Danoffice IT ApS

Englandsvej 14, DK-5700 Svendborg

Annual Report for 1 January - 31 December 2020

CVR No 21 37 07 38

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 24/2 2021

Kevin Kristoffer Ehnhuus Iermiin
Chairman of the General Meeting

Contents

Management’s Statement

The Executive Board has today considered and adopted the Annual Report of Danoffice IT ApS for the financial year 1 January - 31 December 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2020.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Svendborg, 24 February 2021

Executive Board

Lars Baun Jensen CEO	Allan Malmos Jeppesen CFO

Independent Auditor's Report

To the Shareholder of Danoffice IT ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Danoffice IT ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and 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 in preparing the Financial Statements unless Management either intends to liquidate the Group or 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 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 Company's and the Group'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 Group's and 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 Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Odense, 24 February 2021
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Line Hedam
State Authorised Public Accountant
mne27768

Claus Damhave
State Authorised Public Accountant
mne34166

Company Information

The Company	Danoffice IT ApS Englandsvej 14 DK-5700 Svendborg CVR No: 21 37 07 38 Financial period: 1 January - 31 December Municipality of reg. office: Svendborg
Executive Board	Lars Baun Jensen Allan Malmos Jeppesen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Munkebjergvænget 1, 3. og 4. sal DK-5230 Odense M

Financial Highlights

Seen over a five-year period, the development of the Group is described by the following financial highlights:

	Group				
	2020	2019	2018	2017	2016
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	1,119,754	1,044,438	650,554	600,428	499,713
Operating profit/loss	34,156	48,697	35,558	40,529	41,957
Profit/loss before financial income and expenses	34,232	48,697	35,558	40,496	40,221
Net financials	-12,960	723	3,885	-11,658	2,787
Net profit/loss for the year	14,907	38,630	29,733	21,812	32,279
Balance sheet					
Balance sheet total	394,774	421,120	264,663	248,355	190,649
Equity	148,362	133,940	96,500	68,231	67,858
Cash flows					
Cash flows from:					
- operating activities	52,966	32,667	120,354	4,691	13,322
- investing activities	-2,134	-68,876	-917	-1,356	-2,467
including investment in property, plant and equipment	-467	-436	-448	-1,020	-135
- financing activities	-7,058	-37,274	-16,539	22,862	-30,397
Change in cash and cash equivalents for the year	43,774	-73,483	102,898	26,197	-19,542
Number of employees	127	117	61	59	60
Ratios					
Gross margin	11.3%	11.5%	10.8%	12.5%	15.7%
Profit margin	3.1%	4.7%	5.5%	6.7%	8.0%
Return on assets	8.7%	11.6%	13.4%	16.3%	21.1%
Solvency ratio	37.6%	31.8%	36.5%	27.5%	35.6%
Return on equity	10.6%	33.5%	36.1%	32.1%	49.7%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Key activities

The Group's principal activities comprise of providing IT infrastructure and other high-technology solutions to international institutions and international B2B customers.

Development in activities and financial matters

Danoffice IT Groups revenue increased by 7.2% to DKK 1,120 million in 2020 (2019: DKK 1,044 million).

The demand and supply on the primary markets of Danoffice IT have been affected by the Covid-19 pandemic with the result of a limited growth in revenue in 2020 of DKK 75.2 million. The increase in revenue mainly derived from the acquisition made in 2019.

In June 2020, the merge of Danoffice IT ApS and Datacon Enterprise Solutions A/S was finalized and implemented with effect from January 2020.

Danoffice IT Group realized a profit of TDKK 14,907 in 2020 (2019: TDKK 38,630), which is below the management's expectations for the year.

Adjusted for non-recurring costs according to group policy, the 2020 EBITDA is DKK 52.4 million. (2019: DKK 61.7 million)

At 31 December 2020 the Equity amounts to TDKK 148,362 compared to an equity of TDKK 133,940 31 December 2019.

Outlook

The company expects a positive development in 2021 and a net profit for the year in the range of DKK 20-30 million. In December 2020 Danoffice IT Group had a significant increase in order intake resulting in a record high order bank end of 2020.

Risks

Currency risks

The majority of the Group's sales are invoiced in USD. The goods sold in USD are, however, also purchased in USD resulting in a natural hedge to some extent. The Group does currently not hedge the resulting net exposure arising from the sales being higher than the purchases and the different payment terms for sales and purchases in USD.

