NC TopCo A/S
Central Business Registration No 37 29 67 67
Grønningen 17,1
1270 Copenhagen K

Annual report 2016

The Annual General Meeting adopted the annual report on

Chairman of the General Meeting

Contents

Entity details

Entity
NC TopCo A/S
Grønningen, 17, 1
1270 Copenhagen K, Denmark

Central Business Registration No: 37 29 67 67
Registered in: Copenhagen, Denmark

Board of Directors
Thomas Broe-Andersen, Chairman
Nicholas Hjorth
Juha Christen Christensen
Lars Denkov
Carsten Krogh Gomard
Bo Rygaard

Executive Board
Nicholas Hjorth

Entity auditors
Deloitte Statsautoriseret Revisionspartnerselskab

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of NC TopCo A/S for the financial year 1 January - 31 December 2016.

The annual report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for annual reports.

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 31.12.2016 and of the results of their operations and cash flows for the financial year 1 January - 31 December 2016.

In our opinion, the management commentary contains a fair review of the development of the Group's and the Parent's business and financial matters, the results for the year and of the Parent's financial position and the financial position as a whole of the entities included in the consolidated financial statements, together with a description of the principal risks and uncertainties that the Group and the Parent face.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 23/2 -17

Executive Board

Nicholas Hjorth
Chief Executive Officer

Board of Directors

Thomas Broe-Andersen Chairman	Nicholas Hjorth	Juha Christen Christensen
Lars Denkov	Carsten Krogh Gomard	Bo Rygaard

Independent auditor's report

To the shareholder of NC TopCo A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of NC TopCo A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of 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 31-12-2016, and of the results of their operations and cash flows for the financial year 01.01.2016 - 31.12.2016 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of 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.

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.

Independent auditor's report

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

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.

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 International Financial Reporting Standards as adopted by the EU and additional requirements of 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 Entity'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 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 exists. 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 the parent financial statements.

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

Independent auditor's report

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 Entity'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 Entity'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.

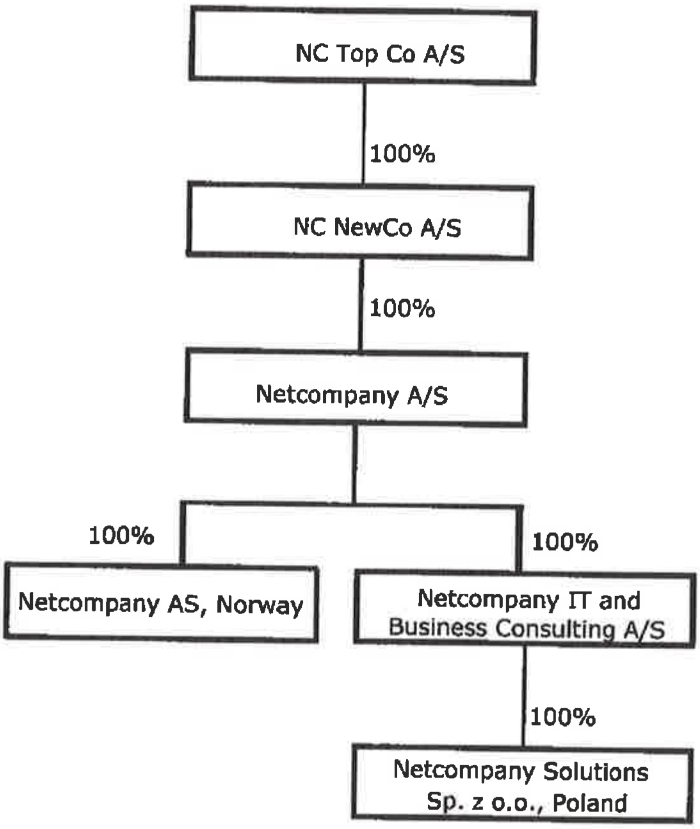
Copenhagen, 23/2 2017

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Kim Takata Mücke
State-Authorised Public Accountant

Management commentary

The Group



Management commentary

Financial highlights

	2016 DKK'000	2015 DKK'000
Key figures		
Revenue	828,538	0
Gross profit	670,007	0
Operating profit (EBIT)	123,230	0
Net financial income/ (costs)	(62,729)	0
Net profit for the year	16,833	0
Total comprehensive income/ (loss)	(4,987)	0
Balance sheet total	2,835,195	15,422
Equity	1,260,616	500
Investments in properties, plant and equipment	13,550	0
Average number of employees (number)	876	0
Ratios		
Profit margin (%)	2.0	-
Return on assets (%)	0.6	-
Return on equity (%)	1.3	-
Solvency ratio (%)	44.5	3.2

The Group was established on 14 December 2015 for which reason the financial year 2015 only covers the period 14 - 31 December 2015. In February 2016, the Group acquired Netcompany A/S, which in turn in November 2016, acquired Mesan AS, Norway (which has changed name to Netcompany AS). Hence the figures in the income statement for 2016 do not cover a full 12 months period.

As of 2016, NC TopCo A/S presents the financial statements in accordance with the international Financial Reports Standard, IFRS. The figures for both 2015 and 2016 are prepared in accordance with IFRS.

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by CFA society Denmark. The ratios have been compiled in accordance with the following calculation formulas:

$$\text{Profit margin} = \frac{\text{Operating profit} \times 100}{\text{Revenue}}$$

$$\text{Return on assets} = \frac{\text{Operating profit} \times 100}{\text{Total assets}}$$

$$\text{Return on equity} = \frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$$

$$\text{Solvency ratio} = \frac{\text{Equity} \times 100}{\text{Total assets}}$$

Management commentary

Primary activities

The Group's primary activity is to provide IT services as well as any related business.

Development in activities and financial position

The Group provides business critical IT solutions and related consulting services, maintenance and operation. We help our customers capture substantial business advantages and enhance efficiency by using the latest technology. Our priority areas are business applications, portals and system integration, system management and operation, and we cover leading technologies and Microsoft .NET and J2EE standard packages, etc.

In the NC TopCo A/S Group, we combine professional workmanship with speed and flexibility. Our broad IT-technical, methodical and business-related competences ensure that our IT solutions are technically solid, are embedded in the organisation and deliver the required financial results. Our deliveries come into existence through a controlled and productive process in cooperation with our customers - and are based on a simple philosophy. With this background, the Group defended its position as the leading IT company in Denmark in 2016.

The Group's services include systems for specific tasks, CRM, xRM, e-business and digital marketing, system integration, enterprise architecture, web and portals, process support and collaborative solutions, ECM, BI, ERP, hosting, Cloud computing, the Modulus solution for unemployment funds and trade unions as well as GetOrganized case and file management, etc. Add to this a number of specific and individual business applications as well as solutions for specific customer needs.

Consolidated revenue for the year amounts to DKK 828,538k, and consolidated profit after tax amounts to DKK 16,833k. Revenue and profit are considered satisfactory and meet expectations for the year in the light of a high investment level.

The Group has a solid and satisfactory order book, and at the same time customer relations and the market position are growing stronger. Based on this, we expect a satisfactory development in 2017.

Investments

The investment level in 2016 was mainly driven by the purchase of Netcompany A/S and the purchase of the Norwegian company, Netcompany AS (formerly known as Mesan AS).

Management commentary

Particular risks

Financial exposures

The Group's objective at all times, is to limit the financial risks. The Group's business risk profile is considered at level with accepted standards for an IT company.

