



NORDUnet A/S

Kastruplundgade 22, 1.
2770 Kastrup
CVR No. 17490346

Annual report 2020

The Annual General Meeting adopted the
annual report on 21.04.2021

René Michelsen

Chairman of the General Meeting

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Entity details

Entity

NORDUnet A/S
Kastruplundgade 22, 1.
2770 Kastrup

CVR No.: 17490346
Registered office: Tårnby
Financial year: 01.01.2020 - 31.12.2020
Phone number: +4532462500
URL: www.nordu.net

Board of Directors

Maria Sofia Häll
Jón Ingi Einarsson
Tom Are Røtting
Steen Pedersen
Pekka Ilmari Uusitalo

Executive Board

René Buch

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 NORDUnet A/S for the financial year 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations and cash flows for the financial year 01.01.2020 - 31.12.2020.

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.

Kastrup, 23.03.2021

Executive Board

René Buch

Board of Directors

Maria Sofia Häll

Jón Ingi Einarsson

Tom Are Røtting

Steen Pedersen

Pekka Ilmari Uusitalo

Independent auditor's report

To the shareholders of NORDUnet A/S

Opinion

We have audited the financial statements of NORDUnet A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement 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 31.12.2020 and of the results of its operations and cash flows for the financial year 01.01.2020 - 31.12.2020 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and 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 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 do not express any form of assurance conclusion thereon.

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

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

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

København, 23.03.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Thomas Hermann

State Authorised Public Accountant
Identification No (MNE) mne26740

Management commentary

Financial highlights

	2020 EUR'000	2019 EUR'000	2018 EUR'000	2017 EUR'000	2016 EUR'000
Key figures					
Revenue	19,684	15,943	18,643	17,016	18,281
Gross profit/loss	6,136	4,708	6,590	5,843	6,631
Operating profit/loss	1,395	482	819	18	392
Net financials	(93)	(82)	(147)	(80)	(284)
Profit/loss for the year	1,400	257	521	(26)	137
Total assets	19,514	12,042	12,778	13,792	15,501
Investments in property, plant and equipment	2,973	2,115	744	1,159	1,286
Equity	4,964	3,550	3,294	2,782	2,812
Ratios					
Return on equity (%)	32.89	7.51	17.15	(0.93)	5.8
Equity ratio (%)	25.44	29.48	25.78	20.17	18.14

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

Return on equity (%):

$\frac{\text{Profit/loss for the year}}{\text{Average equity}} * 100$

Average equity

Equity ratio (%):

$\frac{\text{Equity}}{\text{Total assets}} * 100$

Total assets

Primary activities

The primary business activity of the Company is to operate the NORDUnet network offering network services to research networks in the Nordic countries.

Development in activities and finances

BUSINESS REVIEW

The Company's income statement for 2020 shows revenue of EUR 19.684.247,- which is EUR 3.819.007,- higher than the budgeted EUR 15.865.240,- due to the massive growth in Media Services arising from impacts of the COVID-19 pandemic in the Nordic Research & Educational community.

The overall financial result before taxes is a profit of EUR 1.302.697,- which is EUR 1.978.549,- better than the budgeted deficit of EUR -675.852,-

The Profit and the actual improvement over Budget are due to a number of factors:

- Savings in strategic initiatives due to implementation delay caused by COVID-19 priorities.
- Savings in travel cost – COVID-19.
- Savings on cancelled conferences – COVID- 19.
- Savings due to delay in Next Gen Network build caused by COVID -19 impact on vendors.
- Currency exchange differences.

The balance sheet shows a shareholders' equity of EUR 4.964.300, - as of 31st December 2020.

GENERAL REMARKS

There is no doubt the COVID-19 pandemic has had a substantial impact on the Research and Educational (R&E) community like on the rest of the Global Community. The COVID-19 pandemic and the lockdowns have forced the R&E community to undergo a dramatic digitalization process in a very short period.

This has put immense pressure on the NORDUnet Media services that have gone through an explosive growth during 2020 with astounding growth rates up to 60 times the usage prior to the COVID-19 pandemic.

Together with the National Nordic NREN's NORDUnet have managed to provide the sufficient infrastructure for the Nordic R&E community to continue operating normally during the entire COVID-19 pandemic with only few episodes of congestion where the growth raised significantly beyond the forecast from the community.