Management's Review

Trade receivables

The Group is exposed to credit risk from the sale of goods. The majority of the Group's trade receivables are UN organizations, NGO's and large corporate organizations. UN is funded by national states and the credit risk is therefore considered very limited. The remaining trade receivable arise from sale to various corporates and IGO's.

Research and development

The Group does not have any research and development activities.

Statutory statement in accordance with section 99 a of the Danish Financial Statements Act

Business model

The Group's principal activities comprise of providing IT infrastructure and other high technology solutions to international institutions and B2B customers both local and international.

We work with leading global businesses, organizations, government departments and NGO's from our global presence. We have forged close relationships with our suppliers and manufacturers, and we deal with the major brands in IT hardware, software, and solutions. It means we can deliver a prompt, reliable and competitive service to our customers – wherever they are in the world.

Risk assessment

Danoffice IT complies with all relevant legislation in the markets where we are present. As signatories to the UN Global Compact, we take our responsibility towards the surrounding society very seriously and maintain policies and efforts to minimize our negative impact and amplify our positive.

Our employees are our most important resource and being able to attract and maintain the right employees is of key importance.

When we assess climate change, environmental issues and human rights, no material risks appear with reference to our business and services, but as a responsible company and the values our company are built upon and due to our commitment to the UN Global Compact, we have decided to maintain policies for all three areas and work accordingly with them during the year.

At Danoffice IT we consider corruption as a substantial obstacle to economic and social development around the world. It has negative impacts on sustainable development and predominantly sustains poverty.

Regarding climate change and environmental issues

We strive to minimize our negative impact on the environment and on climate change.

Since 2009 Danoffice IT has executed on our "Protect Mother Earth" recycling program. In partnership

Management's Review

with our United Nations clients and our vendors, we collect used toners and cartridges from the UN missions all over the world and recycle them in Europe. Our combined efforts have reached several tens of thousands of units collected so far and still counting.

Internally, we have in 2020 continued to minimize our consumption of energy and resources through setting requirements for equipment and suppliers and by intelligent solutions in our offices. Several initiatives have been implemented in 2020 including installation of charging stations to Hybrid and Electric powered vehicles at our sites in Svendborg and Allerød, installation and a significant reduction of the energy consumption in our Datacenter accomplished by implementation of new and updated equipment.

Regarding human rights

At Danoffice IT we believe that all human beings are born free and equal in dignity and rights. We respect all people regardless of nationality, race, religion, class or political opinions. Danoffice IT promote social interaction between people and cultures and aim at a mix organisational culture.

We embrace culture and have employees from 10 different nationalities, coming from South America, USA, Europe, and Middle East. Our organization mix is balanced with 34% women & 66% men and we span over various religions. Moreover, we have employees who came to Denmark as refugees.

In 2020 we continued buying coffee beans through the NGO NGUVU who buys directly from local female farmers cutting all the middlemen giving the women higher yield. The women agree on a contract where the NGO secures education of their children and other necessities. This way we can support the women and their children with food, clean water, medical treatment, and education.

Regarding social and employee conditions

Our staff is our most important resource wherefore we strive at keeping our staff mentally and physically fit.

During the year we "RUN for a purpose!". All employees have the possibility to exercise once or twice a week and end year Danoffice IT donates a fixed amount per km. In 2020 Peace Innovation Foundation's TechGirls received the Run for purpose donation from Danoffice IT. The TechGirls program aims at encouraging young women in developing countries to pursue a career in technology or science.

As part of our wish to support an active and healthy lifestyle, Danoffice also supports local sports clubs in Denmark. Once a year the employees nominates relevant projects/clubs.

Danoffice IT has a work life balance policy encouraging flexible working hours and tolerance for personal and family issues and or needs.

Regarding anti-corruption

Danoffice IT position on corruption is not take part, or to accept, any form of fraud or corruption.

Management's Review

The company defines bribery as an act on offering or receiving money, goods or other forms of recompense from a business associate in exchange for an alteration of their behavior to the benefit or interest of the giver that the recipient would otherwise not alter.

The company is determined to prevent, detect and deter any form thereof. This has been our position since our foundation in 1995 and we are proud to say that our company has never been involved, accused, or convicted of any form of fraud or corruption, neither in 2020. To ensure constant focus on preventing any form of fraud and corruption the company successfully implemented ISO 37001 in 2020. Our whistleblower hotline has been in place for many years, and in 2020, no cases have been reported.