The interest-bearing liabilities in the Group relate to the loans made in 2016 to finance the purchases of Netcompany A/S and Mesan AS, which bear interest according to OTC Rate Floor Transaction agreement made. The interest-bearing liabilities also relate to the cash balances, which bear negative interest due to the current low interest environment.

The Group has a limited foreign exchange exposure. The main parts of purchases and sales are executed in DKK. Netcompany Solutions Sp.Z o.o. is located in Poland, and Netcompany AS is located in Norway and, consequently, there is a foreign exchange exposure in this respect. The risk is not material.

Intellectual capital resources

In order to be able to continue developing and providing competitive IT solutions, it is decisive that the Group is able to recruit and retain highly educated employees.

The Group continues to make substantial investments in current recruitment, upgrading of skills and certification of both new and experienced consultants and developers. The Group will focus on maintaining and further developing its competence level within sales, delivery, project management and technical core competences also in 2017.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Corporate social responsibility

The Group strives to operate responsibly and wants to comply with legislation. This includes its attempts at minimising the environmental implications of the operation of the companies and also the Group's CSR efforts relating to the fight against corruption as well as efforts relating to human rights and labour rights, etc. The Group has therefore joined the UN's Global Compact. The report can be downloaded from: https://www.unglobalcompact.org/participation/report/cop/create-and-submit/active/310251.

Management commentary

Report on the underrepresented gender

NC TopCo A/S prepares consolidated financial statements, and as a large company of reporting class C, NC TopCo A/S is under an obligation to report on gender composition in Management under the Danish Financial Statements Act. In addition to NC TopCo A/S, there are a number of companies in the NC TopCo Group which, because of their size, are also under an obligation to report on gender composition in Management. These companies include NC NewCo A/S, Netcompany A/S and Netcompany IT & Business Consulting A/S. The report on gender composition in the Management of the NC TopCo A/S Group comprises all Danish companies that, individually, are subject to section 99(b) of the Danish Financial Statements Act.

Policy on increasing the representation of the underrepresented gender in the NC TopCo A/S Group

In the NC TopCo A/S Group, we believe that diversity is an advantage to business. Having employees with different backgrounds, competences and experience strengthens our ability to provide the optimal service that our customers expect of us. As part of our efforts to increase diversity among our employees, our ambition is also to increase the representation of women at employee, executive and director levels. However, we acknowledge that the Group operates in the IT industry where there is a strong over-representation of men. The gender composition among university graduates with the right competences - which is our primary basis of recruitment – consists of some 90% men and 10% women. The imbalanced gender composition among graduates is reflected at all levels of the Group.

Gender composition in supreme management bodies in the NC TopCo A/S Group

In NC TopCo A/S, the Board of Directors had six members at the end of 2016 who were all men. We have determined a target of having one woman elected by the General Meeting on our Board of Directors by the end of 2024. This target is considered realistic for a company in the IT industry. We did not reach the target in the financial year as no replacements were made of members on the Board of Directors at the Annual General Meeting.

In Netcompany A/S and Netcompany IT & Business Consulting A/S, the boards of directors had three members elected on the general meetings in 2016 who were all men. The target of one woman elected by the general meetings by the end of 2024 has been determined for both boards. This target is considered realistic for companies operating in the IT industry. The target was not reached in the financial year as no replacements were made of members on the boards of directors at the annual general meetings.

The Board of Directors of NC NewCo A/S had six members elected at the general meeting at the end of 2016 who were all men. A target has been determined of having one woman elected to the board of directors by the end of 2024. This target is considered realistic for a company in the IT industry. The target was not reached in the financial year as no replacements were made of members on the board of directors at the annual general meeting.

Management commentary

Gender composition at other management levels

Despite the small recruitment base, which is reflected in the gender representation at other management levels, we work to increase the representation of the underrepresented gender in the NC TopCo A/S Group on the basis of our policy. Our efforts are aimed especially at two areas of focus *recruitment* and *promotions*.

Recruitment

When recruiting new employees, we do not in general in the NC TopCo A/S Group take account of gender, age, ethnicity or other characteristics that are irrelevant to the competences of the candidate. In the light of our ambition to increase the representation of the underrepresented gender in 2016, we have continued to appoint the female candidates in cases where the candidates are considered to possess equal competences. This principle has been applied both in respect of executive appointments and appointments for other positions in the Group. In the cases where we use external recruitment companies for the appointment of executives, we have in 2016 continued to place the supplier under an obligation to identify and present suitable candidates of both genders. Finally, in our recruitment efforts we currently focus on providing an attractive workplace also for women. As in previous years, we held an annual recruitment event in 2016 especially aimed at women.

Promotions

In the NC TopCo A/S Group, we use our internal recruitment pipeline for our management team to a high extent. This means that more than half of our executive appointments in 2016 were based on promotions of our own employees. Consequently, the gender composition in our management team also reflects the gender composition of the rest of our employees. In 2016, we focused on identifying female talents with the drive and skills to be promoted. As it is the case with other employees in the Group, career paths have been determined for these talents in cooperation with their immediate manager at an annual performance and development interview. Any supplementary training options and/or management courses which could be relevant to support talent development have also been considered.

Despite the activities carried through in 2016, we have to note that there is still a strong over-representation of men at all levels in the NC TopCo A/S Group. We are, however, pleased that there are some areas in the Group, such as our consulting business and our administrative functions including HR and finance, where there is an over-representation of women. In these areas, the representation of female managers exceeds 30%.

Statement of comprehensive income for 2016 for the Group

	Notes	2016 DKK'000	2015 DKK'000
Revenue		828,538	0
External expenses		(158,531)	0
Gross profit		**670,007**	**0**
Staff costs	4	(463,683)	0
Depreciation and amortisation	7,8	(83,094)	0
Operating profit (EBIT)		**123,230**	**0**
Financial income	5	1,257	0
Financial expenses	5	(64,088)	0
Profit before tax		**60,399**	**0**
Tax on profit for the year	6	(43,566)	0
Profit for the year		**16,833**	**0**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Fair value adjustment of interest rate swap	17	(27,974)	0
Tax of other comprehensive income		6,154	0
Exchange differences on translating foreign subsidiaries		0	0
Other comprehensive income / (loss)		**(21,820)**	**0**
Comprehensive income for the year / (loss)		**(4,987)**	**0**

Balance sheet of the Group at 31 December 2016

	Notes	2016 DKK'000	2015 DKK'000
Goodwill	7	1,883,883	0
Other intangible assets	7	488,666	
Intangible assets		**2,372,549**	**0**
Leasehold improvements	8	2,250	0
Equipment	8	13,986	0
Property, plant and equipment		**16,236**	**0**
Other receivables		5,431	0
Deferred tax	6	182	0
Financial assets		**5,613**	**0**
Non-current assets		**2,394,398**	**0**
Trade receivables	9	258,212	0
Contract work in progress	10	110,515	0
Other receivables		6,807	500
Prepayments		5,302	14,922
Receivables		**380,836**	**15,422**
Cash	11	**59,961**	**0**
Current assets		**440,797**	**15,422**
Assets		**2,835,195**	**15,422**

Balance sheet of the Group at 31 December 2016

	Notes	2016 DKK'000	2015 DKK'000
Share capital	12	69,283	500
Retained earnings		1,191,333	0
Equity		**1,260,616**	**500**
Borrowings	13	1,178,012	0
Deferred tax liability		111,186	0
Non-current liabilities		**1,289,198**	**0**
Borrowings		27,973	0
Prepayments received from customers		27,470	0
Trade payables		26,756	0
Other payables	14	163,306	14,922
Provisions	15	8,899	0
Income tax payable	6	30,977	0
Current liabilities		**285,381**	**14,922**
Liabilities		**1,574,579**	**14,922**
Equity and liabilities		**2,835,195**	**15,422**

