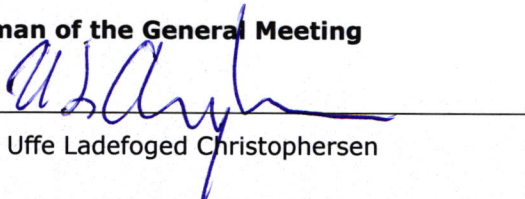


Systematic A/S
Søren Frichs Vej 39
8000 Aarhus C
Central Business Registration
No 78834412

Annual report 2015/16

The Annual General Meeting adopted the annual report on 13.12.2016

Chairman of the General Meeting



Name: Uffe Ladefoged Christophersen

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Entity details

Entity

Systematic A/S
Søren Frichs Vej 39
8000 Aarhus C

Central Business Registration No: 78834412

Registered in: Aarhus

Financial year: 01.10.2015 - 30.09.2016

Phone: +4589432000

Internet: www.systematic.com

E-mail: more.info@systematic.com

Board of Directors

Peter Lorens Ravn, Chairman
Lars Monrad-Gylling, Vice chairman
Torben Ballegaard Sørensen
Timothy Michael Wickham
Nikolaj Holm Bramsen
Brian Mandal Søndergaard Fisker

Executive Board

Michael Holm

Entity auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Systematic A/S for the financial year 01.10.2015 - 30.09.2016.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2016 and of the results of its operations and cash flows for the financial year 01.10.2015 - 30.09.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

Aarhus, 13.12.2016

Executive Board

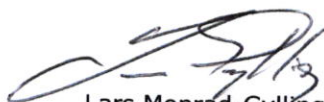


Michael Holm

Board of Directors



Peter Lorens Ravn
Chairman



Lars Monrad-Gylling
Vice chairman



Torben Ballegaard Sørensen



Timothy Michael Wickham

Nikolaj Holm Bramsen



Brian Mandal Søndergaard
Fisker

Independent auditor's reports

To the owners of Systematic A/S

Report on the financial statements

We have audited the consolidated financial statements and parent financial statements of Systematic A/S for the financial year 01.10.2015 - 30.09.2016, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity 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 30.09.2016 and of the results of their operations and the Group's cash flows for the financial year 01.10.2015 - 30.09.2016 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Statement on the management commentary

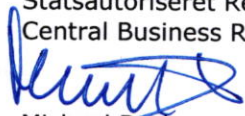
Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statements.

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

Aarhus, 13.12.2016

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556



Michael Bach
State Authorised Public Accountant



Søren Lassen
State Authorised Public Accountant

Management commentary

	2015/16 EUR'000	2014/15 EUR'000	2013/14 EUR'000	2012/13 EUR'000	2011/12 EUR'000
Financial highlights					
Key figures					
Revenue	91,909	67,727	57,966	52,730	55,415
Gross profit/loss	53,930	45,015	38,787	37,454	40,507
Operating profit/loss	9,034	6,048	3,162	2,369	5,127
Net financials	743	(239)	12	365	380
Profit/loss for the year	7,763	4,512	2,503	2,124	4,121
Total assets	62,142	45,288	41,523	32,810	34,888
Net cash	8,514	11,436	17,315	9,584	9,714
Equity	25,742	21,727	18,801	16,143	16,777
Employees in average	498	444	418	418	422
Ratios					
Gross margin (%)	58.7	66.5	66.9	71.0	73.1
EBIT margin (%)	9.8	8.9	5.5	4.5	9.3
Net margin (%)	8.4	6.7	4.3	4.0	7.4
Return on equity (%)	32.7	22.3	14.3	12.9	26.5
Equity ratio (%)	41.4	48.0	45.3	49.2	48.1

Key figures as stated in the five-year overview are calculated as follows:

Ratios	Calculation formula	Ratios reflect
Gross margin (%)	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$	The entity's operating gearing.
EBIT margin (%)	$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$	The entity's operating profitability excluding interest and tax.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities

Systematic is one of Denmark's leading IT software and systems integrators. Systematic provides a wide range of IT services and solutions to its customers, primarily in the healthcare and public sector in Denmark, and defence sector internationally.

Development in activities and finances

The Group revenue grew 36% to EUR 91.9m in financial year 2015/16, and the EBIT margin increased from 8.9% in the previous financial year to 9.8%; equal to an EBIT of EUR 9.0m. Net profit after tax equals EUR 7.8m.

Our cash position remains strong with EUR 8.5m and we have no bank debt.

The financial performance is better than expected and management finds the performance satisfactory.

