

# Team Siri Holding ApS

## Annual Report 2015

CVR 37004588  
Lautrupbjerg 6  
2750 Ballerup

The Annual Report was presented and approved at the  
General Meeting on 6 April 2016



Peter Meier  
Chairman of the meeting

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## **Management's statement on the Annual Report**

Management has today considered and approved the annual report for 2015 for Team Siri Holding ApS. The annual report has been prepared in accordance with the Danish Financial Statements Act.

In my 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 2015, the result of the activities of the Group and the parent company and the group's cash flows for 24 August 2015 to 31 December 2015. Further it is my opinion that the Management report gives a true and fair view of developments in the activities included in the Management report.

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

Ballerup 31 March 2016

### **Management Board**



Robb Curtis Warwick



## **Management's statement on the Annual Report**

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

Ballerup 31 March 2016

**Management Board**

Robb Curtis Warwick

# Independent auditor's report

To the owner of Team Siri Holding ApS

## Report on the financial statements

We have audited the consolidated financial statements and parent financial statements of Team Siri Holding ApS for the financial year 24.08.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet and notes for the Group as well as for the Parent and the consolidated cash flow statement. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

## Management's responsibility for the consolidated financial statements and 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.

## Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent 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 about whether consolidated financial statements and parent 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 parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent 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 entity'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 the overall presentation of the consolidated financial statements and parent financial statements.

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

Our audit has not resulted in any qualification.

## Opinion

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2015, and of the results of their operations and the Group's cash flows for the financial year 24.08.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

## Statement on the management report

Pursuant to the Danish Financial Statements Act, we have read the management report. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statements.

On this basis, it is our opinion that the information provided in the management report is consistent with the consolidated financial statements and parent financial statements.

Copenhagen 31 March 2016

## Deloitte

Statsautoriseret Revisionspartnerselskab  
CVR 33963556



Kim Gerner  
State-authorized Public Accountant

## **Company information**

### **The company**

Team Siri Holding ApS  
Lautrupbjerg 6  
2750 Ballerup

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Fax: +45 72 27 90 99

CVR: 37004588

Accounting period: 24 August - 31 December

Location: Ballerup

### **Management**

Robb Curtis Warwick

### **Audit company**

Deloitte  
Statsautoriseret Revisionspartnerselskab

## Financial highlights

2015  
MDKK

### Key figures

#### *Income statement\**

Revenue	273
Gross profit	148
Profit from operations	-37
Result of financial items, net	-5
Profit for the year	-39

#### *Balance sheet*

Total assets	693
Gross investments in intangible and tangible assets	11
Equity	160

#### *Cash flow*

Cash flow from	
- operating activity	44
- investment activity	-332
- financing activity	384
Change in cash	97

Number of employees (average for the period)	560
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#### **KPI %**

Gross margin	54%
Profit margin	-14%
Return on assets	-5%
Equity ratio	23%
Return on equity	-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 and the structure within this Group has not been changed during the year:

- Bluegarden A/S, Denmark
- Bluegarden AS, Norway
- Bluegarden AB, Sweden

## Corporate mission and goals

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

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

**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 2015

In 2015, the key strategic activities for the Group were:

- Development activities aimed at retaining customers in the cyclical market of small and medium-size enterprises in Denmark. The first mobile solutions in Denmark were launched in 2015.
- Migrating customers from older payroll platforms to new payroll solutions 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.

## Development in activities and finances in 2015

The Group realised revenue of 273 MDKK. Operating expenses amounted to 309 MDKK in the period including costs related to restructuring activities of 56 MDKK.

Profit before net financials was -37 MDKK. Net financials for the period amounted to an expense of DKK 5m. The pre-tax profit was -42 MDKK. The financial performance is considered satisfactory if excluding the restructuring costs.

The income tax for the period is positive with 3 MDKK, reducing the loss to 39 MDKK. The tax calculated concerns the Danish companies. Only 8 MDKK as tax asset has been capitalised with respect to the loss generated by the Norwegian and Swedish subsidiaries. The value of non-capitalised tax losses that may be used in future by the Norwegian and Swedish subsidiaries is 61 MDKK.