Statement of changes in equity for the Group for 2016

	Share capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity at 14 December 2015	500	0	500
Profit for the year	0	0	0
Other comprehensive income for the year	0	0	0
Equity at 31 December 2015	**500**	**0**	**500**
Equity at 1 January 2016	500	0	500
Capital increase	68,783	1,196,320	1,265,103
Profit for the year	0	16,833	16,833
Other comprehensive income for the year/ (loss)	0	(21,820)	(21,820)
Equity at 31 December 2016	69,283	1,191,333	1,260,616

Cash flow statement for 2016 for the Group

	Notes	2016 DKK'000	2015 DKK'000
Operating profit (EBIT)		123,230	0
Depreciation and amortisation		83,094	0
Working capital changes	16	(75,255)	(500)
		131,069	**(500)**
Income taxes paid		(20,794)	0
Interest received		1,257	0
Interest paid		(64,088)	0
Cash flows from operating activities		**47,444**	**(500)**
Net cash outflow on acquisition of subsidiaries	18	(2,435,256)	0
Acquisition of property, plant and equipment		(13,550)	0
Acquisition of intangible assets		(8,306)	0
Payment of deposits		(1,459)	0
Cash flows from investing activities		**(2,458,571)**	**0**
Share capital in connection with establishment		0	500
Capital increase		1,265,103	0
Proceeds from borrowings		1,178,012	0
Cash flows from financing activities		**2,443,115**	**500**
Increase in cash and cash equivalents		**31,988**	**0**
Cash and cash equivalents at 1 January		0	0
Effect of exchange rate changes on the balance of cash held in foreign currencies		0	0
Cash and cash equivalents at 31 December	11	**31,988**	**0**

Notes to the consolidated financial statements

Notes

1. Accounting policies
2. Significant accounting estimates, assumptions and uncertainties
3. Effect of the change in accounting policies
4. Staff costs
5. Financial income and expenses
6. Tax
7. Intangible assets
8. Property, Plant and equipment
9. Trade receivables
10. Contract work in progress
11. Cash and cash equivalents
12. Share capital
13. Borrowings
14. Other payables
15. Provisions
16. Working capital changes
17. Financial risks and financial instruments
18. Acquisition of subsidiaries
19. Operational lease obligations
20. Related parties
21. Collateral provided and contingent liabilities
22. Adoption of the annual report for publication
23. Events after the balance sheet date
24. New accounting standards

Notes to the consolidated financial statements

1. Accounting policies

As of 2016, NC TopCo A/S presents the financial statements in accordance with the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for financial statements governing reporting class C enterprises (large), see the Danish Executive Order on IFRS issued according to the Danish Financial Statements Act.

NC TopCo A/S is an entity with its registered office in Denmark.

The financial statements are presented in DKK, which is considered the functional currency of the Group's activities.

The Entity was established in 2015 and the financial statements, therefore, only include figures for 2015 and 2016. The figures for 2015 and 2016 are prepared in accordance with IFRS. Please refer to note 3 for the effect of the change in accounting policies.

In the 2016 financial statements, new and revised Standards and Interpretations having taken effect and been approved by the EU, effective for this financial year without this having had a material effect on the annual report.

Consolidated financial statements

The consolidated financial statements comprise NC TopCo A/S (Parent) and the enterprises (subsidiaries) 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.

Consolidation principles

The consolidated financial statements are prepared on the basis of the financial statements of NC TopCo A/S and its subsidiaries. The consolidated financial statements are prepared by adding together financial statement items of a uniform nature. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Notes to the consolidated financial statements

1. Accounting policies (continued)

Business combinations

Acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Time of acquisition is the date on which control over the enterprise is actually acquired. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up. Time of divestment is the date on which control of the enterprise actually passes to a third party.

When acquiring new enterprises, over which the Group obtains control, the purchase method is applied under which identifiable assets, liabilities and contingent liabilities of these enterprises are measured at fair value at the acquisition date. Allowance is made for the tax effect of the restatements made.

The purchase consideration for an enterprise consists of the fair value of the consideration paid for the acquired enterprise. Costs which are directly attributable to the acquisition of the enterprise are recognised directly in profit or loss when incurred. Positive differences (goodwill) between, on the one hand, the purchase consideration for the enterprise acquired and, on the other hand, the fair value of the net assets acquired are recognised as an asset in intangible assets and tested for impairment at least once a year. If the asset's carrying amount is higher than its recoverable amount, it is written down to such lower recoverable amount.

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 one in effect at the payment date or the rate at the balance sheet date are recognised in the income statement of comprehensive income as financial income or financial expenses. Property, plant and equipment, intangible assets, and other non-monetary assets that have been purchased in foreign currencies and are measured based on historical costs are translated using historical rates.

Notes to the consolidated financial statements

1. Accounting policies (continued)

Foreign currency translation (continued)

When enterprises, which present their financial statements in a functional currency different from DKK are recognised in the consolidated financial statements, the items of the income statement are translated at the average exchange rates. Exchange differences arising out of the translation of foreign enterprises' balance sheet items at the beginning of the year using 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 in other comprehensive income.

Statement of comprehensive income

Revenue

Revenue

The Group's primary service offerings include information technology consulting services and operations solutions.

Consulting services are generally provided on either a time-and-material basis or as fixed-price contract basis. Revenue from time-and-material contracts is recognised as hours are delivered and direct expenses are incurred. Revenue from fixed-price contracts is recognised under the percentage-of-completion method, whereby revenue is recognised based on costs of hours incurred to date as a percentage of the total estimated costs of hours to fulfil the contract.

Revenue from operations solutions is recognised in the period the solutions are provided, which will either be based on output measures or using the straight-line method over the term of the contracts.

External expenses

External expenses comprise of costs for external consultants, marketing, administration, premises etc. and costs incurred in connection with acquiring Netcompany A/S and Mesan AS.

Staff costs

Staff costs comprise salaries and wages as well as social security costs, pension contributions, etc for the Group's staff.

Financial income and expenses

These items comprise interest income and expenses, currency gains and losses and tax surcharge and tax relief under the Danish Tax Prepayment Scheme.

Notes to the consolidated financial statements

1. Accounting policies (continued)

Income taxes

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

Current tax payable and current tax receivable are recognised in the balance sheet, calculated as tax on taxable income for the year, adjusted for prepaid tax.

On calculation of current tax, the tax rates and rules applicable at the balance sheet date are used.

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities using the balance sheet liability method. Deferred tax is calculated on the basis of the planned use of each asset and the settlement of each liability, respectively. Deferred tax is measured using the tax rates and tax rules which – based on acts in force or acts actually in force at the balance sheet date – are expected to apply when the deferred tax is expected to crystallise as current tax. Changes in deferred tax resulting from changed tax rates or tax rules are recognised in profit/loss unless the deferred tax is attributable to transactions previously recognised directly in equity or other comprehensive income. In the latter case, such changes are also recognised directly in equity or other comprehensive income.

Deferred tax assets, including the tax base of tax loss carry-forwards, 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 to be set off against future positive taxable income. At each balance sheet date, it is considered whether sufficient taxable income is likely to arise in the future for the deferred tax asset to be used.

