Deloitte.

Sentia Denmark A/S

Lyskær 3 A
2730 Herlev
CVR No. 10008123

Annual report 2021

The Annual General Meeting adopted the annual report on 30.06.2022

Kim Madsen
Chairman of the General Meeting

Contents

Entity details

Entity

Sentia Denmark A/S

Lyskær 3 A

2730 Herlev

Business Registration No.: 10008123

Registered office: Herlev

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Iyan Khaled Zein

Jakob Høholdt

Michel Antoine van den Bogaard

Executive Board

Jakob Høholdt

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Sentia Denmark A/S for the financial year 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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.

Herlev, 30.06.2022

Executive Board

Jakob Høholdt

Board of Directors

Iyan Khaled Zein	**Jakob Høholdt**
Michel Antoine van den Bogaard	

Independent auditor's report

To the shareholder of Sentia Denmark A/S

Opinion

We have audited the financial statements of Sentia Denmark A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared 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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 financial statements.

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the 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 company'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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the company'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 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and contents of the financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 30.06.2022

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Christian Sanderhage
State Authorised Public Accountant
Identification No (MNE) mne23347

Ulrik Winkler Jakobsen
State Authorised Public Accountant
Identification No (MNE) mne47242

Management commentary

Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
Key figures					
Revenue	390,626	345,904	387.708	261,768	79,792
Gross profit/loss	242,654	120,202	195.173	141,423	38,883
Operating profit/loss	43,331	(55,267)	16.419	17,343	(2,151)
Net financials	(655)	(1,873)	(1.581)	(2,502)	(975)
Profit/loss for the year	34,508	(49,439)	11.543	11,347	(2,002)
Total assets	285,929	251,169	230.624	190,073	85,889
Investments in property, plant and equipment	27,116	35,778	55.930	70,376	11,078
Equity	99,310	51,470	100.908	77,882	27,496
Ratios					
Solvency ratio (%)	33.64	20.80	43.80	41.00	32.00
Return on equity (%)	45.00	(64.89)	12.91	21.54	(6.52)

The income statement and balance sheet key figures for 2021 include numbers for the mergered entities, Ymor ApS and Sentia Denmark Services 5 ApS. Consequently, the key figures for 2021 are not comparable with other financial years.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Solvency ratio (%):
Equity at the end of financial year * 100
Total assets

Return on equity (%):
Profit/loss for the year * 100
Average equity

Primary activities

The company's primary activity is to run an it-business.

Development in activities and finances

The result and the financial development in 2021 resulted in a profit of DKK 34,508k compared to last financial year result of DKK (49,439)k. The result includes a positive impact 2021 of DKK 84 million from divesting a datacenter.

As of 1 January 2021 the Company mergered with its two former sister companies, Ymor ApS and Sentia Denmark Services 5 ApS.

We don't expect that the outbreak of covid-19, which escalated in the beginning of 2020 or the crisis in Ukraine will impact financials.

Profit/loss for the year in relation to expected developments

Profit for the year was better than expected. The result is by the Board of Directors and the Executive Board considered satisfactory.

Outlook

The Executive Board and the Board of Directors have increased expectations for the company's financial development and profit. The expectations for the financial year 2022 are a gross profit in the region of DKK 180,000k, an EBIT in the region of DKK 10,000k and a profit for the year in the region of DKK 5,000 k.

Knowledge resources

The Company's ambition is to be in the lead of private and public cloud. The Company has considerable intellectual capital resources within its field of activity, which may be divided into four categories: Customers, Technology, Processes and Staff relations.

Environmental performance

The Company cares about the environment and is currently working on reducing the environmental impact from the Company's operation, the processes, and products offered. The Company possesses the relevant environmental approvals, and the Company' activities do not involve harmful or extraordinary impacts to the environment.

Sentia Denmark A/S already decided back in 2008 to become a "green" business. Thus, receive all electricity from Danish wind turbines and Norwegian hydroelectric power plant and signed in 2014, as the first Danish hosting/data center business, an agreement on recycling of waste heat produced in the data center for use to produce district heating for private households in the immediate area. In 2016 we doubled the capacity.