The net loss of 39 MDKK is transferred to retained earnings.

## **Balance sheet**

At 31 December 2015, the balance sheet totalled 693 MDKK and the equity amounts to 160 MDKK

Investments in property, plant and equipment and intangible assets totalled 11 MDKK in the period, most of which relates to the focus on modernising some of the Group's payroll platforms and investments in various process-optimising systems.

## **Unusual circumstances**

An organisational restructuring was completed in the Danish, Norwegian and Swedish companies and severance agreements were made with 98 employees and managers. The result for the year include costs of DKK 56m related to these agreements.

## **Uncertainty relating to recognition and measurement**

At 31 December 2015, goodwill from the acquisition of the Bluegarden Group amounted to 127 MDKK, 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. The budget for 2016 including forecast for 2017 have been approved by local management, local Board of Directors and Group Management. They include the effect of plans intended to ensure major growth and efficiency improvement in the years ahead, including that the restructuring plan will be realised as assumed. Similar assumptions underlie the verification of the value of the Norwegian subsidiary's tax asset.

The main local payroll and front-end systems are significant intangible assets that have been tested for impairment at 31 December 2015. 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% has been used in the calculations.

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

## **Outlook for 2016**

A cautious assessment has been made of market conditions for 2016. The Group expects to realise moderate growth in 2016. In Sweden, the primary growth area is implementation income for which already signed contracts with customers form the basis. Growth in the Danish company is primarily attributable to customer businesses' demand for outsourcing services and process-supporting tools. Sales of consultancy services underlies the growth of the Norwegian subsidiary.

An improved pre-tax profit is expected for 2016. Expectations are that the generation of earnings will improve because of continued focus on improving efficiency of the entire business in 2016. The expected revenue growth will also contribute positively.

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

## **Subsequent events**

No 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, IT security, process safety and business continuity are crucial. This applies for both applications and production processes where quality assurance is the focal point. The Group 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 performed by companies specialised in IT security.

### **Market conditions and fluctuations**

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

### **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 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 Group requires that staff in the development, sales and service functions hold 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 prioritised 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 optimisation to improve efficiency in their respective fields of responsibility and on how to create simple and effective solutions to the customers' needs.

Programmes for managers run continuously within situational leadership and coaching, as well personal development. Following recent years' efforts in the above development areas, the Group today has well motivated and competent employees who will be able to realise the Group's goals.

At year-end 2015, the headcount was 546.

## Statutory report on corporate social responsibility

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:

- Labour
- Climate, environment and energy
- Requirements for subcontractors and business partners on labour, human rights and anti-corruption.

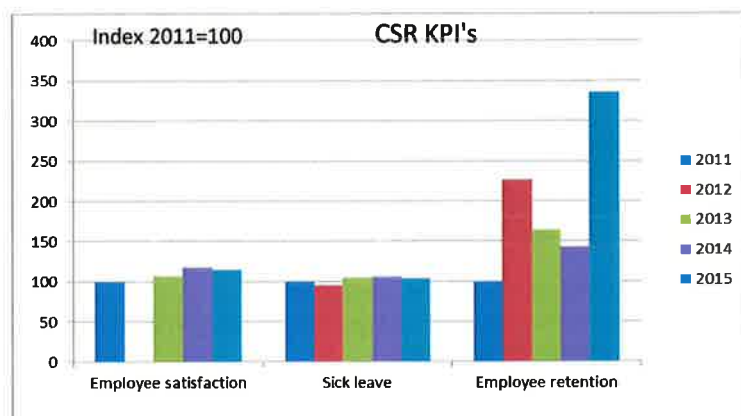
In the day-to-day operations, we pursue a CSR policy and support behaviors that are based on activities that also produce higher profitability for the Company and its business partners. Historical information is shown below even though Team Siri Holding has not owned the Bluegarden Group in the whole period.

### 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 these initiatives, employee involvement and competency development seek to keep employee satisfaction high, reduce staff turnover, reduce sickness absenteeism and ensure diversity of staff mix.