The European activities of NORDUnet centered around the GÉANT Project have been maintained at a high commitment level during 2020 with a significant involvement of the Nordic NREN community.

NORDUnet is actively participating in the third phase of the GN4 Project and investing significant managerial and technical resources to ensure that the future of European collaboration is focusing on a number of key issues important for the Nordic NREN community.

These areas include a new Network Topology paradigm to reuse NREN Infrastructure and EU Funding for long-term fiber lease, with a substantial focus on decreasing NORDUnet's cost of the overall GÉANT contribution. The global collaboration efforts of NORDUnet have during 2020 continued to see the leading role of NORDUnet in several international activities within both the Global NREN CEO Forum working groups, Leading Global partners like Internet2, CANARIE, AARNet, ESnet, and NSF. This also includes significant contributions to the IN THE FIELDS STORIES WEBPAGE, the Global Network Architecture work <https://gna-re.net>, and the emerging NREN knowledge exchange program.

The close participation in enabling and facilitating global collaboration ensures that Nordic Researchers and Students have access to any global user, anytime, anywhere in line with the NORDUnet Strategy.

The participation in the Global NREN CEO Forum is a clear evidence that Nordic collaboration and a joint Nordic approach to the extra Nordic community have significant benefits in terms of influence as no individual Nordic NREN would be considered of a size that would lead to be seen as a significant global partner.

The NORDUnet Finance department has over a long period had a solid Finance and Administration structure capable of supporting the service offerings and network infrastructure - with sufficient capacity to engage in influencing the finance models for international collaborations in addition to continue to improve the NORDUnet financial services capability.

NORDUNET STRATEGY WORK

During 2019 and 2020, the NORDUnet Board spent significant time and energy in developing the new NORDUnet strategy for the period 2021 to 2025 under the headline

“Enable World-Class Research and Education through Nordic Collaboration”

Leading towards a number of Strategic Priorities and Breakthrough Targets:

1. Increase Value for Customers

2. Leverage Nordic Strength

3. Develop Future Competences

As part of the strategy process, several new initiatives have been initiated:

- Focusing the Board more on overall strategic initiatives,
- The creation of Customer Advisory Group to improve communication, collaboration, and alignment between the NRENs and NORDUnet to ensure customer satisfaction, and
- Allocation of a portion of NORDUnet budget to achieve the above-mentioned strategic priorities.

In addition, the Board completed a Cultural Playbook exercise to set a common playing field for increased Nordic collaboration.

NORDIC COLLABORATION

Facilitating and coordinating Nordic collaboration, both within the Nordics and internationally, is an important objective for NORDUnet. A number of groups have been established to foster discussions on common issues, exchanging information, and coordination of Nordic efforts and opinions:

- The establishment of the of Customer Advisory Group (CAG) started in January 2020 and has had its first year of operation that has been marked by the impact of COVID-19 pandemic focusing on the need of the Nordic Research and Educational community during the first year of the Pandemic. The CAG role is to prepare questions and areas for discussions and board decisions and make recommendations to the board. The CAG is an umbrella for other groups in various focus areas when needed.
 - o Within video conferencing, lecture capturing and streaming collaboration is done through the Nordic Media Group and related technical groups. The online learning and communication platforms are one of the most impressive examples of Nordic Collaboration leveraging a common NORDUnet platform, in an area with rapid growth and where skilled and qualified staff is a scarce resource. The Common NORDUnet Online Learning and Communication platforms are the fastest growing NORDUnet Services ever.
 - o The network engineering group is advising on Next Generation Nordic Network Infrastructure.
- Within the area of disseminating news of Nordic activities across a wide range of Social Media platforms, the Nordic communications teams take an active role in sharing and promoting to gain the best possible awareness for the community.

Further focus areas for Nordic Collaboration are being identified and groups within these areas will be established when needed on the initiative from the Customer Advisory Group.

STRATEGIC INITIATIVES

As a part of the NORDUnet Strategy a number of Strategic Initiatives have been initiated and funded in 2020:

- Artic Connect R&E – A project to establish a consortium for acquiring a fiber optical cable from the Nordic to Japan and North America through the Arctic Region
- NextGeneration Network operation
- GetEduroam – A project to ease uptake of eduroam

Further projects are in the planning phase but have been delayed due to the focus on essential services to cope with the COVID-19 challenges. Further initiatives are being initiated early 2021.