The Group is administration company of a joint taxation arrangement. The current income tax is allocated among the jointly taxed companies in proportion to their taxable income ("full allocation method").

Balance sheet

Intangible assets

Goodwill

On initial recognition, goodwill is recognised and measured as the difference between, on one hand, the cost of the acquired enterprise and, on the other hand, the fair value of the acquired identifiable assets, liabilities and contingent liabilities, see the description under consolidated financial statements.

The recognised goodwill amount is allocated to the activities of the Group generating separate payments (cash generating units). Determination of cash generating units complies with the management structure and

Notes to the consolidated financial statements

1. Accounting policies (continued)

Goodwill (continued)

the recognised goodwill amount is allocated to the activities of the Group generating separate payments (cash generating units). Determination of cash generating units complies with the management structure and management accounting and reporting of the Group. Goodwill is not amortised, but tested at least once a year for impairment, see below.

Other intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. The cost of developed software comprises costs such as salaries and amortisation that are directly attributable to the development projects and are needed to complete the project, recognised from the time at which the development project first qualifies for recognition as an asset.

Amortisation is recognised on a straight-line basis over their estimated useful lives:

- Software: 3-5 years

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination consists of technology, order back-log, customer relationships and trademark. Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Amortisation is recognised on a straight-line basis over their estimated useful lives:

- Technology: 5 years
- Order back-log: 3 years
- Customer relationships: 5 years
- Trademark: 20 years

Impairment losses on intangible assets

The carrying amount of intangible assets with definite useful life is examined at the balance sheet date in order to determine whether there is any indication of impairment. If this is the case, the recoverable amount of the asset is determined in order to determine the need for any write-down and the extent thereof.

Notes to the consolidated financial statements

1. Accounting policies (continued)

Impairment losses on intangible assets (continued)

For development projects in progress, intangible assets with indefinite useful lives and goodwill, the recoverable amount is determined annually regardless of any identified indication of impairment.
If the asset does not generate cash flow independently of other assets, the recoverable amount is determined for the smallest cash-generating unit of which the asset forms part.

The recoverable amount is determined as the higher of the asset's or the cash generating unit's fair value, net of selling costs, and the value in use. To determine the value in use, estimated future cash flows are discounted to net present value by applying a discount rate that reflects current market assessments of the time value of money and the particular risks related to the asset or the cash generating unit, and for which no adjustments have been made in such estimated future cash flows.

If the recoverable amount of the asset is lower than the carrying amount, the carrying amount is written down to the recoverable amount. For cash generating units, the write-down for impairment is allocated so that any goodwill is written down first, and then any remaining impairment loss is allocated on the other assets of the unit, however, the individual asset may not be written down to an amount below its fair value net of any expected selling costs.

Impairment losses are recognised in profit or loss. On any subsequent reversal of impairment losses arising from changes in the assumptions used to determine the recoverable amount, the asset's carrying amount to the adjusted recoverable amount, however, not exceeding the carrying amount that the asset would have had if the impairment had not been made. Impairment losses for goodwill may not be reversed.

Equipment and leasehold improvements

Equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

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.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the estimated useful lives of the assets, which is 3-5 years.

Depreciation methods, useful lives and residual values are reviewed annually.

Gains and losses from the sale of equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Gains or losses are recognised in the income statement as other operating income or expense.

Notes to the consolidated financial statements

1. Accounting policies (continued)

Receivables

Receivables include receivables from sale of services, contract work in progress and other receivables. Receivables are measured at fair value on initial recognition and subsequently at amortised cost, usually equalling nominal value less any write-downs for bad debts.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out less progress billings at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources. For some projects where the consumption of resources cannot be applied as a basis, the ratio between completed and total sub-activities of the individual projects has been applied.

If the selling price of a project cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

If progress billings exceed the selling price on a contract by contract basis, the excess amount is recognised as a liability in "Prepayments received from customers".

Prepayments

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

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting.

Provisions

Provisions represent commitments for onerous contracts and warranty obligations. An onerous contract is considered to exist when the Group has a contract under which the avoidable costs of meeting the obligation under the contract exceed the economic benefits to be received from the contract, hence the recognised provision represent the Group's best estimate of the unavoidable loss to complete its contract obligations for the related contracts. Provisions for warranty obligations are based on past history and provisions for specific customer cases.

Financial liabilities

Financial liabilities are measured at amortised cost.

Notes to the consolidated financial statements

1. Accounting policies (continued)

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes as well as financial income, financial expenses and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition of enterprises, activities and fixed asset investments and proceeds from sale of property, plant and equipment. In the parent financial statements, investing activities also include receipt of dividends from subsidiaries.

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

Cash and cash equivalents comprise cash.

Notes to the consolidated financial statements

2. Significant accounting estimates, assumptions and uncertainties

When applying the accounting policies, Management has to make judgements and estimates of and assumptions about the carrying amount of assets and liabilities that cannot be directly derived from other sources. Such estimates and assumptions are based on historical experience and other relevant factors. The actual results may deviate from such estimates.

Estimates made and the underlying assumptions are reassessed on a regular basis. Any changes in the accounting estimates made are recognised in the accounting period in which the change was made as well as in future accounting periods if the change affects the period in which it was made as well as subsequent accounting periods.

In the financial statements for 2016, it is particularly important to note the following assumptions and uncertainties:

Contract work in progress

Contract work in progress is measured at the selling price of work completed at the balance sheet date, and the selling price is calculated on the basis of contracted income and the determined stage of completion. Stage of completion is determined making estimates of future costs of hours and other project costs. The Group reviews its contract portfolio on a regular basis. If circumstances arise that change the original estimates of the selling price of the contracts or costs, revisions to estimates are made. These revisions may result in increases or decreases in estimated revenues or costs, and such revisions are reflected in the income statement in the period in which the circumstances giving rise to the revisions become known by the Group.

Provisions for onerous contracts and warranty obligations

As part of its regular review of the contract portfolio, the Group may identify contracts where the completion of a contract most likely will result in a negative contribution. In these circumstances, the Group will record a provision to cover the unavoidable loss. Provision for warranty obligations are based on past history and provisions for specific customer cases. The estimates of the provision may be subject to significant management judgement and uncertainty depending on project complexity and on whether there are any disputes with customers in relation to project performance, claims and counter claims, contract interpretation and alike.

Purchase price allocation in connection with acquisition of Netcompany A/S and Mesan AS, Norway

IFRS 3 "Business Combinations" requires that the Group recognize, separately from goodwill, the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values. The Group has defined a process consisting of a review of the balance sheet of Netcompany A/S and Mesan AS as of the acquistion dates (1 February 2016 and 22 November 2016) for the purposes of identifying non-recognised assets and liabilities and for identifying any fair value adjustments to the assets and liabilities already recognized in the balance sheet of Netcompany A/S and Mesan AS at the acquisition dates.

