Netcompany Holding I A/S
Grønningen 17,1
1270 Copenhagen K
Central Business Registration No 21 78 36 84

Annual report 2017

The Annual General Meeting adopted the annual report on 1 May 2018

Chairman of the General Meeting, Tine Kosmider Boye

Contents

Entity details

Entity

Netcompany Holding I A/S (formerly known as Netcompany A/S)
Grønningen, 17, 1
1270 Copenhagen K, Denmark

Business Registration No: 21 78 36 84
Registered in: Copenhagen, Denmark

Board of Directors

Claus Bo Jørgensen, Chairman
Thomas Johansen
Tine Kosmider Boye

Executive Management

André Rafal Rogaczewski

Entity auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Statement by Management on the annual report

The Board of Directors and the Executive Management have today considered and approved the annual report of Netcompany Holding I A/S for the financial year 1 January to 31 December 2017.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position and results at 31 December 2017 as well as the Entity's cash flows for the financial year 1 January to 31 December 2017.

In our opinion, the management commentary contains a fair review of the development of the Entity's business and financial matters, the results for the year and the Entity's financial position, together with a description of the principal risks and uncertainties that the Entity face.

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

Copenhagen, 1 May 2018

Executive Management

André Rafal Rogaczewski
Chief Executive Officer

Board of Directors

Claus Bo Jørgensen Chairman	Thomas Johansen
Tine Kosmider Boye	

Independent auditor’s report

TO THE SHAREHOLDERS OF Netcompany Holding I A/S

OPINION

We have audited the financial statements of Netcompany Holding I A/S for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity’s financial position at 31.12.2017, and of the results of their operations and cash flows for the financial year 01.01.2017 - 31.12.2017 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor’s responsibilities for the audit of the 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.

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.

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 International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of 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.

Copenhagen, 1 May 2018

Deloitte Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Kim Takata Mücke
State Authorised Public Accountant
MNE no 10944

Brian Schmit Jensen
State Authorised Public Accountant
MNE no 40050

Management commentary

Financial highlights	2017	2016	2015	2014	2013
Key figures	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Revenue	0	0	0	0	0
Gross profit	-17	0	0	0	0
EBITA	-12.248	-5.782	-137	-200	-35
Operating profit (EBIT)	-12.248	-5.782	-137	-200	-35
Net financial income/ (costs)	-4.747	-3.825	-1.683	-1.547	3.101
Net profit for the year	66.792	108.187	248.571	28.686	6.468
Total other comprehensive income	0	0	0	0	0
Balance sheet total	668.226	316.126	277.438	157.324	185.159
Equity	403.934	95.244	216.957	53.695	55.009
Investments in fixed assets	0	0	0	0	0
Average number of employees	0	0	0	0	0
Ratios					
Return on assets (%)	10,0%	34,2%	89,6%	18,2%	3,5%
Return on equity (%)	26,8%	69,3%	183,7%	52,8%	23,5%
Solvency ratio (%)	60,4%	30,1%	78,2%	34,1%	29,7%

As from 2016, Netcompany Holding I A/S presents the financial statements in accordance with International Financial reporting Standards, IFRS. The figures for 2015-2017, and the balance sheet items for 2014 are prepared in accordance with IFRS, whereas the other figures are prepared in accordance with the Danish Financial Statements Act.

Financial highlights are defined and calculated in accordance with "Recommendations & Financial Ratios" issued by the Danish Finance Society. The ratios have been compiled in accordance with the following calculation formulas:

$$\text{Return on assets} = \frac{\text{Net profit for the year x 100}}{\text{Total assets}}$$

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

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

Management commentary

Primary activities
The Entity's primary activity is to hold equity investments and to provide IT services.

Development in finance and activities
The Entity's income statement for 2017 shows a profit of DKK 66,792k, and its balance sheet at 31 December 2017 shows equity of DKK 403,934k. Revenue and profit are considered satisfying and meet the expectations for the year.

The Entity's main priority is to hold equity investments and support subsidiaries in providing business critical IT solutions and related consulting services, mantenance and operation.

Based on this, the Entity expect a satisfying development in 2018, the profit of the year (excluding dividends) is expected to be on level with current year.