NORDIC NETWORK OPERATION

NORDUnet has restructured the Network Operations organization to meet the requirement of the Next Gen Network operations. In addition, NORDUnet is taking care of Media and related ICT services for all Nordic NRENs. The Nordic optical backbone network has in 2020 operated with an availability of 100% for all redundant connected services in Copenhagen, Stockholm, Oslo, Helsinki, and Reykjavik.

Due to the COVID-19 pandemic lockdowns the direct traffic to the Nordic NRENs has levelled off around 180 Gbit/sec. The decline in direct connectivity has been replaced by an increased need for Peering and interconnecting ISP's all over the Nordic as student and staff have moved to remote teaching and work. This has resulted in a significant increase in Media service-related traffic at the level of 10-20 times over the pre-COVID Levels. The Peak Media Service traffic to all platforms is estimated around 300 Gbit/sec.

The peak traffic from all NORDUnet connected customers throughout 2020 reached peaks around 200 Gbit/sec, which is a small decline due to COVID-19 over previous years.

The global transit links towards the USA and the Far East have operated at 100 % availability during 2020. The GÉANT connectivity operated at 100 % availability and for the second year in a row NORDUnet have seen a stable traffic to GÉANT with peaks between 26 Gbit/sec to 30 Gbit/sec, which is a small increase over previous years.

INTERNATIONAL CONNECTIVITY

The main international connectivity for 2020 was:

- The Advanced North Atlantic "ANA" production network, established in 2014, is a triple 100 Gbit/s trans-Atlantic system for research and education. Together with Internet2 (US), SURFnet (NL), GÉANT, and CANARIE (CA), NORDUnet have procured three trans-Atlantic 100 Gbit/sec (ANA-300G) and succeeded in putting all three into operation at a cost significantly below any previously seen cost in this region.

This was supplemented in 2020 by an additional 100 Gbit/sec link provided by the NSF (US) funded NEAAR Project, resulting in a 400 Gbit/sec trans-Atlantic system.

ESnet (US) is complementing the 400 Gbit/s system, with its own transatlantic capacity of 400 Gbit/s, enabling both ANA and ESnet to serve as backup for each other in case of any cable outages.

The ANA Consortium capacity all terminates in open exchange points enabling users to make use of this new facility at a number of key connection points in Europe and North America.

The ANA System's architecture is now 7 years old and is being revised. A blueprint for ANA Next Generation is being drafted, aiming at more bandwidth and resilience at the most advantageous price points, fully leveraging

joint buying power. The ANA System version 2.0 is currently under development and will be realized during the next 1-2 years, focusing on opportunities that secure the needed redundancy and increased capacity requirements.

- With the lessons learned from ANA, NORDUnet has entered into a consortium with GÉANT, AARNet, SingAREN, SURFnet and TEIN. This consortium established the first 100G link between Europe and Asia, and 2019 and 2020 were the years in which the consortium model proved to be a key collaboration instrument, as we managed to secure a contract for connectivity between London and Singapore at a very favorable price for a 15-year period, with optional upgrade possibilities. This collaboration is known as CAE-1.

The London-Singapore link is being backed up by a link between Tokyo and Amsterdam, implemented by NII/SINET from Japan. Together with the Singapore - Hong Kong - Tokyo - Singapore Ring, the entire system is resilient. This system is known as AER.

- GÉANT is an important network collaboration in Europe that interconnects a large number of European and international partners. The NORDUnet traffic to GÉANT counts for about 9% of the external NORDUnet traffic. The ANA framework paradigm and the lessons from CAE-1 are now being replicated by partners Trans Pacific, and between Africa and South America.

The above developments clearly show a greater R&E usage of commercial services than before as the research and education communities up-take of commercial cloud services are increasing significantly.

During 2020, traffic patterns continue to change and NORDUnet sees a more volatile traffic pattern and a major increase in peak traffic. The network has due to the advanced planning and traffic design coped with this without problems.

The usage patterns were in 2020 divided between:

- Europe (Non GEANT): 36%
- US: 27%
- Peering and Content Providers: 18%
- GEANT: 9%
- ASIA – PACIFIC: 9%
- Middle East and Africa: 1%

Despite COVID-19 the Research and Education traffic has been around the same levels as 2019 as people moved to home teaching and work during the lockdowns. The previous year's increase in Research and Education traffic is expected to continue to increase due to the large dataset generated from new scientific instruments.