In the beginning of 2019, Sentia Group BV, has launched a 'One Planet' initiative under the One Sentia umbrella. The purpose of the One Planet initiative is to make sure we reduce our carbon footprint as a company. The minimum requirements for all our offices and data center locations as part this initiative are:

- Separate waste,
- Limit the use of plastic bottles and other plastic food packaging,
- In offices where we have control over energy contract: investigate the purchase green energy,
- In owned DC: get certificates that the energy we use is green,
- In rented DC: investigate the option to get green energy,
- In locations where we have parking spots: provide ample charging stations for Electrical Vehicles,

- Promote the use of EV cars when offering company cars to our staff,
- In city locations: promote the use of bicycles and public transport.

We will stress our intention to be innovative in all parts of our Company, and we therefore maintain our focus on sustainability and a continued desire to run the Company with an environmental priority.

Research and development activities

The Company continues to look for innovation, automation, and developments to build the future. The R&D investments comprise a capitalization in 2021 of the development expenditures of DKK 1,654k.

Group relations

The Company have an investment in a subsidiary in Luxembourg, Solido Hosting S.A.R.L. There is no activities or assets in this subsidiary. The book value is DKK 0 and it will be legally terminated during 2022.

Statutory report on corporate social responsibility

The Company defines its Code of Conduct as adhering to standards ensuring that its activities are carried out in an ethically, socially, economically, and environmentally sustainable manner. We understand that responsible corporate behaviour is to facilitate the development and success of our business activities within the technology space while also contributing to the economic and sustainable development of communities that are affected by our operations.

The Company complies with all applicable local and international laws, including the international human rights standards of the United Nations. Sentia Denmark A/S will not tolerate any human rights violations or abuses.

The Company carries out its employment practices in accordance with the principles of freely chosen employment. The Company does not contract with companies that use forced, bonded, exploitive, indentured, or involuntary labor practices. Furthermore, the Company ensures that protections with respect to child laborers, hours of work, employee wages and benefits, employee treatment, freedom of association, health, and safety are at the forefront of its employee-related policies and practices.

The Company does not discriminate and provides equal opportunity for all people regardless of race, gender, age, national origin, religion, disability, sexual orientation, marital status or political views.

The Company conducts business transactions openly and transparently in accordance with the highest industry-set ethical standards and values. The Company ensures that corporate practices follow company-stated business principles in terms of business integrity, anti-bribery and corruption, disclosure of information, protection of intellectual property, fair business practices and the protection of suppliers and employees.

The Company develops sustainable business practices and products that limit environmental footprints, including recycling, water conservation and environmental awareness practices.

The Company enriches and engages employees through employee-focused development practices and initiatives aiming to ensure appropriate employee morale and foster a collaborative workplace.

Statutory report on the underrepresented gender

The Company's policy is to always recruit the best qualified person for a given job, and diversity is considered a strength. The Company is continuously working on harmonizing the gender composition including the gender composition of senior managers.

Currently the Company has currently no female members of the Board of Directors. The Company is working to achieve a more equal gender composition in the Board of Directors and target is at least one female by 2023. The target was not reached in 2021, as the general meeting did not find a reason to replace existing members.

In the Company there is an increased focus of similar diversity policies in the world, and we encourage the professional development of women in various positions. The company will consider the relevant diversity requirements when searching, selecting and evaluating new candidates for the Management Board. However, the company is of the opinion that gender is only one element of diversity, and that experience, background, knowledge, skills, and insight are equally important and relevant criteria in a selection process.

The company provides all employees with the opportunity to develop their professional and personal skills through participation in internal and external seminars and training. The company's objective is for women and men to generally participate equally in such skill-building offers.

At other management levels, the Company has in 2021 increased their share of female managers by 1 headcount but increased number of managers in general so that the Company now have 15% (2020: 29%) female managers which is below the split in the IT industry.

Statutory report on data ethics policy

Introduction
This policy describes the data ethics for Sentia Denmark. Data ethics is about how Sentia collects, processes, uses, shares, and deletes data i.e., all aspects of the data processing life cycle.

Background
The continual digitization and processing of data is key to operate Sentia's business efficiently. The amount of data increases because of digitization. The use of valuable data requires Sentia to have an appropriate governance in place to process data with responsibility. Stakeholders must have confidence in Sentia's processing of data.

Data categories & purpose
Personal data as data responsible comprises of data for administration only Business data and Personal data as data processor for customers fulfilling customer contracts, which only are accessed by instruction from the customer.

Operation data comprising of systems, software, suppliers, configuration items, internal and external (customer) services, delivery agreements, documentation of agreed IT architecture and supporting data, Customer Relation Management.

Financial data comprising of Payroll system, Bank system / records, tax, legal, statement to support lawful governance of data registration and reporting.