Outlook

Based on a strong order-book and a sufficient number of identified and qualified market opportunities for the coming year, management expects a further satisfying development in 2016/17.

Particular risks

Systematic's business entails a number of commercial and financial risk elements, but not more than those which are considered normal for an IT-software and systems integrator like Systematic.

Intellectual capital resources

As a professional software and systems integrator, Systematic is dependent on highly skilled and knowledgeable employees. More than 60% hold an academic degree in IT, software engineering, economics and other relevant degrees. In 2015/16, we hired 186 new employees bringing the total number of employees to 591 per 30th September 2016.

Corporate social responsibility

Systematic's approach to CSR is firmly embedded in our corporate culture and core values. We respect the uniqueness of our employees and offer equal opportunity for learning and development in accordance with individual's needs and potential, and the company's interests.

In conducting our business, we aim to maintain high ethical standards, strive to execute our activities with integrity and accountability, and always be compliant with applicable legislation wherever we operate.

Systematic's position regarding CSR is described in detail on our website at www.systematic.com/CSR (statutory report on corporate social responsibility under section 99a of the Danish Financial Statements Act).

Management commentary

Report on the underrepresented gender

Systematic is doing business in a male-dominated field. Nevertheless, Systematic has for years focused on getting "the right" people in its management positions regardless of gender.

On the Board of Directors, 4 members were elected at the General Meeting, all of them men. The objective for balanced representation is 25% female no later than 2020. However, the key criteria for nomination of candidates will be competence and the ability to add value to Systematic's strategy and growth.

At the operational levels of management, we aim to enhance diversity. Our values and culture appeal to people of both genders with highly flexible working hours and a focus on work-life balance, flat hierarchy and transparency. In 2015/16, we hired in 6 female managers.

By 2018, it is our aim that the percentage of females in management positions will occupy a minimum of half of the total share of all female employee positions in Systematic. Currently, 23% of the total staff is female, and 9% of those hold management positions.

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.

Consolidated income statement for 2015/16

	<u>Notes</u>	<u>2015/16 EUR</u>	<u>2014/15 EUR</u>
Revenue	1	91,909,396	67,727,154
Cost of sales		(27,489,265)	(13,135,092)
Other external expenses		(10,490,415)	(9,576,682)
Gross profit/loss		53,929,716	45,015,380
Staff costs	2	(42,384,582)	(36,208,423)
Depreciation, amortisation and impairment losses	3	(2,511,436)	(2,759,167)
Operating profit/loss		9,033,698	6,047,790
Other financial income		780,552	251,529
Other financial expenses		(37,380)	(490,966)
Profit/loss before tax		9,776,870	5,808,353
Tax on profit/loss for the year	5	(2,014,356)	(1,295,871)
Profit/loss for the year	6	7,762,514	4,512,482

Consolidated balance sheet at 30.09.2016

	<u>Notes</u>	<u>2015/16 EUR</u>	<u>2014/15 EUR</u>
Completed development projects		3,956,783	4,860,771
Acquired intangible assets		577,248	752,209
Intangible assets	7	4,534,031	5,612,980
Other fixtures and fittings, tools and equipment		1,177,783	1,018,023
Leasehold improvements		185,366	122,234
Property, plant and equipment	8	1,363,149	1,140,257
Investments in associates		393,656	393,208
Other investments		705	704
Other receivables		738,273	745,119
Fixed asset investments	9	1,132,634	1,139,031
Fixed assets		7,029,814	7,892,268
Trade receivables		24,592,013	12,636,459
Contract work in progress	11	15,895,408	6,481,214
Receivables from group enterprises		335,512	670,259
Other short-term receivables		5,775,174	5,657,310
Income tax receivable		0	514,709
Receivables		46,598,107	25,959,951
Other investments		5,958,802	5,723,396
Other investments		5,958,802	5,723,396
Cash		2,555,156	5,712,109
Current assets		55,112,065	37,395,456
Assets		62,141,879	45,287,724

Consolidated balance sheet at 30.09.2016

	<u>Notes</u>	<u>2015/16 EUR</u>	<u>2014/15 EUR</u>
Contributed capital		1,340,842	1,340,842
Retained earnings		19,704,064	17,034,998
Proposed dividend		4,697,167	3,351,296
Equity		25,742,073	21,727,136
Provisions for deferred tax	12	2,676,381	2,644,913
Provisions		2,676,381	2,644,913
Finance lease liabilities		11,024	22,269
Contract work in progress	11	1,251,314	1,059,021
Trade payables		2,850,549	2,018,267
Income tax payable		1,154,939	0
Other payables	13	24,657,624	10,456,907
Deferred income	14	3,797,975	7,359,211
Current liabilities other than provisions		33,723,425	20,915,675
Liabilities other than provisions		33,723,425	20,915,675
Equity and liabilities		62,141,879	45,287,724
Associates	10		
Unrecognised rental and lease commitments	16		
Contingent liabilities	17		
Consolidation	18		
Subsidiaries	19		