Goal and policies regarding gender quotation

The Group has no Board of Directors and the Executive Board consists of 2 members. The two members of the Executive Board are both males.

In the day to day Management of the Group, 25% are female and 75% are male. The Group has implemented a policy to have continues focus on the underrepresented gender in the management.

It is our policy, that the underrepresented gender should represent 50% of the Group's total members of the Executive Board and Day to day business management.

To balance the gender, the Group strive at having minimum one of each gender represented among the last three candidates in the hiring process.

According to the latest guidance from the Danish Business Authority, we consider that we have achieved equal distribution in top management, as our Executive Board consists of two persons only.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

The financial position at 31 December 2020 of the Group and the results of the activities and cash flows of the Group for the financial year for 2020 have not been affected by any unusual events.

Income Statement 1 January - 31 December

	Note	Group 2020	Group 2019	Parent 2020	Parent 2019
		TDKK	TDKK	TDKK	TDKK
Revenue	1	**1,119,754**	**1,044,438**	**1,020,726**	**920,850**
Other operating income		76	0	76	0
Expenses for raw materials and consumables		-958,774	-890,460	-867,437	-776,122
Other external expenses		-34,501	-33,718	-35,626	-34,942
Gross profit/loss		**126,555**	**120,260**	**117,739**	**109,786**
Staff expenses	2	-80,562	-63,941	-75,093	-58,677
EBITDA		**45,993**	**56,319**	**42,646**	**51,109**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-11,761	-7,622	-11,722	-7,257
Profit/loss before financial income and expenses		**34,232**	**48,697**	**30,924**	**43,852**
Income from investments in subsidiaries		0	0	-289	2,571
Financial income	3	8	5,791	2,500	8,156
Financial expenses	4	-12,968	-5,068	-12,135	-5,045
Profit/loss before tax		**21,272**	**49,420**	**21,000**	**49,534**
Tax on profit/loss for the year	5	-6,365	-10,790	-6,093	-10,904
Net profit/loss for the year		**14,907**	**38,630**	**14,907**	**38,630**

Balance Sheet 31 December

Assets

	Note	Group 2020	Group 2019	Parent 2020	Parent 2019
		TDKK	TDKK	TDKK	TDKK
Software		4,053	3,607	4,053	3,607
Customer relations		34,976	37,583	34,976	37,583
Goodwill		44,056	49,289	44,056	49,289
Intangible assets	6	**83,085**	**90,479**	**83,085**	**90,479**
Other fixtures and fittings, tools and equipment		1,269	3,423	1,150	3,386
Leasehold improvements		0	0	0	0
Property, plant and equipment	7	**1,269**	**3,423**	**1,150**	**3,386**
Investments in subsidiaries	8	0	0	4,256	4,173
Deposits	9	1,668	1,666	1,668	1,666
Fixed asset investments		**1,668**	**1,666**	**5,924**	**5,839**
Fixed assets		**86,022**	**95,568**	**90,159**	**99,704**
Inventories	10	**80,250**	**72,858**	**70,475**	**64,866**
Trade receivables		139,904	196,870	125,872	162,208
Receivables from group enterprises		0	0	14,745	25,701
Other receivables		10,697	21,399	10,536	16,686
Prepayments	11	492	790	492	790
Receivables		**151,093**	**219,059**	**151,645**	**205,385**
Cash at bank and in hand		**77,409**	**33,635**	**71,922**	**13,661**
Currents assets		**308,752**	**325,552**	**294,042**	**283,912**
Assets		**394,774**	**421,120**	**384,201**	**383,616**

Balance Sheet 31 December

Liabilities and equity

	Note	Group		Parent	
		2020	2019	2020	2019
		TDKK	TDKK	TDKK	TDKK
Share capital		250	250	250	250
Foreign currency translation reserve		-485	0	-485	0
Retained earnings		148,597	133,690	148,597	133,690
Equity		**148,362**	**133,940**	**148,362**	**133,940**
Provision for deferred tax	13	8,649	9,493	8,649	8,778
Provisions		**8,649**	**9,493**	**8,649**	**8,778**
Payables to group enterprises		10,775	17,239	10,775	17,239
Other payables		7,370	2,512	7,370	2,512
Long-term debt	14	**18,145**	**19,751**	**18,145**	**19,751**
Trade payables		198,986	225,666	188,388	193,547
Payables to group enterprises	14	1,523	2,117	1,523	2,117
Payables to group enterprises relating to corporation tax		6,027	11,281	6,027	11,261
Other payables	14	12,871	17,337	12,896	12,687
Deferred income	15	211	1,535	211	1,535
Short-term debt		**219,618**	**257,936**	**209,045**	**221,147**
Debt		**237,763**	**277,687**	**227,190**	**240,898**
Liabilities and equity		**394,774**	**421,120**	**384,201**	**383,616**