Data Ethic values
- Data processing is based on minimization and protection cf., General Data Protection Regulation, and the Personal Data Act
- Data is access controlled and reduced per business requirement and approval by service owner-
Collection of data is non-discriminating
- Data must generate best possible business value

Data Ethic practice
Data processing is subject to several areas of practice in Sentia.
These are:
- Information Technology Service Management & Information Security documented in ISAE 3402 statement & ISO 27001 certification
- Privacy documented in ISAE 3000 statement
- Sentia Code of Conduct
- Employees and stakeholders have proper competence

Statutory report on corporate governance

The Board of Directors is responsible for ensuring the overall strategic management and for ensuring that the financial and managerial control of the company is carried out in an appropriate manner.

The Board of Directors constitutes a highly qualified dialogue partner for the Executive Board in relation to strategic initiatives and continuously monitors the company's financial conditions, risk management and business activities.

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.

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Revenue	1	390,625,737	345,904,471
Other operating income	2	84,030,450	0
Cost of sales		(194,912,371)	(152,361,571)
Other external expenses	3	(37,090,245)	(73,340,816)
Gross profit/loss		**242,653,571**	**120,202,084**
Staff costs	4	(160,853,595)	(130,319,162)
Depreciation, amortisation and impairment losses	5	(38,469,428)	(45,149,537)
Operating profit/loss		**43,330,548**	**(55,266,615)**
Income from investments in group enterprises		0	(791,495)
Other financial income	6	1,064,882	140,059
Other financial expenses	7	(1,719,384)	(2,012,562)
Profit/loss before tax		**42,676,046**	**(57,930,613)**
Tax on profit/loss for the year	8	(8,167,636)	8,491,725
Profit/loss for the year	9	**34,508,410**	**(49,438,888)**

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Completed development projects	11	9,322,962	11,199,900
Acquired licences		0	0
Acquired rights		429,000	674,000
Goodwill		11,203,897	15,256,082
Intangible assets	10	**20,955,859**	**27,129,982**
Land and buildings		0	17,278,161
Other fixtures and fittings, tools and equipment		62,779,430	73,929,209
Leasehold improvements		1,064,774	1,324,379
Property, plant and equipment in progress		2,131,916	0
Property, plant and equipment	12	**65,976,120**	**92,531,749**
Deposits		2,651,623	2,754,291
Financial assets	13	**2,651,623**	**2,754,291**
Fixed assets		**89,583,602**	**122,416,022**
Trade receivables		75,979,685	43,065,747
Receivables from group enterprises		89,762,942	24,987,433
Deferred tax	14	5,436,000	10,892,000
Other receivables		1,565,211	3,783,083
Joint taxation contribution receivable		0	3,473,028
Prepayments	15	16,644,857	12,087,364
Receivables		**189,388,695**	**98,288,655**
Cash		**6,956,693**	**30,464,261**
Current assets		**196,345,388**	**128,752,916**
Assets		**285,928,990**	**251,168,938**

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		1,310,000	1,308,000
Reserve for development expenditure		7,271,910	11,199,900
Retained earnings		90,728,559	38,961,659
Equity		**99,310,469**	**51,469,559**
Mortgage debt		0	7,167,042
Lease liabilities		9,350,043	13,815,137
Payables to group enterprises		40,920,000	0
Other payables		11,872,339	10,975,744
Non-current liabilities other than provisions	16	**62,142,382**	**31,957,923**
Current portion of non-current liabilities other than provisions	16	12,129,660	21,645,088
Bank loans		56,213	177,274
Prepayments received from customers		32,797,693	24,726,244
Trade payables		42,962,024	42,344,056
Payables to group enterprises		10,652,656	39,694,661
Joint taxation contribution payable		2,693,636	0
Other payables	17	23,184,257	39,154,133
Current liabilities other than provisions		**124,476,139**	**167,741,456**
Liabilities other than provisions		**186,618,521**	**199,699,379**
Equity and liabilities		**285,928,990**	**251,168,938**
Unrecognised rental and lease commitments	18		
Contingent liabilities	19		
Assets charged and collateral	20		
Related parties with controlling interest	21		
Transactions with related parties	22		
Group relations	23		

Statement of changes in equity for 2021

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,308,000	11,199,900	38,961,659	51,469,559
Effect of mergers and business combinations	2,000	0	13,330,500	13,332,500
Transfer to reserves	0	(3,927,990)	3,927,990	0
Profit/loss for the year	0	0	34,508,410	34,508,410
Equity end of year	**1,310,000**	**7,271,910**	**90,728,559**	**99,310,469**