Employee satisfaction is stable, however the small decline in 2015 is most likely due to the restructuring process completed in the same period as the survey was completed. Sickness absenteeism remains at a stable, low level, while the negative development in staff turnover, particularly in 2012 and also in 2015, has been affected by organisational changes. Diversity has not been measured.

### Climate, environment and energy

Based on having a generally profitable performance, Bluegarden is working on reducing its total CO2 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 CO2 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.

### 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.

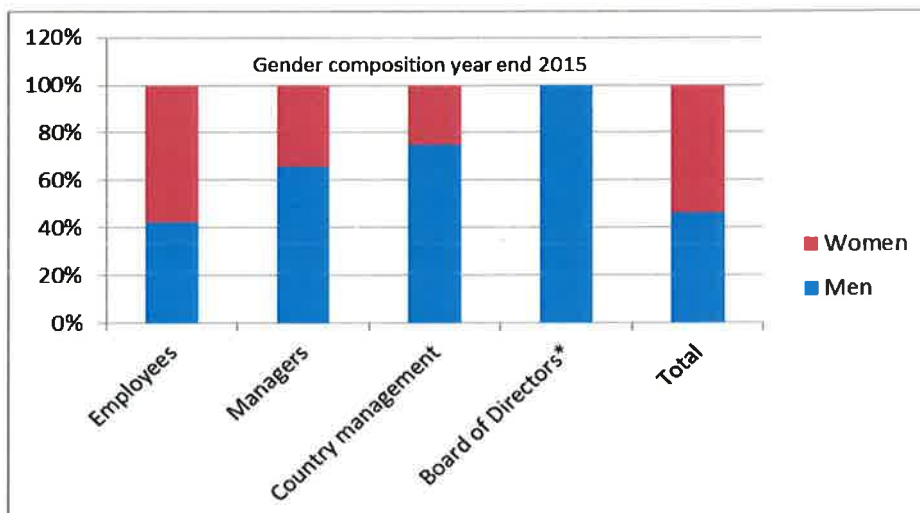
## Report on gender composition of Management

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

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

Through its recruiting activities, the Group 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 appointments will still be made based on an overall assessment of who is best suited for the job.

Gender distribution for 2015 is illustrated below. The objective has been fulfilled with respect to staff and executives/mid-level managers. Country management bodies and the Group Board of Directors, the Group still has a challenge in meeting the targets set, and this will be a focal point in future management changes.



\*Elected at the General Meeting

## Income statement 24 August - 31 December

		Group	Parent company
	Note	2015 TDKK	2015 TDKK
<b>Revenue</b>	1	<b>272.756</b>	-
Cost of sales		<u>124.722</u>	<u>-</u>
<b>Gross profit</b>		<b>148.034</b>	-
Research and development costs		77.198	
Sales and distribution costs		49.055	-
Administrative expenses		58.685	44
<b>Profit from operations</b>		<b>-36.904</b>	<b>-44</b>
Share of profit after tax in subsidiaries	3	-	-39.310
Financial income	4	470	-
Financial expenses	5	<u>5.865</u>	<u>-</u>
<b>Profit before tax</b>		<b>-42.299</b>	<b>-39.354</b>
Tax on the profit	6	<u>2.955</u>	<u>10</u>
<b>Profit for the year</b>		<b><u>-39.344</u></b>	<b><u>-39.344</u></b>
<b>Proposed distribution of profit</b>			
Dividend		-	-
Transferred to retained earnings		<u>-39.344</u>	<u>-39.344</u>
		<b><u>-39.344</u></b>	<b><u>-39.344</u></b>