Notes to the consolidated financial statements

2. Significant accounting estimates, assumptions and uncertainties (continued)

Purchase price allocation in connection with acquisition of Netcompany A/S and Mesan AS, Norway (continued)

As part of this process the following unrecognized assets and liabilities were identified in connection with the acquisition of Netcompany A/S:

Technology, DKK 52,909k	As an important and integrated part of its solutions offerings, Netcompany A/S has developed "GetOrganized", a case and document handling system. The fair value of this system based on the Relief from Royalty Method on basis of forecasted sales for 2016-2020 and using a deemed license fee rate of approx. 15% discounted with the internal required rate of return of 15,60% p.a. The calculated fair value has been increased with a tax amortization benefit factor of 1.16.
Trademarks, DKK 167,776k	Trademarks relate to the "Netcompany" name. Fair value of trademarks has been determined based on the Relief from Royalty Method on basis of forecasted sales for 2016-2035 and using a royalty rate of 2% and discounted with the internal required rate of return of 15,60% p.a. The calculated fair value has been increased with a tax amortization benefit factor of 1.16.
Order back-log, DKK 57,454k	Fair value of order back-log has been determined on basis of NOPLAT from the order back-log at the acquisition date, adjusted for amount already included in the recognition of fair value of other identified intangible assets and discounted with the internal required rate of return of 14.60% p.a. The calculated fair value has been increased with a tax amortization benefit factor of 1.16.
Customer relationships, DKK 205,461k	Fair value of customer relationships has been determined on basis of forecasted NOPLAT for 2017-2027 adjusted for expected churn-rate and discounted with the internal required rate of return of 15,60% p.a. The calculated fair value has been increased with a tax amortization benefit factor of 1.16.
Deferred tax, DKK 106,392k	Deferred tax on the remeasurement of trademarks, technology, order back-log and customers relationships reflects and is equal to the total increase in the fair value of the trademarks, technology, order back-log and customer relationships as a result of increasing the fair values with the tax amortization benefit factor.

For all other identified assets and liabilities, Management determined that the carrying values in the balance sheet of Netcompany A/S at 1 February 2016 were equal to their fair values.

Based on the measurement of identifiable assets and liabilities at their fair values, the difference between the cash consideration and the fair value of the identified net assets equals DKK 1,765,207k, which amount represents the goodwill from the acquisition of Netcompany A/S.

Notes to the consolidated financial statements

2. Significant accounting estimates, assumptions and uncertainties (continued)

Purchase price allocation in connection with acquisition of Netcompany A/S and Mesan AS, Norway (continued)

As part of this process the following unrecognized assets and liabilities were identified in connection with the acquisition of Mesan AS:

Order back-log, DKK 6,976k	Fair value of order back-log has been determined on basis of NOPLAT from the order back-log at the acquisition date, adjusted for amount already included in the recognition of fair value for customer relationships and discounted with the internal required rate of return of 15.82% p.a. The calculated fair value has been increased with a tax amortization benefit factor of 1.18.
Customer relationships, DKK 62,960k	Fair value of customer relationships has been determined on basis of forecasted NOPLAT for 2017-2023 adjusted for expected churn-rate and discounted with the internal required rate of return of 15,82% p.a. The calculated fair value has been increased with a tax amortization benefit factor of 1.18.
Deferred tax, DKK 17,484k	Deferred tax on the remeasurement of order back-log and customers relationships reflects and is equal to the total increase in the fair value of the order back-log and customer relationships as a result of increasing the fair values with the tax amortization benefit factor.

For all other identified assets and liabilities, Management determined that the carrying values in the balance sheet of Mesan at 22 November 2016 were equal to their fair values.

Based on the measurement of identifiable assets and liabilities at their fair values, the difference between the cash consideration and the fair value of the identified net assets equals DKK 118,676k, which amount represents the goodwill from the acquisition of Mesan AS.

Impairment assessment of goodwill and other intangible assets relating to the acquisition of Netcompany A/S and Mesan AS, Norway

The Group acquired Netcompany A/S on 1 February 2016 and Mesan AS on 22 November 2016. As further outlined in Notes 7 and 18, the Group has recognized goodwill and certain other intangible assets from the above acquisitions. The purchase price and thereby the fair value of the entire share capital of Netcompany A/S and Mesan AS was determined in an orderly transaction between unrelated parties. The Group's acceptance of the purchase prices are – among other things – supported by an investment case showing Management's expectations to the future earnings from Netcompany A/S and Mesan AS.

Notes to the consolidated financial statements

2. Significant accounting estimates, assumptions and uncertainties (continued)

Impairment assessment of goodwill and other intangible assets relating to the acquisition of Netcompany A/S and Mesan AS, Norway (continued)

Since the acquisition of Netcompany A/S and Mesan AS recently took place, Management has determined that it is obvious that the carrying value of goodwill and the other identified intangible assets is at least equal to their fair values. Management has therefore concluded that goodwill and related intangible assets are not impaired, and no detailed impairment test has been deemed necessary at 31 December 2016. Beginning 2017, the Group will prepare a detailed impairment test.

Fair value measurement

The Group measures a number of financial assets and liabilities, including derivative financial instruments, at fair value.

Derivative financial instruments in the form of interest rate swaps are measured by discounting future cash flows to net present value that are based on relevant swap curves and discounted using a discount rate which reflects the credit risk of relevant counterparties (level 2 of the IFRS fair value hierarchy).

In addition, The Group also has a number of financial assets not recognised at fair value, such as deposits, trade receivables, receivables from group enterprises and other receivables. For all of these items, it is estimated that their carrying amount approximates, in all material respects, their fair value (level 3 of the IFRS fair value hierarchy).

The Group also has financial liabilities in the form of bank loans, trade payables and other payables recognised at amortised cost. The bank loans carry a floating rate, and the nominal amounts of the principals are estimated to equal fair value. The carrying amounts of bank loans also include loan costs, which are amortised over the life of the loans. The costs should be excluded when determining the fair value of bank loans, since such costs will not be recoverable upon transferring or settling the bank loans at the balance sheet date. The carrying amount of other payables too is estimated to equal fair value (level 3 of the IFRS fair value hierarchy).

Notes to the consolidated financial statements

2. Significant accounting estimates, assumptions and uncertainties (continued)

Share based payment

A number of key employees of the Group hold shares directly or indirectly in NC TopCo A/S. The key employees participate as shareholders on the same terms and at the same price as the other shareholders of NC TopCo A/S. On this basis Management has concluded that NC TopCo A/S is not subject to the requirements of IFRS 2 "Share-based Payment" and since the key employees have acquired shares at the same price as other shareholders of NC TopCo A/S, there are no deemed service cost to be recognized relating to the key employees holding shares in NC TopCo A/S.

3. Effect of the change in accounting policies

2016 is the first year the financial statements are presented in accordance with IFRS.

At the transition to IFRS, IFRS 1 was applied - First-time adoption of IFRSs. In accordance with IFRS 1, the comparative figures for 2015 have been prepared in accordance with the standards in effect at 31 December 2016. The Group was formed on 14 December 2015, and so the financial statements only include comparative figures for 2015. The balance sheet at 14 December 2015 has been prepared as if the standards and interpretations had always been used except where specific transitional and effective date provisions in IFRS 1 apply.

The transition to presenting financial statements under IFRS has not had any impact on income and cash-flows for 2015 and 2016 and on equity for the years ended 31 December 2016 and 2015.