INCREASED REQUIREMENT FROM THE RESEARCH AND EDUCATION COMMUNITY

This shift in paradigm mentioned above will influence the future network strategy involving more international NREN collaboration on the network side as the global network requirement of Science and Education cannot be satisfied by commercial operators.

The overall traffic increase of 28% from 2018 to 2020 is mainly due to the increase in traffic within the Research and Education Community, due to a number of major factors:

- The usage of online learning platforms and the use of high-quality video in education is increasing dramatically,
- Scientific collaboration is becoming increasingly global,
- Large scientific instruments are producing larger and larger datasets, and
- The scientific ability to collect data globally using large sensor networks will increase over the coming years

and larger datasets and a requirement for remote network reach.

This requires a number of key initiatives from the global NREN community including NORDUnet and the Nordic NRENs:

- Secure adequate international capacity handling the large amount of data that is and will have to be transported globally, and
- Secure an ability to support remote scientific instruments.
- Deliver infrastructure for the new Digitalized R&E Community requirements.

Here, two strategies are important:

- Participate in building a coherent global infrastructure based on optical fiber or spectrum to secure sufficient capacity together with our Global Partners
 - o Here NORDUnet is leading the initiative to acquire a fiber optical terabit cable system from the Nordics to Japan and North America together with European, Japanese and North American Partners.
 - o NORDUnet is leading the efforts to establish a European Connectivity Strategy that will support the increasing flow of large scientific datasets and also ensure an increasing European Digital Independence.
- Providing a stable Media Service platform to support the rapid digitalization the R&E Community has undergone during the COVID-19 Pandemic.

NORDUnet and other global partners are having collaborative talks with these new telecommunication players that together with the CDN will foster major changes in the telecommunication marked over the coming years.

MEDIA SERVICES

As previously mentioned, the COVID-19 pandemic has forced a rapid digitalization of the Nordic R&E community. NORDUnet operates a number of media services for the Nordic NRENs to ensure economy of scale:

- **Zoom is an online meeting and collaboration platform** that NORDUnet launched together with the Nordic NRENs in 2018.
 - Zoom Growth Rate:
 - o Institutions: Factor 2,3x from 85 to 198 Institutions signed up
 - o Users: Factor 58x from 4.500 to 260.000 peaking at 292.000
 - o Meeting Minutes: Factor 56x from 1,6 Mill. Minutes/Day to 90 Mill. Minutes/Day

The economy of scale for the Zoom services is significant and means that NORDUnet is able to produce the service at a very favorable price over the commercial market.

- **Kaltura is an online video and content management platform** that NORDUnet launched together with the Nordic NRENs in 2018.
 - o The Kaltura Growth Rate: Factor 12x overall

The Kaltura service uptake has increased from 77 Nordic institutions to 95 during 2020.

Usage of the service has increased on all parameters:a

- The number of views has increased from 3.392.195 views/month to 27.349.352 views/month, which is an increase of 806%.
- The storage used in platform has increased to from 300 Terabytes to 500 TB which is a growth of 50%

- **The Panopto Service is an online video and content management platform** that was launched late 2019 that during 2020 had a significant growth rate:

- o Panopto Growth Rate: 48x
- **The Media Site services was launched in 2020 with**
 - o Media Site Growth Rate: 5x
- **Adobe Connect Service** usage is declining, as users are migrating over to Zoom.

NeIC & EOSC Initiatives

NeIC is the Nordic e-Infrastructure Collaboration and facilitates the development of advanced IT tools and services in areas of importance to Nordic researchers and coordinates the Nordic participation in the LHC Project.

NORDUnet provides a number of operational resources and coordination services for NeIC in addition to providing the Nordic High Energy Physics backbone and the connectivity to CERN that peaks close to 44 Gbit/sec. It is expected that the LHC community requirement will increase when the CERN instrument is being upgraded during 2020 and 2021.

Together with NeIC and the Nordic NRENs, NORDUnet entered into a proposal for the Nordic Open Science Cloud – an initiative to integrate with the European Open Science Cloud. The Nordic Open Science Cloud proposal passed the evaluation process with high marks.

The Nordic countries are also collaborating within the LUMI Project that will build a pre-exascale facility in Finland in the context of EuroHPC, with NORDUnet and the Nordic NRENs delivering essential network infrastructure for the proposal.