Consolidated statement of changes in equity for 2015/16

	Contributed capital EUR	Retained earnings EUR	Proposed dividend EUR	Total EUR
Equity beginning of year	1,340,842	17,034,998	3,351,296	21,727,136
Ordinary dividend paid	0	0	(3,351,296)	(3,351,296)
Exchange rate adjustments	0	(396,281)	0	(396,281)
Profit/loss for the year	0	3,065,347	4,697,167	7,762,514
Equity end of year	1,340,842	19,704,064	4,697,167	25,742,073

Consolidated cash flow statement for 2015/16

	<u>Notes</u>	<u>2015/16 EUR</u>	<u>2014/15 EUR</u>
Operating profit/loss		9,033,698	6,047,790
Amortisation, depreciation and impairment losses		2,511,435	2,784,555
Working capital changes	15	(9,456,030)	(7,857,379)
Cash flow from ordinary operating activities		2,089,103	974,966
Financial income received		780,552	251,529
Financial income paid		(37,380)	(490,966)
Income taxes refunded/(paid)		(215,310)	(1,571,729)
Cash flows from operating activities		2,616,965	(836,200)
Acquisition etc of intangible assets		(1,305,693)	(2,122,465)
Acquisition etc of property, plant and equipment		(993,267)	(1,082,232)
Acquisition of fixed asset investments		0	(164,721)
Sale of fixed asset investments		7,696	0
Cash flows from investing activities		(2,291,264)	(3,369,418)
Instalments on loans etc		(11,271)	(35,157)
Dividend paid		(3,355,119)	(1,608,622)
Cash flows from financing activities		(3,366,390)	(1,643,779)
Increase/decrease in cash and cash equivalents		(3,040,689)	(5,849,397)
Cash and cash equivalents beginning of year		11,435,505	17,314,544
Currency translation adjustments of cash and cash equivalents		119,142	(29,642)
Cash and cash equivalents end of year		8,513,958	11,435,505
Cash and cash equivalents at year-end are composed of:			
Cash		2,555,156	5,712,109
Securities		5,958,802	5,723,396
Cash and cash equivalents end of year		8,513,958	11,435,505

Notes to consolidated financial statements

1. Revenue

The Group's segments are business segments and geographical markets.

The Group's primary business segment in general consists of delivery of reliable and straightforward IT solutions and products. Secondary business segments are immaterial. Management wishes with regard to the Danish Financial Statements Act § 96 not to give additional information about the business and geographical breakdown of revenue as a detailed breakdown of Group sales will be significantly harm the competitive situation.

The Group has no discontinued operations.

	2015/16 EUR	2014/15 EUR
2. Staff costs		
Wages and salaries	39,102,526	33,455,909
Pension costs	2,265,195	1,886,102
Other social security costs	942,064	807,850
Other staff costs	74,797	58,562
	42,384,582	36,208,423
Average number of employees	498	444
	Remunera- tion of manage- ment 2015/16 EUR	Remunera- tion of manage- ment 2014/15 EUR
Total amount for management categories	830,453	744,808
	830,453	744,808
	2015/16 EUR	2014/15 EUR
3. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	1,991,909	2,271,749
Depreciation of property, plant and equipment	519,527	487,418
	2,511,436	2,759,167

Notes to consolidated financial statements

	2015/16 EUR	2014/15 EUR
4. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	55,266	43,272
Other assurance engagements	5,234	5,262
Tax services	7,116	13,268
Other services	66,437	94,107
	134,053	155,909
	2015/16 EUR	2014/15 EUR
5. Tax on profit/loss for the year		
Tax on current year taxable income	1,932,216	669,917
Change in deferred tax for the year	170,569	768,745
Adjustment concerning previous years	(46,671)	(68,518)
Effect of changed tax rates	(41,758)	(74,273)
	2,014,356	1,295,871
	2015/16 EUR	2014/15 EUR
6. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	4,697,167	3,351,296
Retained earnings	3,065,347	1,161,186
	7,762,514	4,512,482