Notes to the consolidated financial statements

	2016 DKK'000	2015 DKK'000
4. Staff costs		
Average number of employees	**876**	**0**

5. Financial income and expenses

	2016 DKK'000	2015 DKK'000
Financial income		
Interest on corporate income tax	31	0
Other interest income receivable	1,226	0
	1,257	**0**
Financial expenses		
Income tax surcharge	1,325	0
Interest expense bank loan	60,583	0
Other interest expenses payable	1,034	0
Exchange rate adjustments	1,146	0
	64,088	**0**

Notes to the consolidated financial statements

6. Tax

	2016 DKK'000	2015 DKK'000
Current tax	45,238	0
Change in deferred tax	(1,672)	0
	43,566	**0**
Profit/loss before tax	60,399	0
Tax at a rate of 22% (2015: 23.5%)	13,288	0
Tax-based value of non-deductible expenses	31,135	0
Effect of different tax rates of subsidiaries	(857)	(2,670)
	43,566	**0**
Effective tax rate	**72,0**	**23.5**

	2016 DKK'000	2015 DKK'000
Deferred tax has been presented as follows in the balance sheet:		
Deferred tax asset	182	0
Deferred tax liability	(111,186)	0
	(111,004)	**0**
Deferred tax		
Non-current assets	(102,585)	0
Work in progress	(8,419)	0
	(111,004)	**0**

The major part of temporary differences relate to the identification of intangible assets as part of the allocation of the purchase prices for Netcompany A/S and Mesan AS as further described in note 7 and note 18.

Notes to the consolidated financial statements

7. Intangible assets

	Goodwill 2016 DKK
Cost at 1 January	0
Additions, acquisition of subsidiaries	1,883,883
Cost at 31 December	**1,883,883**
Carrying amount at 31 December	**1,883,883**

	Technology and software 2016 DKK	Trademark 2016 DKK	Order back-log 2016 DKK	Customer relationships 2016 DKK
Other intangible assets				
Cost at 1 January	0	0	0	0
Addition	8,306	0	0	0
Addition, acquisition of subsidiaries	57,423	167,776	64,430	268,421
Cost at 31 December	**65,729**	**167,776**	**64,430**	**268,421**
Amortisation at 1 January	0	0	0	0
Amortisation for the year	(13,550)	(7,690)	(17,808)	(38,642)
Amortisation at 31 December	**(13,550)**	**(7,690)**	**(17,808)**	**(38,642)**
Carrying amount at 31 December	**52,179**	**160,086**	**46,622**	**229,779**

Impairment assessment: see note 2.

Notes to the consolidated financial statements

8. Property, plant and equipment

	Leasehold improvements 2016 DKK	Equipment 2016 DKK
Cost at 1 January	0	0
Additions	957	12,593
Additions, acquisition of subsidiaries	2,122	6,751
Cost at 31 December	3,079	19,344
Depreciation at 1 January	0	0
Depreciation for the year	(829)	(5,358)
Depreciation at 31 December	(829)	(5,358)
Carrying amount at 31 December	**2,250**	**13,986**

Notes to the consolidated financial statement

	2016 DKK'000	2015 DKK'000
9. Trade receivables		
Trade receivables	258,212	0

The carrying amount of the trade receivables is assumed to approximate the fair value.

Aging of receivables that are past due but not impaired		
Until 30 days	53,069	0
Between 30 and 90 days	10,416	0
More than 90 days	1,419	0
	64,904	**0**

At 31 December 2016, the Group has recognised bad debt provisions of DKK 0, and no bad debt losses have been incurred during the year.

	2016 DKK'000	2015 DKK'000
10. Contract work in progress		
Selling price of work performed	315,241	0
Prepayments received	(232,196)	0
	83,045	**0**

Net value – calculated on a contract-per-contract basis - is presented in the balance sheet as follows:

Contract work in progress	110,515	0
Prepayments received from customers	(27,470)	0
	83,045	**0**

11. Cash and cash equivalents		
Deposits at bank	59,961	0
Bank overdraft	(27,973)	0
	31,988	**0**

The carrying amounts for cash and cash equivalents assumed to equal the fair value. The Group's cash and cash equivalents consist of deposits in well-reputed banks. Therefore, cash and cash equivalents are not subject to credit risk.

Notes to the consolidated financial statements

12. Share capital

The share capital equals DKK 69,282,911 divided into shares of DKK 1 each or multiples hereof.

The shares have been divided into the following classes:

	No. of shares DKK'000
Class A	250,000
Class A2	50,001
Class B	19,525,772
Class C	9,621,772
Class C1	102,750
Class D	7,314,288
Class E	7,314,288
Class F	7,314,288
Class G	6,769,456
Class H	10,951,796
Class I	68,500
Total share capital	**69,282,911**

13. Borrowings

	2016 DKK'000	2015 DKK'000
Borrowings has been presented as follows in the balance sheet:		
Non-current liability	1,178,012	0
Current liability	0	0
	1,178,012	**0**

	Currency	Maturity	Fixed or floating interest	Amotised cost DKK'000	Nominal value DKK'000	Fair value DKK'000
Bank loans	DKK	2023	Floating	1,178,012	1,221,966	1,221,966
31.12.2016				**1,178,012**	**1,221,966**	**1,221,966**

The fair value of the bank loans is deemed to approximate the nominal value of the loans. The carrying value of the loans is based on the amortised cost method and upon initial recognition recognised at the loan proceeds received less cost to obtain the loans. The loan costs are amortised over the life of the loans based on the effective interest rate method.

The repayment profile for the bank debt is conditional on the Group complying with a number of financial ratios (covenants). In 2016, the Group complied with the covenants defined. According to the loan agreement all distribution of dividend has to be approved by the lender.

Notes to the consolidated financial statements

14. Other payables

	2016 DKK'000	2015 DKK'000
Interest rate swap, negative fair value	27,974	0
Wages and salaries, personal income taxes, social security costs, etc payable	31,163	0
Holiday pay obligation	55,783	0
VAT and duties	28,516	0
Other costs payable	19,870	0
	163,306	**0**

The carrying amount of the above-mentioned amounts payables is assumed to equal their fair value. Holiday pay obligation represents the Group's obligations for payment of wages and salaries during holiday periods, corresponding to the employees' right vested at the balance sheet date to be used in subsequent financial years.

The liability is presented under current liabilities.

15. Provisions

	2016 DKK'000	2015 DKK'000
Onerous contracts and warranty obligations at 1 January	0	0
Additions, acquisition of subsidiaries	5,025	0
Used in the year	(3,025)	0
Provisions for the year	6,899	0
Onerous contracts and warranty obligations at 31 December	**8,899**	**0**

16. Working capital changes

	2016 DKK'000	2015 DKK'000
Change in receivables	(62,300)	(500)
Change in trade payables, etc.	(12,955)	0
	(75,255)	**(500)**

Notes to the consolidated financial statements

17. Financial risks and financial instruments

	2016 DKK'000	2015 DKK'000
Categories of financial instruments		
Trade receivables	258,212	
Contract work in progress	110,515	
Other receivables	6,807	500
Cash	59,961	0
Loan and receivables	**435,495**	**500**
Trade payables	26,756	0
Other payables	163,306	14,922
Financial liabilities measured at amortised cost	**190,062**	**14,922**

Policy for management of financial risks

The Group's objective at all times is to limit the Group's financial risks.

The Group manages the financial risks and coordinates cash management and management of interest rate and currency risks based on financial risk policies agreed with the Board of Directors and its majority shareholder.

Liquidity risks

The Group attempts to maximise flexibility and minimise risks. At 31 December 2016, the Group has unutilised credit facilities of a total of DKK 84,813k.

Credit risks

In 2016, the Group has not had any bad debt losses. At 31 December 2016, the credit risk is assessed to be limited and at 31 December 2016, the Group has made a provision of DKK 0 for potential bad debts.

Notes to the consolidated financial statements

17. Financial risks and financial instruments (continued)

Currency risks

The Group is only to a limited extent exposed to foreign currency risks. The main part of the Group's transactions is in Danish kroner. Late 2016, the Group acquired a subsidiary in Norway. With respect to the subsidiary situated in Poland, there are transactions with the subsidiary, however, their extent and risk are not significant. The Group may repatriate dividends from the foreign subsidiaries, which then may be subject to currency risk.