OUTLOOK 2021-2023

There is no doubt that the COVID-19 pandemic will continue to impact the customers' needs and have operational impact during 2021 and probably also 2022 and onwards.

The overall development for NORDUnet A/S for 2021 is expected to be in line with 2020 – NORDUnet and the Nordic NRENs have collectively agreed on the future NextGen Network strategy, eliminating duplicate infrastructure and increasing resiliency in the Nordic Region.

The Media Services will play a bigger role in the future budget as the usage probably will never fall back to pre COVID-19 levels as the pandemic has forced a digitalization leap of at least 5-10 years.

The first phases of the NORDUnet Next Gen Network architecture began implementation during 2019 and will reach its final structure before 2022.

The Arctic Connect initiative can if successful significantly change the Nordic position in the global communication scene.

This will lead to a significant shift in paradigm with respect to network architecture and the division of cost. This will also have major impact on Nordic network operations that require tight integration of the network operations of the Nordic NRENs and NORDUnet.

BRANCH OUTSIDE DENMARK

NORDUnet A/S has had a branch in Stockholm, Sweden. With the agreement with The Swedish Research Council/SUNET, the activities of this branch were transferred to SUNET on 2nd January 2019. As of this date all operations were discontinued. For tax reasons a non-operational entity will have to remain active.

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 2020

	Notes	2020 EUR	2019 EUR
Revenue		19,684,247	15,942,643
Cost of sales		(10,926,091)	(7,651,759)
Other external expenses		(2,621,907)	(3,582,813)
Gross profit/loss		6,136,249	4,708,071
Staff costs	2	(3,223,411)	(3,301,983)
Depreciation, amortisation and impairment losses		(1,517,878)	(924,422)
Operating profit/loss		1,394,960	481,666
Other financial income		391,718	155,681
Other financial expenses		(484,451)	(237,534)
Profit/loss before tax		1,302,227	399,813
Tax on profit/loss for the year	3	97,872	(142,994)
Profit/loss for the year	4	1,400,099	256,819

Balance sheet at 31.12.2020

Assets

	Notes	2020 EUR	2019 EUR
Other fixtures and fittings, tools and equipment		3,842,428	2,388,208
Property, plant and equipment	5	3,842,428	2,388,208
Deposits		205,095	200,693
Financial assets	6	205,095	200,693
Fixed assets		4,047,523	2,588,901
Trade receivables		5,346,344	806,028
Deferred tax	7	545,212	235,351
Other receivables		101,192	396,327
Tax receivable		0	107,063
Prepayments	8	2,530,566	2,092,516
Receivables		8,523,314	3,637,285
Cash		6,943,132	5,815,710
Current assets		15,466,446	9,452,995
Assets		19,513,969	12,041,896

Equity and liabilities

	Notes	2020 EUR	2019 EUR
Contributed capital		1,498,797	1,492,697
Retained earnings		3,465,503	2,056,998
Equity		4,964,300	3,549,695
Bank loans		1,252,371	159,098
Lease liabilities		1,439,259	534,396
Other payables	9	284,192	102,040
Non-current liabilities other than provisions	10	2,975,822	795,534
Current portion of non-current liabilities other than provisions	10	1,502,440	648,452
Trade payables		2,184,034	2,532,197
Tax payable		61,048	0
Other payables		4,606,054	4,500,959
Deferred income	11	3,220,271	15,059
Current liabilities other than provisions		11,573,847	7,696,667
Liabilities other than provisions		14,549,669	8,492,201
Equity and liabilities		19,513,969	12,041,896
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	12		
Related parties with controlling interest	13		

Statement of changes in equity for 2020

	Contributed capital EUR	Retained earnings EUR	Total EUR
Equity beginning of year	1,492,697	2,056,998	3,549,695
Exchange rate adjustments	6,100	8,406	14,506
Profit/loss for the year	0	1,400,099	1,400,099
Equity end of year	1,498,797	3,465,503	4,964,300