Distribution of profit	12
Contingent assets, liabilities and other financial obligations	18
Related parties	19
Fee to auditors appointed at the general meeting	20
Subsequent events	21
Accounting Policies	22

Statement of Changes in Equity

Group

	Share capital	Foreign currency translation reserve	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	250	0	133,690	133,940
Exchange adjustments	0	-485	0	-485
Net profit/loss for the year	0	0	14,907	14,907
Equity at 31 December	**250**	**-485**	**148,597**	**148,362**

Parent

	Share capital	Foreign currency translation reserve	Retained earnings	Total
Equity at 1 January	250	0	133,690	133,940
Exchange adjustments	0	-485	0	-485
Net profit/loss for the year	0	0	14,907	14,907
Equity at 31 December	**250**	**-485**	**148,597**	**148,362**

Cash Flow Statement 1 January - 31 December

	Note	Group 2020	Group 2019
		TDKK	TDKK
Net profit/loss for the year		14,907	38,630
Adjustments	16	31,008	17,689
Change in working capital	17	32,566	-16,586
Cash flows from operating activities before financial income and expenses		**78,481**	**39,733**
Financial income		8	5,791
Financial expenses		-12,968	-5,071
Cash flows from ordinary activities		**65,521**	**40,453**
Corporation tax paid		-12,555	-7,786
Cash flows from operating activities		**52,966**	**32,667**
Purchase of intangible assets		-1,813	-568
Purchase of property, plant and equipment		-467	-436
Sale of property, plant and equipment		146	0
Business acquisition		0	-67,872
Cash flows from investing activities		**-2,134**	**-68,876**
Repayment of payables to group enterprises		-7,058	-11,665
Repayment of other debt		0	-25,609
Cash flows from financing activities		**-7,058**	**-37,274**
Change in cash and cash equivalents		**43,774**	**-73,483**
Cash and cash equivalents at 1 January		33,635	107,118
Cash and cash equivalents at 31 December		**77,409**	**33,635**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		77,409	33,635
Cash and cash equivalents at 31 December		**77,409**	**33,635**

Notes to the Financial Statements

		Group		Parent	
		2020	2019	2020	2019
		TDKK	TDKK	TDKK	TDKK
1	**Revenue**				
	Geographical segments				
	Asia Pacific	55,102	62,465	48,669	61,270
	Europe, Middle East and Africa	914,738	836,459	914,638	839,473
	North and South America	149,914	145,514	57,419	20,107
		1,119,754	**1,044,438**	**1,020,726**	**920,850**
2	**Staff expenses**				
	Wages and salaries	72,756	57,487	68,181	53,163
	Pensions	3,549	2,725	3,522	2,707
	Other social security expenses	948	858	702	621
	Other staff expenses	3,309	2,871	2,688	2,186
		80,562	**63,941**	**75,093**	**58,677**
	Including remuneration of:				
	Executive Board	4,979	4,513	4,979	4,513
		4,979	**4,513**	**4,979**	**4,513**
	Average number of employees	**127**	**117**	**116**	**106**

Notes to the Financial Statements

	Group		Parent	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
3 Financial income				
Interest received from group enterprises	0	0	2,496	2,265
Other financial income	8	454	4	448
Exchange adjustments	0	5,337	0	5,443
	8	**5,791**	**2,500**	**8,156**
4 Financial expenses				
Interest paid to group enterprises	549	758	503	812
Other financial expenses	3,537	4,310	3,537	4,233
Exchange adjustments, expenses	8,882	0	8,095	0
	12,968	**5,068**	**12,135**	**5,045**
5 Tax on profit/loss for the year				
Current tax for the year	6,028	11,997	6,027	11,097
Deferred tax for the year	-357	-691	-357	-193
Adjustment of tax concerning previous years	1,202	-516	196	0
Adjustment of deferred tax concerning previous years	-508	0	227	0
	6,365	**10,790**	**6,093**	**10,904**

