on a straight-line basis over the estimated useful lives. The amortisation period is 2-7 years.

Uncompleted development projects are entered under projects in progress.

Software is recognised at historical cost less accumulated amortisation and any impairment losses. Amortisation is made on a straight-line basis over the estimated useful lives of the assets of no more than 10 years.

Other intangible assets are written down to the lower of recoverable amount and carrying amount.

Notes

20 Accounting policies, continued

Tangible assets
Tangible assets are measured at cost less accumulated depreciation.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Tangible assets are depreciated on a straight-line basis applying their estimated useful lives. Their estimated useful lives are:

Buildings	35 years
Plants and equipment	3-5 years
Leasehold improvements	5-15 years

Profits and losses from the sale of tangible assets are calculated as the difference between selling price less selling costs and the carrying amount at the time of sale. Profits or losses are recognised in the income statement under other operating income or other operating expenses.

Impairment losses on fixed assets
The carrying amount is reviewed annually for impairment in addition to that reflected through depreciation. If any such indication exists, impairment tests are made of each asset and group of assets, respectively. Write-down is made to the lower of recoverable amount and carrying amount.

The recoverable amount is the higher of net selling price and value in use. Value in use is the present value of the estimated net income from using the asset or the group of assets.

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

In the balance sheet, investments in group enterprises are measured at the proportionate share of the enterprises' equity value calculated applying the Parent's accounting policies less or plus unrealised intra-group profits/losses and non-amortised consolidated goodwill.

Group enterprises with a negative equity value are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity if it is deemed irrecoverable. If the negative equity value exceeds receivables, the remaining amount is recognised in provisions in so far as the Parent has a legal or constructive obligation to cover the negative balance of the enterprise.

Net revaluation of investments in group enterprises is taken to Reserve for net revaluation according to the equity method insofar as the carrying amount exceeds cost.

The purchase method is used in the acquisition of investments in subsidiaries.

Receivables
Receivables are measured at amortised cost, usually equalling the nominal amount. Write-down for bad and doubtful debts is made based on an assessment of the individual receivables.

Notes

20 Accounting policies, continued

Contract work in progress
Contract work in progress is measured at the selling price of work carried out at the balance sheet date. The selling price is measured based on the stage of completion and total estimated income from the individual contracts in progress.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Provisions
Provisions for pension obligations cover pension obligations of some of the Group's foreign subsidiaries.

Once it is likely that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Deferred tax assets and liabilities
Deferred tax is recognised on all temporary differences between the carrying amount and the tax base of assets and liabilities, for which the tax base of assets is calculated based on the planned use of each asset.

Deferred tax is measured based on the tax regulations and tax rates of the relevant countries that will be in effect according to law at the balance sheet date when the deferred tax is estimated to crystallise as current tax. Changes in deferred tax resulting from changed tax rates are recognised in the income statement.

Deferred tax assets, including the tax base of tax loss carried forward, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

The Danish companies are jointly taxed and the Danish parent company is the management company. The current Danish corporation tax is divided between the companies in proportion to their taxable income (full allocation with refunds for tax losses).

Current tax receivables and tax liabilities
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income that has been adjusted for prepaid tax.

Financial liabilities
Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions and are measured, at the time of inception of the lease, at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between the present value and the nominal value of the lease payments is recognised in the income statement as a financial expense.

Other liabilities are measured at amortised cost, usually equalling the nominal amount.

Prepayments received
Prepayment received include payments received relating to income in subsequent financial years. Such items are measured at cost.

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Notes

20 Accounting policies, continued

Dividend
Dividends are recognised as a liability at the time of adoption at the general meeting. Proposed dividends for the financial year are disclosed as a separate item in equity.

Cash flow statement
The cash flow statement of the Group is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the Group's cash and cash equivalents at the beginning and end of the financial year. No separate cash flow statement has been prepared for the Parent as it is included in the cash flow statement of the Group.

Cash flows from acquired and divested enterprises are shown as separate line-items within cash flows from investing activities. Cash flows from enterprises acquired are recognised in the cash flow statement from the time of their acquisition, and cash flows from enterprises divested are recognised up to the time of sale.

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible and tangible assets, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the Parent's share capital and related costs as well as the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash at bank and in hand only.

Financial highlights
The ratios and figures shown in the statement of financial highlights and key figures are calculated as follows:

Gross margin $$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$$

Profit margin $$\frac{\text{Profit/loss before financial income and expenses} \times 100}{\text{Revenue}}$$

Return on assets $$\frac{\text{Profit/loss before financial income and expenses} \times 100}{\text{Total assets}}$$

Equity ratio $$\frac{\text{Equity at year-end} \times 100}{\text{Total assets}}$$

Return on equity $$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$$