Cash flow statement for 2020

	Notes	2020 EUR	2019 EUR
Operating profit/loss		1,394,960	481,666
Amortisation, depreciation and impairment losses		1,517,878	924,422
Receivables		(4,245,181)	5,479,929
Prepayments		(438,050)	275,597
Payables		(60,916)	1,848,937
Deferred income		3,205,212	(3,146,299)
Other adjustments		734	(639)
Cash flow from ordinary operating activities		1,374,637	5,863,613
Financial income received		391,718	155,681
Financial expenses paid		(484,451)	(237,534)
Taxes refunded/(paid)		(51,139)	(107,610)
Cash flows from operating activities		1,230,765	5,674,150
Acquisition etc of property, plant and equipment		(2,973,312)	(2,115,383)
Sale of fixed asset investments		7,923	526,249
Deposits		(4,402)	0
Cash flows from investing activities		(2,969,791)	(1,589,134)
Free cash flows generated from operations and investments before financing		(1,739,026)	4,085,016
Loans raised		1,055,061	260,861
Repayments of loans etc		(161,873)	(686,816)
Incurrence of lease obligations		2,391,201	1,035,394
Reduction of lease commitments		(417,941)	(551,669)
Cash flows from financing activities		2,866,448	57,770
Increase/decrease in cash and cash equivalents		1,127,422	4,142,786

Cash and cash equivalents beginning of year	5,815,710	1,672,924
Cash and cash equivalents end of year	6,943,132	5,815,710

Cash and cash equivalents at year-end are composed of:

Cash	6,943,132	5,815,710
Cash and cash equivalents end of year	6,943,132	5,815,710

Notes

1 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.

2 Staff costs

	2020	2019
	EUR	EUR
Wages and salaries	3,085,753	3,218,682
Pension costs	31,201	21,339
Other social security costs	21,879	26,791
Other staff costs	84,578	35,171
	3,223,411	3,301,983
Average number of full-time employees	26	29

Pursuant to section 98b (3)(2) of the Danish Financial Statements Act, the remuneration to Management has not been disclosed separately.

3 Tax on profit/loss for the year

	2020	2019
	EUR	EUR
Current tax	206,696	96,383
Change in deferred tax	(304,568)	46,611
	(97,872)	142,994

4 Proposed distribution of profit and loss

	2020	2019
	EUR	EUR
Retained earnings	1,400,099	256,819
	1,400,099	256,819

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment EUR
Cost beginning of year	11,755,181
Exchange rate adjustments	48,036
Additions	2,973,312
Disposals	(349,781)
Cost end of year	14,426,748
Depreciation and impairment losses beginning of year	(9,366,973)
Exchange rate adjustments	(38,277)
Depreciation for the year	(1,521,971)
Reversal regarding disposals	342,901
Depreciation and impairment losses end of year	(10,584,320)
Carrying amount end of year	3,842,428
Recognised assets not owned by entity	1,968,458

6 Financial assets

	Deposits EUR
Cost beginning of year	200,693
Exchange rate adjustments	820
Additions	3,582
Cost end of year	205,095
Carrying amount end of year	205,095

7 Deferred tax

	2020 EUR
Changes during the year	
Beginning of year	235,351
Recognised in the income statement	309,861
End of year	545,212

8 Prepayments

Prepayments comprise incurred cost relating to subsequent financial years such as subscriptions, membership fees, service agreements and insurance.

9 Other payables

	2020	2019
	EUR	EUR
Holiday pay obligation	284,192	102,040
	284,192	102,040

10 Non-current liabilities other than provisions

	Due within 12	Due within 12	Due after
	months	months	more than 12
	2020	2019	2020
	EUR	EUR	EUR
Bank loans	500,698	101,633	1,252,371
Lease liabilities	1,001,742	546,819	1,439,259
Other payables	0	0	284,192
	1,502,440	648,452	2,975,822

11 Deferred income

Deferred income comprises received income for recognition in subsequent financial years.

12 Unrecognised rental and lease commitments

	2020	2019
	EUR	EUR
Liabilities under rental or lease agreements until maturity in total	1,285,033	1,585,275

13 Related parties with controlling interest

In relation to the Danish Statement Act §98c, section 7 non-arm's length transactions with related parties should be disclosed. There has not been completed any transactions on non-arm's length with related parties in the financial year.

Accounting policies

Reporting class

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

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.

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 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.

Cost of sales

Cost of sales comprises goods consumed in the financial year 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 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, 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

Other financial income comprises interest income and net capital or gains on payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses and net capital or exchange losses on payables and transactions in foreign currencies.

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.

Balance sheet

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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

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:

Other fixtures and fittings, tools and equipment	3-5 years
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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.

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.

Tax payable or receivable

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Finance lease liabilities

Lease commitments 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 commitments 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.

Other financial liabilities

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

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and 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, and 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, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

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