Interest rate risks

The interest-bearing liabilities in the Group relate to the loans obtained in 2016 to finance the purchases of Netcompany A/S and Mesan AS and, which bears interest according to OTC Rate Floor Transaction agreement made. In 2016, the floating rate averaged 5% (2015: 0%), excluding the impact from amortisation of loan costs.

Approximately 75% of the bank loans have been concerted to fixed interest rate of 4,5% p.a, through the use of interest rate swaps.

The fair value of the interest rate swaps outstanding at the balance sheet date is negative by DKK 27,974k at 31 December 2016.

The Group is to a limited extent also exposed to interest rate risks relating to the cash balances, which currently bear negative interest due to the current low interest environment.

Optimisation of the capital structure

The Group regularly assesses whether its capital structure is in accordance with the Group's and the owners' interests. The overall objective is to ensure a capital structure that supports long-term growth whilst maximising returns for the Group's owners by optimising the equity-to-debt ratio.

Notes to the consolidated financial statements

18. Acquisition of subsidiaries

On 1 February 2016, the Group acquired the entire share capital of Netcompany A/S and its subsidiaries at a price of DKK 2,320,445k in cash.

On 22 November 2016, the Group acquired the entire share capital of Mesan AS which is located in Norway. The consideration amounted to DKK 195,611k in cash. After the acquisition Mesan AS has changed its name to Netcompany AS.

Assets acquired and liabilities recognised at the dates of acquisition can be summarized as follows:

	Netcompany A/S DKK' 000	Mesan AS DKK'000
Non-current assets		
Technology	52,909	0
Software	4,514	0
Trademarks	167,776	0
Order back-log	57,454	6,976
Customer relationships	205,461	62,960
Property, plant and equipment	8,351	522
Deferred tax asset	915	95
Other receivables	3,959	0
Current assets		
Trade receivables	172,541	17,505
Contract work in progress	78,664	0
Other receivables	10,319	9,238
Cash	44,428	27,372
Current liabilities		
Deferred tax on remeasurement of certain identifiable assets	(106,392)	(17,484)
Prepayments received from customers	(25,215)	0
Trade payables	(12,235)	(1,494)
Tax payable	(20,794)	(4,080)
Other payables	(87,417)	(24,675)
Net assets taken over	**555,238**	**76,935**
Goodwill	1,765,207	118,676
Total consideration	**2,320,445**	**195,611**
Less cash acquired	(44,428)	(27,372)
Total net consideration	**2,276,017**	**168,239**

Notes to the consolidated financial statements

18. Acquisition of entities (continued)

Impact on revenue and profit/loss from acquired companies in 2016:

	Revenue DKK' 000	Profit DKK'000
Netcompany A/S	816,805	143,625
Mesan AS	11,733	(2,580)
Total net consideration	**828,538**	**141,045**

Pro-forma figures if Netcompany A/S and Mesan AS had been sibsidiaries in whole 2016:

	Revenue DKK' 000	Profit DKK'000
Netcompany A/S	887,878	159,564
Mesan AS	106,596	20,895
Total net consideration	**994,474**	**180,459**

The Group has incurred acquisition costs of totally DKK 35,141k, which are included in external expenses.

19. Operational lease obligations

The Group has entered into rental agreements regarding office premises. All rental agreements follow a fixed payment scheme, which is subject to indexation.

Furthermore, the Group has entered into lease agreements regarding company cars.

Total future minimum lease payments in the non-cancellable period can be specified as follows:

	2016 DKK'000	2015 DKK'000
Within one year from the balance sheet date	6,183	0
One to five years from the balance sheet date	2,605	0
More than five years after the balance sheet date	401	0
	9,189	**0**
Costs recognised in the income statement	**15,397**	**0**

Notes to the consolidated financial statements

20. Related parties

Related parties with a controlling interest

Name of company	Registered office	Basis of control
Various entities related to FSN Capital GP IV Limited	Jersey	Ultimate controlling shareholder

FSN Capital GP IV Limited acting in its capacity as general partner for and on behalf of each of FSN Capital IV L.P., FSN Capital IV (B) L.P. and FSN Capital IV Invest L.P.

21. Collateral provided and contingent liabilities

As part of its contract commitments with customers, the Group has through its banks provided performance guarantees of DKK 51,570k.

22. Adoption of the annual report for publication

At a meeting held on 23 February 2017, the Board of Directors adopted the annual report for publication. The annual report is presented to the shareholder of NC TopCo A/S for adoption at the annual general meeting on 23 February 2017.

23. Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

24. New accounting standards

At the time of adoption of the annual report, certain new and amended standards and interpretations have been issued by the International Accounting Standard Board (IASB). These standards and interpretations are not yet mandatory for the Group's annual report and will be implemented when they become mandatory. The new standards and interpretations are not expected to have a material effect on future annual reports.

It should be mentioned with respect to IFRS 15 that this standard may be of some significance, and in the next financial year the Group will examine its effect in more detail, including any spillover effect on the management of the contract portfolio.

Parent financial statements

Statement of comprehensive income for 2016 for the Parent

	Notes	2016 DKK'000	2015 DKK'000
External expenses		(634)	0
Operating profit (EBIT)		**(634)**	**0**
Financial income	4	402	0
Financial expenses	4	(173)	0
Profit before tax		**(405)**	**0**
Tax on profit for the year	5	89	0
Profit for the year		**(316)**	**0**
Other comprehensive income for the year		0	0
Comprehensive income for the year		**(316)**	**0**

Balance sheet of the Parent at 31 December 2016

	Notes	2016 DKK'000	2015 DKK'000
Investments in subsidiaries	6	1,214,191	500
Financial assets		**1,214,191**	**500**
Non-current assets		**1,214,191**	**500**
Receivables from group enterprises	11	46,240	0
Other receivable		200	0
Tax receivables		8,672	0
Receivables		**55,112**	**0**
Cash	7	**67**	**0**
Current assets		**55,179**	**0**
Assets		**1,269,370**	**500**

Balance sheet of the Parent at 31 December 2016

	Notes	2016 DKK'000	2015 DKK'000
Share capital	8	69,283	500
Retained earnings		1,196,004	0
Equity		**1,265,287**	**500**
Payables to group enterprises	11	4,023	0
Other payables		60	0
Current liabilities		**4,083**	**0**
Liabilities		**4,083**	**0**
Equity and liabilities		**1,269,370**	**500**

Statement of changes in equity for the Parent for 2016

	Share capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity at 14 December 2015	500	0	500
Profit for the year	0	0	0
Other comprehensive income for the year	0	0	0
Equity at 31 December 2015	**500**	**0**	**500**
Equity at 1 January 2016	500	0	500
Profit for the year	0	(316)	(316)
Other comprehensive income for the year	0	0	0
Capital increase	68,783	1,196,320	1,265,103
Equity at 31 December 2016	**69,283**	**1,196,004**	**1,265,287**

Cash flow statement for 2016 for the Parent

	Notes	2016 DKK'000	2015 DKK'000
Operating profit (EBIT)		(634)	0
Working capital changes	8	(8,812)	0
		(9,446)	**0**
Income taxes paid		89	0
Interest received		402	0
Interest paid		(173)	0
Cash flows from operating activities		**(9,128)**	**0**
Payments to acquire financial assets		(1,213,691)	(500)
Changes in receivables from group enterprises		(46,240)	0
Cash flows from investing activities		**(1,259,931)**	**(500)**
Share capital upon formation		0	500
Capital increase		1,265,103	0
Changes in payables to group enterprises		4,023	0
Cash flows from financing activities		**1,269,126**	**500**
Increase in cash and cash equivalents		**67**	**0**
Cash and cash equivalents at 1 January		0	0
Cash and cash equivalents at 31 December	7	**67**	**0**

Notes to the financial statements for the Parent

Notes

Notes to the financial statements for the Parent

1. Accounting policies

As of 2016, NC TopCo A/S presents the financial statements in accordance with the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for financial statements governing reporting class C enterprises (large), see the Danish Executive Order on IFRS issued according to the Danish Financial Statements Act.