## Balance sheet 31 December

		<u>Group</u>	<u>Parent company</u>
	Note	2015 TDKK	2015 TDKK
Completed development projects		93.595	-
Acquired software		1.139	-
Trademarks		48.333	-
Customer Relationship		183.667	-
Goodwill		127.157	-
Development projects in progress		<u>14.132</u>	<u>-</u>
<b>Intangible assets</b>	7	<b><u>468.023</u></b>	<b><u>-</u></b>
Other plant and equipment		1.954	-
Leasehold improvements		<u>1.384</u>	<u>-</u>
<b>Tangible assets</b>	8	<b><u>3.338</u></b>	<b><u>-</u></b>
Investment in subsidiaries	9	-	159.941
Other receivables	10	<u>4.977</u>	<u>-</u>
<b>Financial assets</b>		<b><u>4.977</u></b>	<b><u>159.941</u></b>
<b>Total fixed assets</b>		<b><u>476.338</u></b>	<b><u>159.941</u></b>
<b>Stock</b>		<b>123</b>	<b>-</b>
Trade receivables		66.022	-
Contract work in progress	11	5.917	-
Other receivables		1.660	-
Deferred tax	13	7.859	137
Prepayments		<u>35.403</u>	<u>-</u>
<b>Receivables</b>		<b><u>116.861</u></b>	<b><u>137</u></b>
<b>Cash</b>		<b><u>100.177</u></b>	<b><u>-</u></b>
<b>Total current assets</b>		<b><u>217.161</u></b>	<b><u>137</u></b>
<b>Total assets</b>		<b><u>693.499</u></b>	<b><u>160.078</u></b>

## Balance Sheet 31 December

		<u>Group</u>	<u>Parent company</u>
	Note	2015 TDKK	2015 TDKK
Share capital		500	500
Retained earnings		<u>159.407</u>	<u>159.407</u>
<b>Equity</b>	12	<b><u>159.907</u></b>	<b><u>159.907</u></b>
Deferred tax	13	56.997	-
Provisions		<u>5.573</u>	<u>-</u>
<b>Total provisions</b>		<b><u>62.570</u></b>	<b><u>-</u></b>
Credit institutions	14	<u>254.300</u>	<u>-</u>
<b>Long term liabilities</b>		<b><u>254.300</u></b>	<b><u>-</u></b>
Credit institutions	14	23.200	-
Trade payables		49.902	44
Prepayments received from customers	11	15.393	-
Income tax	6	2.967	-
Payable joint tax contribution		-	127
Other payables		<u>125.260</u>	<u>-</u>
<b>Short term liabilities</b>		<b><u>216.722</u></b>	<b><u>171</u></b>
<b>Total liabilities other than provisions</b>		<b><u>471.022</u></b>	<b><u>171</u></b>
<b>Total equity, provisions and liabilities</b>		<b><u>693.499</u></b>	<b><u>160.078</u></b>
Significant accounting estimates and judgements	2		
Contingent liabilities and other financial obligations			
Staff costs	15		
Fees to independent auditors	16		
Related parties and ownership	17		
	18		



## Cash Flow statement 24 August - 31 December

	Note	<u>Group</u>
		<b>2015</b>
		TDKK
Profit from operations		-36.904
Adjustments		36.790
Changes in working capital		<u>53.712</u>
<b>Cash from operating activities before financial items</b>		<b>53.598</b>
Financial income received		470
Financial expenses paid		-5.865
Income tax paid		<u>-4.244</u>
<b>Net cash from operating activities</b>		<b><u>43.959</u></b>
Purchase of intangible fixed assets		-11.323
Purchase of tangible fixed assets		-156
Purchase of financial assets*		<u>-320.407</u>
<b>Net cash from investment activities</b>		<b><u>-331.886</u></b>
Loan at credit institutions		190.968
Repayment of loans to credit institutions		-7.500
Capital contribution		201.031
<b>Net cash from financing activities</b>		<b><u>384.499</u></b>
<b>Change in cash and cash equivalents</b>		<b>96.572</b>
Cash and cash equivalents at 24 August		-
Cash and cash equivalents at acquisition date		<u>3.605</u>
<b>Cash and cash equivalents 31 December</b>		<b><u>100.177</u></b>
Cash and cash equivalents:		
Cash		<u>100.177</u>
<b>Cash and cash equivalents 31 December</b>		<b><u>100.177</u></b>
<b>*Acquisition Bluegarden Group</b>		
Intangible, tangible and financial assets		496.571
Receivables		100.432
Deferred tax, net amount		-51.580
Trade payables and other debt		-134.588
Credit institutions and cash		<u>-90.428</u>
Total acquisition		<u>320.407</u>