Investments
The investment level in 2017 was mainly driven by the purchase of the UK Entity, Hunter Macdonald Ltd.

Particular risks
Financial exposures
The Entity's objective, at all times, is to limit the financial risks.

The interest-bearing liabilities in the Entity relates to the loan obtained in 2016 to finance the purchases of Netcompany AS, additionel financing has been obtained in 2017 to purchase Hunter Macdonald Ltd, which bears interest according to OTC Rate Floor Transaction agreement made.

The Entity has some foreign exchange exposure, as one loan has been obtianed in NOK. The main parts of purchases are executed in DKK.

Intellectual capital resources
In order to be able to continue developing and providing competetive IT solutions, it is decisive that the Entity is able to recruit and retain highly educated employees.

The Entity will focus on maintaining and further developing its competence level within sales, delivery, project management and technical core competences also in 2018.

Events after balance sheet date
Besides settling the loan raised in NOK (DKK 105,167k, nominel value) (with a maturity in 2023), no events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Statement of comprehensive income for 2017

	Notes	2017 DKK'000	2016 DKK'000
Administrative costs		-336	-91
Speciel items	5	-11.912	-5.692
Operating profit (EBIT)		-12.248	-5.782
Income from investments in subsidiaries	8	82.655	113.500
Financial income	6	9.393	31
Financial expenses	6	-14.140	-3.856
Profit before tax		65.660	103.893
Tax on profit for the year	7	1.132	4.294
Profit for the year		66.792	108.187
Other comprehensive income / (loss)		0	0
Comprehensive income for the year / (loss)		66.792	108.187
Staff costs	4		

Balance sheet at 31 December 2017

Assets

	Notes	2017 DKK'000	2016 DKK'000
Investment in subsidiaries	8	389.927	314.561
Finansial assets		389.927	314.561
Receivables from subsidiary		270.532	0
Receivables		270.532	0
Non-current assets		660.459	314.561
Receivables from Group Entities		997	0
Tax receivables		2.068	891
Receivables		3.065	891
Cash	9	4.702	674
Current assets		7.767	1.565
Assets		668.226	316.126

Equity and liabilities

	Notes	2017 DKK'000	2016 DKK'000
Share capital	10	553	553
Retained earnings		348.381	94.691
Proposed dividend		55.000	0
Equity		403.934	95.244
Borrowings	11	187.333	102.165
Non-current liabilities		187.333	102.165
Payables to Group Entities		76.637	118.336
Other payables		322	381
Current liabilities		76.960	118.717
Liabilities		76.960	118.717
Equity and liabilities		668.226	316.126

Statement of changes in equity for 2017

	Share capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity at 1 January 2016	553	100.004	116.400	216.957
Interim dividend 2016	0	-113.500	113.500	0
Payment of dividends	0	0	-229.900	-229.900
Profit for the year	0	108.187	0	108.187
Other comprehensive income for the year/ (loss)	0	0	0	0
Equity at 31 December 2016	553	94.691	0	95.244
Equity at 1 January 2017	553	94.691	0	95.244
Interim dividend for 2017	0	-104.000	104.000	0
Payment of dividends	0	0	-104.000	-104.000
Capital increase	0	345.898	0	345.898
Profit for the year	0	11.792	55.000	66.792
Other comprehensive income for the year/ (loss)	0	0	0	0
Equity at 31 December 2017	553	348.381	55.000	403.934

Cash flow statement for 2017

	Notes	2017 DKK'000	2016 DKK'000
Operating profit (EBIT)		-12.248	-5.782
Working capital changes	12	-42.755	215.823
		-55.003	210.041
Income taxes paid		0	4.294
Financial income received		594	31
Financial expenses paid		-12.219	-3.856
Cash flows from operating activities		-66.628	210.510
Dividend received		82.655	113.500
Payments to acquire subsidiary		0	-195.611
Cash flows from investing activities		82.655	-82.111
Dividends paid		-104.000	-229.900
Proceeds from borrowings		92.000	102.165
Cash flows from financing activities		-12.000	-127.735
Increase in cash and cash equivalents		4.027	664
Cash and cash equivalents at 1 January		674	10
Cash and cash equivalents at 31 December		4.701	674