Notes to consolidated financial statements

	Completed develop- ment projects EUR	Acquired intangible assets EUR
7. Intangible assets		
Cost beginning of year	21,930,666	2,913,565
Exchange rate adjustments	5,544	8,454
Transfer to and from other items	0	323,770
Additions	1,274,945	30,748
Disposals	(12,324,955)	0
Cost end of year	10,886,200	3,276,537
Amortisation and impairment losses beginning of year	(17,069,895)	(2,161,356)
Transfer to and from other items	0	(294,336)
Amortisation for the year	(1,748,312)	(243,597)
Reversal regarding disposals	11,888,790	0
Amortisation and impairment losses end of year	(6,929,417)	(2,699,289)
Carrying amount end of year	3,956,783	577,248
	Other fixtures and fittings, tools and equipment EUR	Leasehold improve- ments EUR
8. Property, plant and equipment		
Cost beginning of year	4,910,681	1,093,498
Exchange rate adjustments	(78,442)	(14,295)
Transfer to and from other items	316,453	0
Additions	864,951	128,316
Cost end of year	6,013,643	1,207,519
Depreciation and impairment losses beginning of the year	(3,892,658)	(971,264)
Exchange rate adjustments	(1,101)	(358)
Transfer to and from other items	(473,105)	0
Depreciation for the year	(468,996)	(50,531)
Depreciation and impairment losses end of the year	(4,835,860)	(1,022,153)
Carrying amount end of year	1,177,783	185,366
Recognised assets not owned by entity	11,413	-

Notes to consolidated financial statements

	Investments in associates EUR	Other investments EUR	Other receivables EUR
9. Fixed asset investments			
Cost beginning of year	393,208	704	745,119
Exchange rate adjustments	448	1	(6,846)
Cost end of year	393,656	705	738,273
Carrying amount end of year	393,656	705	738,273

	Registered in	Equity inter- est %
10. Associates		
Conscensia Holding A/S	Aalborg, Denmark	25.0

Associates not measured at equity value

Conscensia Holding A/S

Measured at cost. Profit for the financial year 1 July 2015 to 30 June 2016 was EUR 428,236 and Equity at 30 June 2016 was EUR 1,247,988.

	2015/16 EUR	2014/15 EUR
11. Contract work in progress		
Contract work in progress	73,458,676	41,548,467
Progress billings regarding contract work in progress	(58,814,581)	(36,126,274)
Transferred to liabilities other than provisions	1,251,313	1,059,021
	15,895,408	6,481,214
	2015/16 EUR	2014/15 EUR
12. Deferred tax		
Intangible assets	870,409	1,093,583
Property, plant and equipment	(64,374)	(64,249)
Receivables	1,872,771	1,620,478
Liabilities other than provisions	(2,425)	(4,899)
	2,676,381	2,644,913

Notes to consolidated financial statements

	2015/16 EUR	2014/15 EUR
13. Other short-term payables		
VAT and duties	850,557	477,927
Wages and salaries, personal income taxes, social security costs, etc payable	2,014,794	794,853
Holiday pay obligation	5,079,004	4,016,300
Other costs payable	16,713,269	5,167,827
	24,657,624	10,456,907
14. Short-term deferred income		
Prepayments and accrued income related to service contracts.		
	2015/16 EUR	2014/15 EUR
15. Change in working capital		
Increase/decrease in receivables	(21,104,626)	(8,186,926)
Increase/decrease in trade payables etc	11,648,596	601,123
Other changes	0	(271,576)
	(9,456,030)	(7,857,379)
	2015/16 EUR	2014/15 EUR
16. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements with third parties until maturity	3,888,866	2,786,078
	2015/16 EUR	2014/15 EUR
17. Contingent liabilities		
Recourse and non-recourse guarantee commitments	512,065	50,000
Contingent liabilities to third parties:	512,065	50,000

The company is part of a Danish joint taxation with Michael Holm Holding ApS as the tax principal. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is liable from the financial year 2012/2013 for income taxes etc. for the jointly taxed enterprises and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these enterprises. The total net tax liability is incorporated in the accounts for Michael Holm Holding ApS.

18. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Michael Holm Holding ApS, Aarhus.