The Entity was established in 2015 and the financial statements, therefore, only include figures for 2015 and 2016. The figures for 2015 and 2016 are prepared in accordance with IFRS. Please refer to note 3 for the effect of the change in accounting policies.

NC TopCo A/S is an entity with its registered office in Denmark.

The financial statements are presented in DKK, which is considered the functional currency of the Entity's activities

In the 2016 financial statements new and revised Standards and Interpretations having taken effect and been approved by the EU, effective for this financial year without this having any effect on the annual report.

The Parent generally applies the same accounting policies for recognition and measurement as the Group. Cases in which the Parent's accounting policies differ from those of the Group are described below. For a detailed specification of the Parent's accounting policies, please see note 1 to the consolidated financial statements.

Cases in which the Parent's accounting policies differ from those of the Group

Investments in subsidiaries

Investments in subsidiaries are recognised and measured at cost. Dividend is recognised as income when the right is acquired finally.

The carrying amount of investments in subsidiaries is examined at the balance sheet date in order to determine if there is any indication of impairment.

Notes to the financial statements for the Parent

2. Significant accounting estimates, assumptions and uncertainties

When applying the Entity's accounting policies, Management has to make judgements and estimates of and assumptions about the carrying amount of assets and liabilities that cannot be directly derived from other sources. Such estimates and assumptions are based on historical experience and other relevant factors. The actual results may deviate from such estimates.

Estimates made and the underlying assumptions are reassessed on a regular basis. Any changes in the accounting estimates made are recognised in the accounting period in which the change was made as well as in future accounting periods if the change affects the period in which it was made as well as subsequent accounting periods.

In the financial statements for 2016, it is particularly important to note the following assumptions and uncertainties:

Impairment test for investments

All subsidiaries of the Group are considered independent cash-generating entities. In the event of any indication of impairment of the carrying amount (cost) of investments in subsidiaries, any impairment loss is determined based on a calculation of the value in use of the relevant subsidiary.

If dividends distributed exceed the subsidiary's comprehensive income in the period for which dividend is distributed, this is considered an indication of impairment.

For the year ended 31 December 2016, all subsidiaries are performing according to the plan with satisfactory earnings, and hence Management has concluded that there are no impairment indicators that require a detailed impairment test to be performed.

Other significant accounting estimates, assumptions and uncertainties

For a description of other material accounting estimates, assumptions and uncertainties, please refer to note 2 to the consolidated financial statements.

Notes to the financial statements for the Parent

	2016 DKK'000	2015 DKK'000
4. Financial income and expenses		
Financial income		
Intra-group interest income	101	0
Other interest income receivable	301	0
	402	**0**
Financial expenses		
Intra-group interest expenses	66	0
Other interest expenses payable	107	0
	173	**0**

	2016 DKK'000	2015 DKK'000
5. Tax		
Current tax	89	0
	89	**0**

The current corporation tax rate is 22% (2015: 23.5%).

Profit/loss before tax	405	0
Tax at a rate of 22% (2015: 23.5%)	89	0
	89	**0**
Effective tax rate	**22.0**	**0.0**

Notes to the financial statements for the Parent

6. Investments in subsidiaries

	2016 DKK'000	2015 DKK'000
Cost at 1 January	500	0
Additions	1,213,691	500
Cost at 31 December	1,214,191	500
Carrying amount at 31 December	**1,214,191**	**500**

	Registred office	Form of enterprise	Owner-ship	Equity DKK'000	Result DKK'000
Subsidiaries:					
NC NewCo A/S	Denmark	A/S	100%	1,216,719	2,528

7. Cash and cash equivalents

	2016 DKK'000	2015 DKK'000
Deposits at bank	67	0
	67	**0**

The carrying amounts for cash and cash equivalent equal the fair value as these carry a floating rate. The Entity's cash and cash equivalents consist of deposits in well-reputed banks. Therefore, cash and cash equivalents are not subject to credit risk.

8. Share capital

The share capital equals DKK 69,283k divided into shares of DKK 1,000 each or multiples hereof.

The shares have been divided into classes. Please see note 12 in the financial statement for the Group.

9. Working capital changes

	2016 DKK'000	2015 DKK'000
Increase/decrease in receivables	(8,872)	0
Increase/decrease in trade payables etc	60	0
	(8,812)	**0**

Notes to the financial statements for the Parent

10. Financial risks and financial instruments

	2016 DKK'000	2015 DKK'000
Categories of financial instruments		
Receivables from group enterprises	46,240	0
Other receivable	200	0
Cash	67	0
Loan and receivables	**46,507**	**0**
Debt to group enterprises	4,023	0
Other debt	60	0
Financial liabilities measured at amortised cost	**4,083**	**0**

Policy for management of financial risks

The Entity's objective at all times is to limit the Entity's financial risks.

The Entity manages the financial risks and coordinates cash management and management of interest rate and currency risks based on financial risk policies agreed with the Board of Directors and its ultimate majority shareholder.

Liquidity risks

The Entity attempts to maximise flexibility and minimise risks. At 31 December 2016, the Entity has unutilised credit facilities of a total of DKK 0k.

Credit risks

At 31 December 2016, the Entity has no credit risk.

Currency risks

The Entity is only to a limited extent exposed to foreign currency risks. The main part of the Entity's transactions is in DKK.

Optimisation of the capital structure

The Entity regularly assesses whether its capital structure is in accordance with the Entity's and the owners' interests. The overall objective is to ensure a capital structure that supports long-term growth whilst maximising returns for the Entity's owners by optimising the ratio between equity-to-debt ratio.

Notes to the financial statements for the Parent

11. Related parties

Related parties with a controlling interest

Name of company	Registered office	Basis of control
NC NewCo A/S	Copenhagen	Immediate parent
NC TopCo A/S	Copenhagen	Ultimate parent
Various entities related to FSN Capital GP IV Limited	Jersey	Ultimate controlling shareholder

FSN Capital GP IV Limited acting in its capacity as general partner for and on behalf of each of FSN Capital IV L.P., FSN Capital IV (B) L.P. and FSN Capital IV Invest L.P.

At the balance sheet date, the Entity has a receivable from subsidiaries of DKK 46,240k.

At the balance sheet date, the Entity has a payable to other subsidiaries of DKK 4,023k.

12. Collateral provided and contingent liabilities

The Entity's investments in NC NewCo A/S, in the total carrying amount of DKK 1,214,191k, have been provided as collateral for the Group's debt to credit institutions.

The Entity has provided a guarantee for Netcompany IT and Business Consulting A/S of DKK 58,674k and for Netcompany A/S of DKK 58,674k and for NC NewCo A/S of DKK 235,015k in relation to the Group's credit facilities.

13. Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.