Reconciliation of liabilities arising from financing activities	Borrowings 2017 DKK'000	Borrowings 2016 DKK'000
Opening balance at 1 January	102.165	0
Financing obtained	92.000	102.165
Amortisation loan costs (non-cash)	1.966	0
Exchange rate adjustments (non-cash)	-8.799	0
Closing balance at 31 December	187.333	102.165

Notes to the financial statements

Notes to the financial statements

1 Accounting policies

Netcompany Holding I A/S presents the financial statements in accordance with the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for financial statements governing reporting class C (Medium) enterprises, see the Danish Executive Order on IFRS issued according to the Danish Financial Statements Act. Netcompany Holding I A/S is a company with its registered office in Denmark.

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

The figures are prepared in accordance with IFRS standards and interpretations applicable to the 2017 financial year. Please refer to note 3 for the effect of implementing IFRS, 9, 15 and 16.

Consolidation

Pursuant to section 112(1) of the Danish Financial Statements Act, the Entity has not prepared any consolidated financial statements. Reference is made to the consolidated financial statement of NC TopCo A/S, which includes Netcompany Holding I A/S and its subsidiaries.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognised in the income statement of comprehensive income as financial income or financial expenses. Non-current assets and other non-monetary assets that have been purchased in foreign currencies and are measured based on historical costs are trans-lated using historical rates.

Statement of comprehensive income

Administration cost

Administration cost comprise of external costs.

Financial income and expenses

These items comprise interest income and expenses, realised and unrealised capital gains and losses on foreign currency transactions and tax surcharge and tax relief under the Danish Tax Prepayment Scheme.

1 Accounting policies (continued)

Income taxes

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

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

On calculation of current tax, the tax rates and rules applicable at the balance sheet date are used. Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities using the balance sheet liability method.

Deferred tax is calculated on the basis of the planned use of each asset and the settlement of each liability, respectively.

Deferred tax is measured using the tax rates and tax rules which – based on acts in force or acts actually in force at the balance sheet date – are expected to apply when the deferred tax is expected to crystallise as current tax. Changes in deferred tax resulting from changed tax rates or tax rules are recognised in profit/loss unless the deferred tax is attributable to transactions previously recognised directly in equity or other comprehensive income. In the latter case, such changes are also recognised directly in equity or other comprehensive income.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets to be set off against future positive taxable income. At each balance sheet date, it is considered whether sufficient taxable income is likely to arise in the future for the deferred tax asset to be used.

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

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured at cost. Dividend is recognised as income when the right to receive payment is established.

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

Receivables

Receivables include receivables from sale of services and other receivables.

Receivables are measured at fair value on initial recognition and subsequently at amortised cost, usually equalling nominal value less writedowns for bad debts.

Prepayments

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

Dividend

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

Notes to the financial statements

1 Accounting policies (continued)

Financial liabilities

Financial liabilities are measured at amortised cost.

Cash flow statement

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

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

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, as well as dividends received from subsidiary.

Cash flows from financing activities comprise changes in the size or composition of the Entity's share capital and related costs as well as the raising of loans, instalments on interest-bearing debt, purchase of treasury shares and dividends paid to the shareholder.

Cash and cash equivalents comprise cash.

2 Significant accounting estimates, assumptions and uncertainties

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

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

In the financial statements for 2017, it is particularly important to note the following assumptions and uncertainties:

Fair value measurement

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

The Entity also has financial liabilities in the form of bank loans and other payables recognised at amortised cost. The bank loans carry a floating rate, and the carrying amount recognised is estimated to equal fair value. The carrying amount of payables to subsidiaries and other payables too is estimated to equal fair value (level 3 of the IFRS fair value hierarchy).

Notes to the financial statements

2 Significant accounting estimates, assumptions and uncertainties (continued)

Impairment losses on assets

The carrying amount of investments in subsidiaries is examined at the balance sheet date in order to determine whether there is any indication of impairment. If this is the case, the recoverable amount of the asset is determined in order to determine the need for any writedown and the extent thereof. Impairment losses are recognised in the income statement. On any subsequent reversal of impairment losses arising from changes in the assumptions used to determine the recoverable amount, the asset's carrying amount to the adjusted recoverable amount, however, not exceeding the carrying amount that the asset would have had if the impairment had not been made.