Notes to consolidated financial statements

	<u>Registered in</u>	<u>Equity inte- rest %</u>
19. Subsidiaries		
Systematic Software Engineering Ltd.	Surrey, UK	100.0
Systematic Software Engineering Inc.	Virginia, USA	100.0
Systematic Oy Finland	Tampere, Finland	100.0
Systematic Sweden AB	Stockholm, Sweden	100.0
Systematic GmbH	Cologne, Germany	100.0
Systematic Asia Pacific Pte. Ltd.	Singapore	100.0
Systematic France SAS	Paris, France	100.0
Systematic Library & Learning Holding A/S	Aarhus, Denmark	100.0
Systematic New Zealand Ltd.	Wellington, New Zealand	100.0

Parent income statement for 2015/16

	<u>Notes</u>	<u>2015/16 EUR</u>	<u>2014/15 EUR</u>
Revenue	1	80,939,231	60,338,156
Cost of sales		(26,097,528)	(13,168,856)
Other external expenses		(8,234,867)	(7,650,066)
Gross profit/loss		46,606,836	39,519,234
Staff costs	2	(36,508,166)	(31,568,402)
Depreciation, amortisation and impairment losses	3	(2,195,483)	(2,382,153)
Operating profit/loss		7,903,187	5,568,679
Income from investments in group enterprises		2,207,547	873,039
Other financial income		277,923	250,689
Other financial expenses	4	(35,386)	(349,446)
Profit/loss before tax		10,353,271	6,342,961
Tax on profit/loss for the year	5	(2,590,757)	(1,830,479)
Profit/loss for the year	6	7,762,514	4,512,482

Parent balance sheet at 30.09.2016

	<u>Notes</u>	<u>2015/16 EUR</u>	<u>2014/15 EUR</u>
Completed development projects		3,956,783	4,425,102
Acquired intangible assets		56,590	56,840
Intangible assets	7	4,013,373	4,481,942
Other fixtures and fittings, tools and equipment		995,879	733,882
Leasehold improvements		116,478	16,812
Property, plant and equipment	8	1,112,357	750,694
Investments in group enterprises		5,830,892	4,035,601
Investments in associates		393,656	393,208
Other investments		705	704
Other receivables		737,320	744,416
Fixed asset investments	9	6,962,573	5,173,929
Fixed assets		12,088,303	10,406,565
Trade receivables		17,293,587	10,214,641
Contract work in progress	10	12,800,433	2,943,078
Receivables from group enterprises		4,279,146	5,763,323
Other short-term receivables		5,550,746	4,323,214
Receivables		39,923,912	23,244,256
Other investments		5,667,830	5,483,120
Other investments		5,667,830	5,483,120
Cash		600,019	3,228,079
Current assets		46,191,761	31,955,455
Assets		58,280,064	42,362,020

Parent balance sheet at 30.09.2016

	<u>Notes</u>	<u>2015/16 EUR</u>	<u>2014/15 EUR</u>
Contributed capital	11	1,340,842	1,340,842
Reserve for net revaluation according to the equity method		1,817,701	6,435
Retained earnings		17,886,363	17,028,563
Proposed dividend		4,697,167	3,351,296
Equity		<u>25,742,073</u>	<u>21,727,136</u>
Provisions for deferred tax	12	2,698,239	2,566,500
Provisions		<u>2,698,239</u>	<u>2,566,500</u>
Finance lease liabilities		11,024	22,269
Contract work in progress	10	643,480	1,312,123
Trade payables		2,651,295	1,880,386
Payables to group enterprises		719,061	2,265,033
Income tax payable		1,659,808	289,249
Other payables	13	23,178,603	9,156,756
Deferred income	14	976,481	3,142,568
Current liabilities other than provisions		<u>29,839,752</u>	<u>18,068,384</u>
Liabilities other than provisions		<u>29,839,752</u>	<u>18,068,384</u>
Equity and liabilities		<u>58,280,064</u>	<u>42,362,020</u>
Unrecognised rental and lease commitments	15		
Contingent liabilities	16		
Related parties with controlling interest	17		

Parent statement of changes in equity for 2015/16

	Contributed capital EUR	Reserve for net revaluation according to the equity method EUR	Retained earnings EUR	Proposed dividend EUR
Equity beginning of year	1,340,842	6,435	17,028,563	3,351,296
Ordinary dividend paid	0	0	0	(3,351,296)
Exchange rate adjustments	0	(396,281)	0	0
Profit/loss for the year	0	2,207,547	857,800	4,697,167
Equity end of year	1,340,842	1,817,701	17,886,363	4,697,167
				Total EUR
Equity beginning of year				21,727,136
Ordinary dividend paid				(3,351,296)
Exchange rate adjustments				(396,281)
Profit/loss for the year				7,762,514
Equity end of year				25,742,073

Notes to parent financial statements

1. Revenue

The company's segments are business segments and geographical markets.