Notes to the Financial Statements

6 Intangible assets

Group

	Software	Acquired patents	Goodwill	Total
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	6,568	39,100	52,349	98,017
Additions for the year	1,813	0	0	1,813
Transfers for the year	2,001	0	0	2,001
Cost at 31 December	10,382	39,100	52,349	101,831
Impairment losses and amortisation at 1 January	2,961	1,517	3,058	7,536
Amortisation for the year	2,130	2,607	5,235	9,972
Transfers for the year	1,238	0	0	1,238
Impairment losses and amortisation at 31 December	6,329	4,124	8,293	18,746
Carrying amount at 31 December	**4,053**	**34,976**	**44,056**	**83,085**

Parent

	Software	Acquired patents	Goodwill	Total
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	6,568	39,100	52,349	98,017
Additions for the year	1,813	0	0	1,813
Transfers for the year	2,001	0	0	2,001
Cost at 31 December	10,382	39,100	52,349	101,831
Impairment losses and amortisation at 1 January	2,961	1,517	3,058	7,536
Amortisation for the year	2,130	2,607	5,235	9,972
Transfers for the year	1,238	0	0	1,238
Impairment losses and amortisation at 31 December	6,329	4,124	8,293	18,746
Carrying amount at 31 December	**4,053**	**34,976**	**44,056**	**83,085**

Notes to the Financial Statements

7 Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	TDKK	TDKK	TDKK
Cost at 1 January	10,410	2,631	13,041
Additions for the year	467	0	467
Disposals for the year	-341	0	-341
Transfers for the year	-2,001	0	-2,001
Cost at 31 December	8,535	2,631	11,166
Impairment losses and depreciation at 1 January	6,987	2,631	9,618
Depreciation for the year	1,788	0	1,788
Reversal of impairment and depreciation of sold assets	-271	0	-271
Transfers for the year	-1,238	0	-1,238
Impairment losses and depreciation at 31 December	7,266	2,631	9,897
Carrying amount at 31 December	**1,269**	**0**	**1,269**

Notes to the Financial Statements

7 **Property, plant and equipment** (continued)

Parent

	Other fixtures and fittings, tools and equipment	Total
	TDKK	TDKK
Cost at 1 January	10,094	10,094
Additions for the year	347	347
Disposals for the year	-341	-341
Transfers for the year	-2,001	-2,001
Kostpris at 31 December	8,099	8,099
Impairment losses and depreciation at 1 January	6,708	6,708
Depreciation for the year	1,750	1,750
Reversal of impairment and depreciation of sold assets	-271	-271
Transfers for the year	-1,238	-1,238
Impairment losses and depreciation at 31 December	6,949	6,949
Carrying amount at 31 December	**1,150**	**1,150**

8 Investments in subsidiaries

	Parent 2020 TDKK	Parent 2019 TDKK
Cost at 1 January	688	666
Exchange adjustment	-284	22
Additions for the year	0	0
Contribution from group	40,556	0
Cost at 31 December	40,960	688
Value adjustments at 1 January	-36,214	-34,248
Disposals for the year	0	-3,325
Exchange adjustment	-201	-1,212
Net profit/loss for the year	-289	2,571
Amortisation of goodwill and other intangible assets	0	0
Value adjustments at 31 December	-36,704	-36,214
Equity investments with negative net asset value amortised over receivables	0	39,699
Carrying amount at 31 December	**4,256**	**4,173**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Danoffice IT SA	Rolle, Switzerland	692	100%
Danoffice IT Inc.	Sterling, Virginia, USA	1	100%

9 Other fixed asset investments

	Group Deposits TDKK	Parent Deposits TDKK
Cost at 1 January	1,666	1,666
Additions for the year	2	2
Cost at 31 December	1,668	1,668
Carrying amount at 31 December	**1,668**	**1,668**

Notes to the Financial Statements

	Group		Parent	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
10 Inventories				
Finished goods and goods for resale	48,971	38,309	39,196	30,317
Goods in transit	31,279	34,549	31,279	34,549
	80,250	**72,858**	**70,475**	**64,866**

11 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

	Parent	
	2020	2019
	TDKK	TDKK
12 Distribution of profit		
Retained earnings	14,907	38,630
	14,907	**38,630**

	Group		Parent	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK

13 Provision for deferred tax

	2020	2019	2020	2019
Provision for deferred tax at 1 January	9,493	1,584	8,778	956
Amounts recognised in the income statement for the year	-844	-691	-357	-193
Net effect from merger and acquisition	0	8,600	228	8,015
Provision for deferred tax at 31 December	**8,649**	**9,493**	**8,649**	**8,778**