Notes

1 Revenue

	2021 DKK	2020 DKK
Denmark	371,427,100	327,364,186
EU	13,934,834	12,815,772
Non-EU	5,263,803	5,724,513
Total revenue by geographical market	**390,625,737**	**345,904,471**
Cloud subscriptions	336,942,784	306,517,192
Consulting	42,082,813	32,869,557
Hardware	11,600,140	6,517,722
Total revenue by activity	**390,625,737**	**345,904,471**

2 Other operating income

In 2021, the Company has sold the datacenter in Glostrup resulting in a positive impact to the 2021 result of DKK 84 million.

3 Fees to the auditor appointed by the Annual General Meeting

	2021 DKK	2020 DKK
Statutory audit services	390,000	317,500
Other services	336,000	46,000
	726,000	**363,500**

4 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	124,129,197	112,834,649
Pension costs	17,578,713	15,585,052
Other social security costs	1,943,727	1,216,211
Other staff costs	17,201,958	683,250
	160,853,595	**130,319,162**

Average number of full-time employees	194	178

Referring to section 98b (3) of the Danish Financial Statements Act, management remuneration is not disclosed.

5 Depreciation, amortisation and impairment losses

	2021 DKK	2020 DKK
Amortisation of intangible assets	7,956,467	6,957,766
Depreciation of property, plant and equipment	30,495,936	38,191,771
Profit/loss from sale of intangible assets and property, plant and equipment	17,025	0
	38,469,428	**45,149,537**

6 Other financial income

	2021 DKK	2020 DKK
Financial income from group enterprises	370,578	0
Other interest income	119,729	790
Exchange rate adjustments	574,154	99,108
Other financial income	421	40,161
	1,064,882	**140,059**

7 Other financial expenses

	2021 DKK	2020 DKK
Other interest expenses	953,132	1,344,642
Exchange rate adjustments	635,455	395,171
Other financial expenses	130,797	272,749
	1,719,384	**2,012,562**

8 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	2,693,636	(676,857)
Change in deferred tax	5,474,000	(7,814,868)
	8,167,636	**(8,491,725)**

9 Proposed distribution of profit and loss

	2021 DKK	2020 DKK
Retained earnings	34,508,410	(49,438,888)
	34,508,410	**(49,438,888)**

10 Intangible assets

	Completed development projects DKK	Acquired licences DKK	Acquired rights DKK	Goodwill DKK
Cost beginning of year	25,495,888	0	2,450,000	45,561,791
Addition through business combinations etc	0	2,500,000	0	3,074,864
Transfers	6,644,007	0	0	0
Additions	1,654,031	0	0	0
Cost end of year	**33,793,926**	**2,500,000**	**2,450,000**	**48,636,655**
Amortisation and impairment losses beginning of year	(14,295,988)	0	(1,776,000)	(30,305,709)
Addition through business combinations etc	0	(2,383,928)	0	(3,067,579)
Transfers	(6,644,007)	0	0	0
Amortisation for the year	(3,535,925)	(116,072)	(245,000)	(4,059,470)
Reversal regarding disposals	4,956	0	0	0
Amortisation and impairment losses end of year	**(24,470,964)**	**(2,500,000)**	**(2,021,000)**	**(37,432,758)**
Carrying amount end of year	**9,322,962**	**0**	**429,000**	**11,203,897**

11 Development projects

Completed development projects comprise both development of own systems for use in the operations of the company, as well as the development of products and services with which the company expects to generate additional revenues and where a future market and profit for the company can be proven.

12 Property, plant and equipment

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK	Property, plant and equipment in progress DKK
Cost beginning of year	22,057,928	260,290,965	3,878,290	0
Addition through business combinations etc	0	2,790,054	490,440	0
Transfers	0	21,131,747	3,335,602	0
Additions	0	21,703,119	0	2,131,916
Disposals	(22,057,928)	(21,213,824)	0	0
Cost end of year	**0**	**284,702,061**	**7,704,332**	**2,131,916**
Depreciation and impairment losses beginning of year	(4,779,767)	(186,361,756)	(2,553,911)	0
Addition through business combinations etc	0	(2,578,427)	(350,925)	0
Transfers	(5,003)	(21,131,747)	(3,335,602)	0
Depreciation for the year	(190,579)	(29,858,943)	(446,414)	0
Reversal regarding disposals	4,975,349	18,008,242	47,294	0
Depreciation and impairment losses end of year	**0**	**(221,922,631)**	**(6,639,558)**	**0**
Carrying amount end of year	**0**	**62,779,430**	**1,064,774**	**2,131,916**
Recognised assets not owned by entity	0	29,436,461	0	0