The company's primary business segment in general consists of delivery of reliable and straightforward IT solutions and products. Secondary business segments are immaterial. Management wishes with regard to the Danish Financial Statements Act § 96 not to give additional information about the business and geographical breakdown of revenue as a detailed breakdown of company sales will be significantly harm the competitive situation.

The company has no discontinued operations.

	2015/16 EUR	2014/15 EUR
2. Staff costs		
Wages and salaries	34,230,421	29,542,240
Pension costs	1,883,077	1,648,299
Other social security costs	395,497	377,863
Other staff costs	(829)	0
	36,508,166	31,568,402
Average number of employees	441	394
	Remunera- tion of manage- ment 2015/16 EUR	Remunera- tion of manage- ment 2014/15 EUR
Total amount for management categories	725,335	666,628
	725,335	666,628
	2015/16 EUR	2014/15 EUR
3. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	1,808,808	2,070,672
Depreciation of property, plant and equipment	386,675	311,481
	2,195,483	2,382,153

Notes to parent financial statements

	2015/16	2014/15
	EUR	EUR
4. Other financial expenses		
Financial expenses from group enterprises	1,090	0
Other financial expenses	34,296	349,446
	35,386	349,446
	2015/16	2014/15
	EUR	EUR
5. Tax on profit/loss for the year		
Tax on current year taxable income	2,508,616	1,284,962
Change in deferred tax for the year	170,569	688,308
Adjustment concerning previous years	(46,671)	(68,518)
Effect of changed tax rates	(41,757)	(74,273)
	2,590,757	1,830,479
	2015/16	2014/15
	EUR	EUR
6. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	4,697,167	3,351,296
Transferred to reserve for net revaluation according to the equity method	2,207,547	6,435
Retained earnings	857,800	1,154,751
	7,762,514	4,512,482

Notes to parent financial statements

	Completed develop- ment projects EUR	Acquired intangible assets EUR
7. Intangible assets		
Cost beginning of year	21,494,997	2,008,137
Exchange rate adjustments	24,521	2,291
Transfer to and from other items	0	323,770
Additions	1,274,945	30,748
Disposals	(12,071,308)	0
Cost end of year	10,723,155	2,364,946
Amortisation and impairment losses beginning of year	(17,069,895)	(1,951,297)
Exchange rate adjustments	(19,473)	(2,226)
Transfer to and from other items	0	(294,337)
Amortisation for the year	(1,748,312)	(60,496)
Reversal regarding disposals	12,071,308	0
Amortisation and impairment losses end of year	(6,766,372)	(2,308,356)
Carrying amount end of year	3,956,783	56,590
	Other fixtures and fittings, tools and equipment EUR	Leasehold improve- ments EUR
8. Property, plant and equipment		
Cost beginning of year	4,084,680	947,435
Exchange rate adjustments	4,660	1,081
Transfer to and from other items	316,453	0
Additions	669,647	128,316
Cost end of year	5,075,440	1,076,832
Depreciation and impairment losses beginning of the year	(3,350,798)	(930,623)
Exchange rate adjustments	(3,822)	(1,061)
Transfer to and from other items	(366,936)	0
Depreciation for the year	(358,005)	(28,670)
Depreciation and impairment losses end of the year	(4,079,561)	(960,354)
Carrying amount end of year	995,879	116,478
Recognised assets not owned by entity	11,413	-

Notes to parent financial statements

	Investments in group enterprises EUR	Investments in associates EUR	Other investments EUR	Other receivables EUR	
9. Fixed asset investments					
Cost beginning of year	4,029,166	393,208	704	744,416	
Exchange rate adjustments	2,510	448	1	849	
Additions	0	0	0	37,065	
Disposals	0	0	0	(45,010)	
Cost end of year	4,031,676	393,656	705	737,320	
Revaluations beginning of year	6,435	0	0	0	
Exchange rate adjustments	(414,766)	0	0	0	
Amortisation of goodwill	(167,756)	0	0	0	
Share of profit/loss for the year	2,375,303	0	0	0	
Revaluations end of year	1,799,216	0	0	0	
Carrying amount end of year	5,830,892	393,656	705	737,320	
	Registered in	Corpo- rate form	Equity inte- rest %	Equity EUR	Profit/loss EUR
Investments in associates comprise:					
Conscensia Holding A/S	Aalborg, Denmark	A/S	25.0	1,247,988	428,236
				2015/16 EUR	2014/15 EUR
10. Contract work in progress					
Contract work in progress				64,636,775	38,010,330
Progress billings regarding contract work in progress				(52,479,822)	(36,379,375)
Transferred to liabilities other than provisions				643,480	1,312,123
				12,800,433	2,943,078
				Par value EUR	Nominal value EUR
11. Contributed capital		Number			
Ordinary shares		10,000		134	1,340,842
		10,000			1,340,842