# Notes to the Annual Report

	Group	Parent company
	<u>2015</u>	<u>2015</u>
	TDKK	TDKK
<b>1. Revenue</b>		
<b>Revenue allocation by country</b>		
Denmark	174.909	-
Sweden and Norway	97.847	-
	<u>272.756</u>	<u>-</u>
<b>Revenue by type of service</b>		
Salary handling and HR services	272.756	-
Other (re invoicing of services to subsidiary)	-	-
	<u>272.756</u>	<u>-</u>

## 2. Significant accounting estimates and judgements

### 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 reliably. 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 development projects are subject to uncertainty. Minor 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 2016 and the forecast 2017 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.

### Goodwill

Goodwill is the result of the Company's recent acquisition of the Bluegarden Holding Group. No events have occurred after the time of acquisition that would give an indication of impairment.

### Completed development projects

The Swedish product "HR-plus" is a significant intangible asset requiring review for impairment. The impairment test 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. The principal parameter used to calculate the value of completed development projects is a discount rate of 9.1%. The calculation did not lead to any indication of impairment of HR-plus.

# Notes to the Annual Report

## 2. Significant accounting estimates and judgements (continued)

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 2015, the net carrying amount of deferred tax assets and liabilities is negative by DKK 48m. The tax asset of DKK 9m mainly 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 61m.

	<u>Group</u>	<u>Parent company</u>
	<u>2015</u>	<u>2015</u>
	TDKK	TDKK
<b>3. Income from investment in subsidiaries</b>		
Share of profit after tax in subsidiaries		-33.893
Amortisation of goodwill		-5.417
		<u>-39.310</u>
<b>4. Financial income</b>		
Interest income from subsidiaries	-	-
Other financial income	57	-
Foreign nexchange gain	413	-
	<u>470</u>	<u>-</u>
<b>5. Financial expenses</b>		
Interest expenses to subsidiaries	-	-
Other financial expenses	5.663	-
Foreign exchange adjustments	202	-
	<u>5.865</u>	<u>-</u>
<b>6. Tax on profit for the year</b>		
Tax for the period	-	-
Change in deferred tax	-2.955	-10
	<u>-2.955</u>	<u>-10</u>
<b>Tax payable</b>		
Tax payable 24 August	-	-
Tax payable in Bluegarden Group at the acquisition date	7.211	-
Tax paid during the year	-4.244	-
	<u>2.967</u>	<u>-</u>
Tax paid during the year	<u>-4.244</u>	<u>-</u>

# Notes to the Annual Report

## 7. Intangible assets

### Group (TDKK)

	Completed development projects	Acquired software	Trade marks	Development projects in progress
Cost at 24 August	-	-	-	-
Bluegarden Group at the acquisition date	260.227	91.236	50.000	28.972
Foreign exchange adjustment	370	-61	-	-250
Additions	-	291	-	11.032
Disposals	-432	-56.177	-	-
Transfers between asset groups	25.622	-	-	-25.622
<b>Cost at 31 December</b>	<b>285.787</b>	<b>35.289</b>	<b>50.000</b>	<b>14.132</b>

Amortisation and write down 24 August				
Bluegarden Group at the acquisition date	175.479	89.991	-	-
Foreign exchange adjustment	492	-36	-	-
Amortisation	16.653	372	1.667	-
Disposals	-432	-56.177	-	-
<b>Depreciation and write down 31 December</b>	<b>192.192</b>	<b>34.150</b>	<b>1.667</b>	<b>-</b>

**Carrying amount at 31 December** **93.595**    **1.139**    **48.333**    **14.132**

	Customer Relationship	Goodwill
Cost at 24 August	-	-
Bluegarden Group at the acquisition date	190.000	371.444
Foreign exchange adjustment	-	-
Additions	-	-
Disposals	-	-
Transfers between asset groups	-	-
<b>Cost at 31 December</b>	<b>190.000</b>	<b>371.444</b>

Amortisation and write down 24 August	-	-
Bluegarden Group at the acquisition date	-	238.366
Amortisation	6.333	5.921
Disposals	-	-
Transfers between asset groups	-	-
<b>Amortisation and write down 31 December</b>	<b>6.333</b>	<b>244.287</b>