13 Financial assets

	Deposits DKK
Cost beginning of year	2,754,291
Disposals	(102,668)
Cost end of year	**2,651,623**
Carrying amount end of year	**2,651,623**

14 Deferred tax

	2021 DKK	2020 DKK
Intangible assets	(3,493,000)	(4,711,000)
Property, plant and equipment	2,027,000	2,203,000
Receivables	548,000	1,579,000
Tax losses carried forward	6,354,000	11,821,000
Deferred tax	**5,436,000**	**10,892,000**

Changes during the year	2021 DKK
Beginning of year	10,892,000
Recognised in the income statement	(5,474,000)
Recognised directly in assets due to merger	18,000
End of year	**5,436,000**

Deferred tax assets

The Company's deferred tax asset relates to temporal differences between tax and accounting depreciation/impairment of assets. Taking into account possibilities on future utilization, the entire tax asset has been recognised.

15 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

16 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK	Due within 12 months 2020 DKK	Due after more than 12 months 2021 DKK
Mortgage debt	0	519,529	0
Lease liabilities	12,129,660	21,125,559	9,350,043
Payables to group enterprises	0	0	40,920,000
Other payables	0	0	11,872,339
	12,129,660	**21,645,088**	**62,142,382**

Repayment after 5 years: 0 DKK.

17 Other payables

	2021 DKK	2020 DKK
VAT and duties	3,318,670	4,914,483
Wages and salaries, personal income taxes, social security costs, etc payable	5,943,919	13,773,590
Holiday pay obligation	5,192,443	4,080,937
Other costs payable	8,729,225	16,385,123
	23,184,257	**39,154,133**

18 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Liabilities under rental or lease agreements until maturity in total	45,948,249	60,964,428

19 Contingent liabilities
The Entity participates in a Danish joint taxation arrangement where Sentia Denmark Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities.

20 Assets charged and collateral
As security for third party debt a cloating charge totaling DKK 8,000k has been issued. The floating charge covers tangible and intangible assets as well as inventories and trade receivables.

Cash accounts totaling DKK 26k is provided for security.

21 Related parties with controlling interest
Sentia Denmark Holding ApS, Lyskær 3A, 2730 Herlev, Denmark owns all shares in the Entity, thus exercising control.

22 Transactions with related parties
Only non arm's-length transactions with related parties are disclosed in the financial statements. All related party transactions carried out during the financial year have been made on arm's length basis.

23 Group relations
Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Sentia Group B.V., MediArena 7, 1114 BC, Amsterdam-Duivendrecht, Holland.

The consolidated financial statements can be collected from Sentia Group B.V.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Sentia Denmark Holding ApS, Lyskær 3A, 2730 Herlev, Denmark.

The consolidated financial statements can be collected from Sentia Holding ApS.

Accounting policies

Reporting class

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

The accounting policies applied to these 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.

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the 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. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. 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 lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually. Negative balances (negative goodwill) are recognised as income in the income statement.

The uniting-of-interests method is applied on acquisition of enterprises, mergers, demergers, contributions of assets and exchanges of shares, etc where the enterprises concerned are controlled by the Parent, under which method the combination is considered completed at the date of acquisition without restatement of comparative figures. Under the uniting-of-interests method, the acquiree’s assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies and accounting estimates. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity.

Foreign currency translation

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

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

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 writedowns of receivables recognised in current assets.

Staff costs

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

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

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill
Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful lives are reassessed annually. The amortisation periods used are 5-10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc
Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5-10 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset’s fair value and present value of future lease payments.

Land and buildings are revaluated systematically and consistently to fair value based on the "first year return method". Positive revaluations are recognised on revaluation reserves in the equity. Deferred tax liabilities following revaluations are set of in the revaluation reserve in the equity.

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 following estimated useful lives of the assets:

Buildings	50 years
Other fixtures and fittings, tools and equipment	2-10 years
Leasehold improvements	2-10 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, 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.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

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

Cash
Cash comprises cash in bank deposits.

Mortgage debt
At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

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

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 measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Cash flow statement
Referring to section 86 (4) of the Danish Financial Statements Act, no cash flow statement have been prepared.