Notes to parent financial statements

	2015/16 EUR	2014/15 EUR
12. Deferred tax		
Intangible assets	870,409	994,787
Property, plant and equipment	(42,516)	(43,866)
Receivables	1,872,771	1,620,478
Liabilities other than provisions	(2,425)	(4,899)
	2,698,239	2,566,500
Changes during the year		
Beginning of year	2,566,500	
Recognised in the income statement	131,739	
End of year	2,698,239	
	2015/16 EUR	2014/15 EUR
13. Other payables		
VAT and duties	645,548	573,140
Wages and salaries, personal income taxes, social security costs, etc payable	1,435,187	1,287,592
Holiday pay obligation	4,893,351	4,236,402
Other costs payable	16,204,517	3,059,622
	23,178,603	9,156,756
14. Deferred income		
Prepayments and accrued income related to service contracts.		
	2015/16 EUR	2014/15 EUR
15. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements with third parties until maturity	2,432,586	2,457,651

Notes to parent financial statements

	<u>2015/16</u> <u>EUR</u>	<u>2014/15</u> <u>EUR</u>
16. Contingent liabilities		
Recourse and non-recourse guarantee commitments	413,346	50,000
Contingent liabilities to third parties:	<u>413,346</u>	<u>50,000</u>

The company is part of a Danish joint taxation with Michael Holm Holding ApS as the tax principal. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is liable from the financial year 2013/2014 for income taxes etc. for the jointly taxed enterprises and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these enterprises. The total tax liability is incorporated in the accounts for Michael Holm Holding ApS.

17. Related parties with controlling interest

Michael Holm, Lindevangsvej 17, 8240 Risskov possess through Michael Holm Holding ApS, Lindevangsvej 17, 8240 Risskov majority of the share capital of the company, and has therefor like Michael Holm Holding ApS controlling interest.

Accounting policies

Reporting class

This Annual Report of the Group and the Parent Company has been prepared in accordance with provisions of the Danish Financial Statements Act governing reporting class C enterprises (big).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

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 Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity 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 Entity, 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 at recognition and measurement.

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

Consolidated financial statements

The consolidated financial statements include the Parent Company and its subsidiaries. All financial statements included in the consolidated financial statements are prepared using consistent accounting principles. The consolidated accounts are drawn up according to the past-equity principle by aggregating the items of each company. Elimination of consolidated inter-company items has been carried out.

Basis of consolidation

For the foreign subsidiaries, the items in the income statement have been included at the exchange rate on the transaction date. The balance sheet is converted at the rate of exchange at year end. The exchange rate adjustments arising from the translation of the subsidiaries' equity at the beginning of the financial year to the exchange rate at the end of the financial year, and the exchange rate difference arising from the Translation of the income statement from the exchange rate ruling on the transaction date to the exchange rate at end of the financial year, are dealt with in the equity for the Group.

Accounting policies

Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. 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 at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructuring in the acquired enterprise. Allowance is made for the tax effect of restatements.

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

Foreign currency translation

All balance sheet accounts in foreign currencies are translated into EUR at the exchange rate at year end, or at a forward-covered rate.

Realised and unrealised profits and losses that stem from exchange rates are recognised in the income statement.

Income statement

Revenue

Revenue is recognised in the income statement when delivery is made and risk has passed to the buyer.

Contract work in progress is recognised in the income statement based on the stage of completion, whereby revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Cost of sales

Cost of sales includes direct project costs incurred for achieving the revenue. Project costs concerning contract work in progress is recognized as incurred and is measured at cost.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Accounting policies

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

These items comprise interest income realised and unrealised capital gains on securities, payables and transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme.

Other financial expenses

These items comprise interest expenses, the interest portion of finance lease payments, realised and unrealised capital losses on securities, payables and transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme.

Income taxes

Tax for the year, consisting of current tax for the year and any changes in deferred tax, is recognised in the income statement by the proportion attributable to the profit or loss for the year.

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for any tax already paid.

The Parent is jointly taxed with all of its Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc

Development projects relating to products that are clearly defined and identifiable, here the technical applicability, sufficient resources, and potential markets or development opportunities in the company are evidenced, and where it is intended to produce, market or use the projects, are recognised as intangible assets. Other development costs are recognised in the income statement when incurred.