3 Effect of the change in accounting policie s

Until 2016 the Entity has presented the statement of comprehensive income showing cost items as external expenses, staff costs, depreciation and amortisation. However Management believes that a statement of comprehensive income showing cost items as cost of services, sales and marketing costs and administrative costs will give a more fair view on the entities' financial performance.
The change in 2017 represents a change in accounting policy which have been accounted for retrospectively in the financial statements. Therefore, the change has been applied as if the new accounting policy had always been in place. Consequently, the entity have adjusted all comparative figures presented in the financial statements affected by this change in accounting policy.

The change only affects the presentation of the comprehensive income. Profit and other comprehensive income reported for 2016 have not been affected, nor has Assets or Equity.
In 2017 certain new standards or amendments and revised accounting standards and interpretations issued by IASB have been early adopted by the entity. The following standards have been fully implemented in 2017 and comparative figures for 2016 have been adjusted accordingly.
The adoption of the mentioned IFRS standards has resulted in minor changes in the classification of certain minor amounts. Comparative figures have been adjusted accordingly.

APPLICATION OF IFRS 9 "FINANCIAL INTSTUMENTS"

The date of initial application (i.e. the date on which the Entity has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 January 2016. Accordingly, the Entity has applied the requirements of IFRS 9. The implementation of IFRS 9 has not affected the current classification and measurement of the Entity's financial instruments.

Financial assets and liabilities classified as held-to-maturity and loans and receivables under IAS 39 that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.
The effect of the change from the 'incurred loss' model in IAS 39 to the 'expected credit loss' model in IFRS 9 is immaterial due to the low credit risk in the Entity. Therefore, the implementation of IFRS 9 has not had material impact on the financial position or performance of Entity.
Credit risk is described in note 13 as well.

3 Effect of the change in accounting policies (continued)

APPLICATION OF IFRS 15 “REVENUE FROM CONTRACT WITH CUSTOMERS”

IASB has issued IFRS 15 “Revenue from Contracts with Customers” This standard replaces IAS 11 and IAS 18 and sets out the principles for recognition, measurement, presentation and disclosure of revenue from contracts with costumers. The Entity has no revenue, hence the new standard has no effect.

APPLICATION OF IFRS 16 “LEASES”

This standard replaces IAS 17 and sets out the principles for recognition, measurement, presentation and disclosure of leases.
The Entity has no lease contracts, hence the new standard has no effect.

Notes to the financial statements

4 Staff costs

The Entity do not have any employees.
Management and Board of directors are being compensated, in another Group Entity.

	2017 DKK'000	2016 DKK'000
5 Special items		
Expenses cover strategic consideration and M&A activities	11.912	5.692
Total special items	11.912	5.692

	2017 DKK'000	2016 DKK'000
6 Financial income and expenses		
Financial income		
Interest on corporate income tax	44	31
Exchange rate adjustment	8.799	0
Other interest income	550	0
	9.393	31
Financial expenses		
Intra-group interest expenses	1.994	524
Interest expenses bank loan	10.390	2.809
Exchange rate adjustment	153	523
Others financial costs	1.603	0
	14.140	3.856

	2017 DKK'000	2016 DKK'000
7 Tax		
Current tax	1.132	861
Adjustment regarding previous years*	0	3.433
	1.132	4.294
The current corporation tax rate is 22%		
Profit/loss before tax	65.660	103.893
Tax at a rate of 22%	-14.445	-22.856
Tax-based value of non-deductible expenses	-2.607	-1.253
Dividend from subsidiaries, tax execpted	18.184	24.970
Adjustment regarding previous years' tax	0	3.433
	1.132	4.294
Effective tax rate	1,7%	4,1%

*In 2016, adjustment regarding previous years primarily cover tax refund in connection with the termination of the joint taxation group in which Netcompany Holding I A/S participated until 31 January 2016.