**Carrying amount at 31 December** **183.667**    **127.157**

### Group

**2015**

TDKK

Amortisation and write down of intangible assets are included in the following cost groups:

Cost of sales	4.810
Research and development costs	16.689
Sales and distribution costs	8.510
Administrative expenses	937
<b>Total</b>	<b>30.946</b>

# Notes to the Annual Report

## 8. Tangible assets

Group (TDKK)	Other plant and equipment	Leasehold improvements
Cost at 24 August	0	0
Bluegarden Group at the acquisition date	32.933	5.106
Foreign exchange adjustment	-202	-59
Additions	109	47
Disposals	-5.840	-
Cost at 31 December	<u>27.000</u>	<u>5.094</u>
Depreciation and write down 24 August	-	-
Bluegarden Group at the acquisition date	30.897	3.679
Foreign exchange adjustment	-256	-58
Depreciation	245	89
Disposals	-5.840	-
Depreciation and write down 31 December	<u>25.046</u>	<u>3.710</u>
<b>Carrying amount at 31 December</b>	<b><u>1.954</u></b>	<b><u>1.384</u></b>

### Group

2015

TDKK

Depreciation of intangible assets are included in the following cost groups

Cost of sales	215
Administrative expenses	119
	<u>334</u>

## 9. Investment in subsidiaries

Cost 24 August	-
Addition	<u>201.031</u>
Cost 31 December	<u>201.031</u>
Value adjustment 24 August	-
Foreign exchange adjustment	-1.121
Adjustment of hedge instruments at fair value at year end	-659
Result of the year	-33.893
Dividend	0
Amortisation goodwill	-5.417
Value adjustment 31 December	<u>-41.090</u>
<b>Carrying amount at 31 December</b>	<b><u>159.941</u></b>

The Group's subsidiaries at 31 December 2015

Name	Registered office	Share capital	Ownership interest	Currency	Equity	Result for the year
Team Siri ApS	Ballerup, Denmark	0,5 MDKK	100%	TDKK	159.941	-39.310
Bluegarden Holding A/S	Ballerup, Denmark	19,5 MDKK	100%	TDKK	51.504	-12.312
Bluegarden A/S	Ballerup, Denmark	10,0 MDKK	100%	TDKK	165.068	29.335
Bluegarden AS	Oslo, Norway	13,9 MNOK	100%	TNOK	31.614	-1.927
Bluegarden AB	Stockholm, Sweden	0,4 MSEK	100%	TSEK	43.943	-12.929

# Notes to the Annual Report

	<u>Group</u>
	<u>2015</u>
	TDKK
<b>10. Financial assets</b>	
Cost 24 August	-
Bluegarden Group at the acquisition date	5.022
Foreign exchange adjustment	-45
Cost 31 December	<u>4.977</u>
<b>Carrying amount at 31 December</b>	<u>4.977</u>

## 11. Contract work in progress

Sales value of contract work in progress	14.438
Payments on account	-8.521
Contract work in progress	<u>5.917</u>
Prepayments received	<u>15.393</u>

## 12. Equity

### Group (TDKK)

	Share capital	Premium account	Retained earnings	Total
Equity 24 August	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
Adjustment of hedge instruments at fair value at year end	-	-	-659	-659
Profit for the year	-	-	-39.344	-39.344
<b>Equity 31 December</b>	<u>500</u>	<u>-</u>	<u>159.407</u>	<u>159.907</u>

### Parent company

	Share capital	Premium account	Retained earnings	Total
Equity 24 August	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
Adjustment of hedge instruments at fair value at year end	-	-	-659	-659
Profit for the year	-	-	-39.344	-39.344
<b>Equity 31 December</b>	<u>500</u>	<u>-</u>	<u>159.407</u>	<u>159.907</u>

The share capital of TDKK 500 is split on shares of DKK 1 or multiples thereof. 450 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 to the Annual Report