14 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group 2020	Group 2019	Parent 2020	Parent 2019
Payables to group enterprises				
Between 1 and 5 years	10,775	17,239	10,775	17,239
Long-term part	10,775	17,239	10,775	17,239
Other short-term debt to group enterprises	1,523	2,117	1,523	2,117
	12,298	**19,356**	**12,298**	**19,356**
Other payables				
Between 1 and 5 years	7,370	2,512	7,370	2,512
Long-term part	7,370	2,512	7,370	2,512
Other short-term payables	12,871	17,337	12,896	12,687
	20,241	**19,849**	**20,266**	**15,199**

15 Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

Notes to the Financial Statements

	Group	
	2020	2019
	TDKK	TDKK
16 Cash flow statement - adjustments		
Financial income	-8	-5,791
Financial expenses	12,968	5,068
Depreciation, amortisation and impairment losses, including losses and gains on sales	11,683	7,622
Tax on profit/loss for the year	6,365	10,790
	31,008	**17,689**

17 Cash flow statement - change in working capital

	2020	2019
Change in inventories	-7,395	-18,743
Change in receivables	67,967	-57,351
Change in trade payables, etc	-28,006	59,508
	32,566	**-16,586**

	Group		Parent	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK

18 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

	2020	2019	2020	2019
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	1,464	1,015	1,121	356
Between 1 and 5 years	1,654	580	1,654	251
	3,118	**1,595**	**2,775**	**607**
Rental obligations between 6 to 33 months	2,881	2,461	1,868	1,875

Other contingent liabilities

As part of the company's ordinary business procedures, bank guarantees have been provided to third parties. At 31 December 2020, bank guarantees amounted to TDKK 27,324 (2019: TDKK 29,441)

The company is jointly and severally liable for group enterprises credit facility within Nykredit Bank. At 31 December 2020, credit facilities amounted to TDKK 109,037 (2019: TDKK 126,820)

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Belgravia Topco ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company’s liability.

19 Related parties

	Basis
Controlling interest	
Belgravia Bidco ApS	Majority owner
Agilitas 2015 Private Equity Fund L.P.	Ultimate ownership

Notes to the Financial Statements

19 Related parties (continued)

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

There have been no transactions with the Supervisory Board, the Executive Board, senior officers, significantshareholders, group enterprises or other related parties, except for intercompany transactions and normalmanagement remuneration.

Consolidated Financial Statements

The Group Annual report of Belgravia Topco ApS may be obtained by contacting Belgravia Topco ApS

Name	Place of registered office
Belgravia Topco ApS	Englandsvej 14, DK-5700 Svendborg

20 Fee to auditors appointed at the general meeting

	Group		Parent	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
Audit fee	175	175	175	175
Tax advisory services	15	31	15	31
Non-audit services	629	860	629	860
	819	**1,066**	**819**	**1,066**

21 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

22 Accounting Policies

The Annual Report of Danoffice IT ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2020 are presented in TDKK.

The Company has merged with its subsidiary Datacon Enterprises A/S with accounting effect at 1 January 2020 with Danoffice IT ApS as the continuing company. In connection with the merger, the company has applied the consolidation method. Under this method the two companies are combined at carrying amounts, and no differences are identified. The comparative figures are restated back to when the parent company obtained control over the subsidiary (1 June 2019).

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Danoffice IT ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

22 Accounting Policies (continued)

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Notes to the Financial Statements

22 Accounting Policies (continued)

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Pooling of interests

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied as if the two enterprises had always been combined by restating comparative figures.

Notes to the Financial Statements

22 Accounting Policies (continued)

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Revenue

Information on geographical segments based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Notes to the Financial Statements

22 Accounting Policies (continued)

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

22 Accounting Policies (continued)

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 years.

Customer relations is measured at cost less accumulated amortisation. Customer relations is amortised on a straight-line basis over its useful life, which is assesed at 15 years.

Software that are recognised in the balance sheet are measured at cost less accumulated depreciation.

The expected useful life is 3-5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	2-10 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item"Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at

Notes to the Financial Statements

22 Accounting Policies (continued)

the time of acquisition.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposit.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Receivables

Receivables are measured in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Cash Flow Statement

The cash flow statement shows the Group´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group´s cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible as-

Notes to the Financial Statements

22 Accounting Policies (continued)

sets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand” and ”Overdraft facilities”.

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$