	2017 DKK'000	2016 DKK'000
8 Investments in subsidiaries		
Cost at 1 January	314.561	118.950
Additions	75.366	195.611
Cost at 31 December	389.927	314.561
Carrying amount at 31 December	389.927	314.561

	Form of enterprise	Owner-ship	Equity DKK'000	Result DKK'000
Subsidiaries:				
Netcompany A/S, Copenhagen, Denmark	A/S	100%	418.235	263.893
Netcompany AS, Oslo, Norway	AS	100%	33.908	20.962
Netcompany UK Holding Ltd., London, United Kingdom	Ltd	100%	75.366	0

	2017 DKK'000	2016 DKK'000
Income from investments in subsidiaries		
Dividend income	82.655	113.500

	2017 DKK'000	2016 DKK'000
9 Cash and cash equivalents		
Deposits at bank	4.702	674
	4.702	674

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

10 Share capital

The share capital equals DKK 553k divided into shares of DKK 1k each or multiplies hereof.
The shares have not been divided into classes.
There have been no changes in the share capital in the past five years.

	2017 DKK'000	2016 DKK'000
11 Borrowings		
Borrowings has been presented as follows in the balance sheet:		
Non-current liability	187.333	102.165
	187.333	102.165

	Maturity	Fixed or floating interest	Loan cost DKK'000	Nominal value DKK'000	Fair value DKK'000
Bank loans, NOK	2023	Floating	5.247	105.167	99.920
Bank loans, DKK	2023	Floating	4.587	92.000	87.413
31.12.2017			9.834	197.167	187.333

The repayment profile for the bank debt is conditional on the Entity complying with certain financial ratios (covenants). In 2017, the Entity complied with the covenants defined. According to the loan agreement all distribution of dividend has to be approved by the lender.

	2017 DKK'000	2016 DKK'000
12 Working capital changes		
Change in receivables	-997	157.587
Change in trade payables, etc.	-41.757	58.236
	-42.755	215.823

	2017 DKK'000	2016 DKK'000
13 Financial risks and financial instruments		
Categories of financial instruments		
Receivables from subsidiary	997	0
Cash	4.702	674
Receivables	5.699	674
Debt to group enterprises	76.637	118.336
Other debt	322	381
Financial liabilities measured at amortised cost	76.960	118.717

Policy for management of financial risks

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

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

Notes to the financial statements

13 Financial risks and financial instruments (continued)

Liquidity risks

The Entity is part of a Group credit facility. At 31 December 2017, the Group has unutilised credit facilities of a total of DKK 212,454k (2016: DKK 62.786), which the Entity has the option to use.

Credit risks

In 2017, the Entity has not had any bad debt losses and no credit risk is deemed to exist on the Entity's receivables at 31 December 2017.

Currency risks

The Entity has a loan in NOK, and a exposed to risk regarding the NOK currency rate. The main part of the Entity's transactions is in Danish kroner.

Interest rate risks

The Entity's bank loans carry floating rates, which for 80% of the loan has been swapped to fixed-rate through the use of interest rate swaps. In 2017, the floating rate averaged 4,3% (2016: 5%). The Entity's cash balances bear negative interest due to the current low interest environment.

Optimisation of the capital structure

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

14 Related parties

Related parties with a controlling interest

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

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

Transactions with related parties

There has not been any transactions other than interest income & expenses due to loans within the

15 Collateral provided and contingent liabilities

The Entity is part of a Group credit facility, the total carrying amount at 31 December 2017 is DKK 1,560,090k (DKK 1,214,191). The Entity provides full guarentee for the credit facility.

The Entity is part of a National Danish joint taxation with NC TopCo A/S as a management company. As a consequence, the Company is liable, as of 01.02.2016, for any obligation to withhold tax on interest, royalties and dividends for jointly taxed companies. The liability only constitutes an amount to the share of the capital in the company which is owned directly or indirectly by ultimate parent.

The Entity was part of a National Danish joint taxation with Netcompany Holding A/S as a management company. As a consequence, the Company is liable, as of 01.07.2012 until 31.01.2016, for any obligation to withhold tax on interest, royalties and dividends for jointly taxed companies. The liability only constitutes an amount to the share of the capital in the company which is owned directly or indirectly by ultimate parent.

Notes to the financial statements

16 Consolidation

Netcompany Holding I A/S and its subsidiaries are included in the consolidated financial statements of NC TopCo A/S, Business Registration No. 37 29 67 67.

17 Events after the balance sheet date

Besides settling the loan raised in NOK (DKK 105,167k, nominel value) (with a maturity in 2023), no events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.