Development project costs comprise costs that include salaries and amortisation directly or indirectly attributable to the development project.

Following the completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated sales period or up to a maximum of five years.

Development projects are written down to the lower of recoverable amount and carrying amount.

The value of other rights is recognised at cost less accumulated amortisation and write-down. Other rights are amortised over five years or written down to the lower of recoverable amount and carrying amount.

Accounting policies

Property, plant and equipment

Property, plant and equipment are measured at cost, less deductions for depreciation and write-downs. Cost comprises the acquisition price, costs directly attributable to the acquisition and costs for preparing the asset in question until such time as it is ready to be put into operation. For assets held under finance leases, the costs whichever is the lower of the asset's fair value and the current value of future lease payments.

The basis for depreciation is cost less the estimated residual value after the end of the asset's useful life. Depreciation is calculated on a straight-line basis from the following assessment of the assets' expected useful lives: computers/hardware 3 years, fixtures and fittings 5 years, and vehicles 6-7 years. Leasehold improvements are depreciated over the rental period.

The purchase of specific software for development purposes is capitalised and depreciated as computer equipment. The purchase of general software is charged to the income statement.

The acquisition of software specifically for software development is included as an asset, and will be depreciated as computers/hardware, whereas the acquisition of general software is recorded in the income statement.

Investments in group enterprises

Investments (shares) in group enterprises are recognised in accordance with the equity method. Shares are recorded in the balance sheet as the owner's share of the equity of the group enterprises, after deduction of any unrealised internal profit. If a subsidiary's equity is negative, the equity is offset against any outstanding account with the group enterprises.

The owner's share of the group enterprises' profit/loss is included in the income statement after deduction of any inter-company transactions. The subsidiaries' profit or loss for the year is included in the item 'share of subsidiaries' profit'.

The profit and loss accounts for the foreign group enterprises are translated into EUR at the rate of exchange on the transaction date. The balance sheet is translated at the rate of exchange at year end. The exchange rate adjustments arising from the translation of investments in group enterprises at the beginning of the financial year to the exchange rate at the end of the financial year are dealt with in equity for the Group. This is also the case for the exchange rate difference arising from the translation of the income statement from the exchange rate on the transaction date to the exchange rate at the end of the financial year.

When purchasing capital shares in group enterprises and associates, the acquisition method is applied, in accordance with the description above for the Group financial statements.

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired. Goodwill is amortised over its estimated useful life which is normally 5 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Investments in associates

Investments in associates are measured at cost, less deductions for depreciation and write-downs. Cost comprises the acquisition price, costs directly attributable to the acquisition.

Accounting policies

Receivables

Receivables are measured at amortised cost, which usually corresponds to their nominal value less any provision for bad debts.

Other investments

Other investments recognized under fixed assets comprise listed securities which are measured at cost.

Contract work in progress

Work in progress (construction contracts) is calculated as the selling price of the work carried out on the date at which the balance sheet is prepared. The selling price is calculated based on the stage of completion and the total estimated income from the individual contracts in progress. The stage of completion is determined as the ratio between the actual and total budgeted consumption of resources.

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

Costs of sales work and of securing contracts as well as financial costs are included in the income statement when incurred.

Other investments

Securities recognised under current assets comprise listed bonds and investments measured at fair value (market price) at the balance sheet date.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividends are recognised as a liability at the time of their adoption at the general meeting.

The dividend proposed for the financial year is disclosed as a separate item under equity.

Deferred tax

Deferred tax is recognised and calculated by applying the liability method for all temporary differences between the accounting values and the tax values of assets and liabilities. The tax value of the assets is calculated on the basis of the planned use of each asset. Deferred tax is calculated based on the tax rates and regulations of the relevant countries that will be in effect when the deferred tax is estimated to become current tax, using the legislation in force on the date at which the balance sheet is prepared. Any changes in deferred tax resulting from changed tax rates are included in the income statement.

Finance lease commitments

Lease commitments relating to assets held under finance leases are recognised in the balance sheet under liabilities, and are measured at their amortised cost after their initial recognition. The interest portion of any lease payments is recognised over the term of the contracts as financial costs in the income statement.

Accounting policies

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are recognised at amortised cost, which usually corresponds to their nominal value.

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred income

Deferred income comprises revenue for recognition in subsequent financial years. Deferred income is measured at cost, which usually corresponds to its nominal value.

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 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 contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.