	<u>Group</u>	<u>Parent company</u>
	<u>2015</u>	<u>2015</u>
	TDKK	TDKK
<b>13. Deferred tax</b>		
Deferred tax at 24 August	-	-
Deferred tax in Bluegarden Group at the acquisition date	-51.479	-
Foreign exchange adjustment	-340	-
Change in deferred tax	2.955	10
Deferred tax re adjustment of hedge instrument at fair value	-274	-
Payable joint taxation contribution	-	127
Deferred tax at 31 December	<u>-49.138</u>	<u>137</u>
Intangible assets	-58.846	-
Tangible assets	788	-
Hedge instrument	-	-
Provisions, deferred tax losses etc.	8.920	137
Transferred to deferred tax asset	-7.859	-137
<b>Provisions for deferred tax</b>	<u>-56.997</u>	<u>-</u>
<b>Deferred tax asset</b>	<u>7.859</u>	<u>137</u>
	<u>7.859</u>	<u>137</u>

The Group has a deferred tax asset of DKK 61m regarding tax losses, which has not been accounted for due to uncertainty about the future use.

## Notes to the Annual Report

	<u>Group</u>
<b>14. Long term liabilities</b>	<b>2015</b>
	TDKK
<b>Credit institutions</b>	
Falling due within 2 to 5 years	93.575
Falling due after 5 years	<u>160.725</u>
Long term liabilities	<u>254.300</u>
Falling due within 1 year	23.200
Other short term debt to credit institutions	-
Short term liabilities	<u>23.200</u>
	 <u>277.500</u>

### 15. Contingent liabilities and other financial obligations

#### Parent company

There are no leases or contractual 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 2015 amounted to 277 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 subsidiaries have been pledged.

#### Group

Covering the years 2016-2019 the Group has entered leases regarding cars and office equipment at a total yearly expense of 5 MDKK.

The Group has property leases with a tenure from 6 months to 8 years. The costs for the Group in 2016 amount to 27 MDKK.

The Group has entered facility management agreements with a tenure up to 3 years and a cost in 2015 of 63 MDKK. Operation dependent variable costs will be added.

As part of the loan agreement for the Group the shares in Bluegarden Holding and the subsidiaries 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.



## Notes to the Annual Report

	<u>Group</u>	
	<u>2015</u>	
	TDKK	
<b>16. Staff costs</b>		
Wages and salaries	153.022	
Pensions	13.721	
Social security costs	14.833	
	<u>181.576</u>	
Wages, salaries, pension and social security costs are expensed as:		
Costs of sales	69.333	
Research and development costs	50.910	
Sales and distribution costs	27.496	
Administration costs	26.868	
Capitalised own hours	6.969	
	<u>181.576</u>	
Fee to Management	<u>0</u>	
Average number of employees	<u>560</u>	
<b>17. Fees to independent auditors</b>		
Audit fees	929	45
Other assurance engagements	0	-
Tax and VAT advice fees	243	-
Other service fees	62	-
	<u>1.234</u>	<u>45</u>
<b>18. Related parties and ownership</b>		
<b>Controlling interest and ownership</b>		
The shares in Team Siri Holding ApS are owned by the ultimate owner Marlin Ultimate GP, LLC (USA)		
<b>Other related parties</b>		
Other related parties are the subsidiaries within the Bluegarden Group, the parent company Team Siri Holding ApS and its direct and ultimate owners.		

## 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 company was established at 24 August 2015 and the accounting period is from that date until 31 December 2015. For this reason no comparison figures are available.

### 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.

# Accounting policies

## 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

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.

# Accounting policies

## Derivative financial instruments

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost, subsequently at

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.

## 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. Licencing 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 development activities.

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.

# Accounting policies

## 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).

## 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.

# Accounting policies

## 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 3-7 years.

Uncompleted development projects are entered under projects in progress.

Software, trademarks and customer relationship are 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.

## Tangible assets

Other plant and equipment 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.

## Accounting policies

Other plant and equipment are depreciated on a straight-line basis applying their estimated useful lives. Their estimated useful lives are:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5-15 years

Profits and losses from the sale of property, plant and equipment 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.

### 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.

# Accounting policies

## 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.

## 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.



# Accounting policies

## 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 assets and property, plant and equipment, 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	$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$

