



team.blue Denmark A/S

Højvangen 4
8660 Skanderborg
CVR No. 29412006

Annual report 2023

The Annual General Meeting adopted the annual report on 19.06.2024

Lasse Lindberg Mortensen
Chairman of the General Meeting

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Entity details

Entity

team.blue Denmark A/S

Højvangen 4

8660 Skanderborg

Business Registration No.: 29412006

Registered office: Skanderborg

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Stephen Ewart, Chairman

Ole Pallesen Jensen

Daniel Boldsen Gaye

Lotte Bendstrup

Executive Board

Lotte Bendstrup

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of team.blue Denmark A/S for the financial year 01.01.2023 - 31.12.2023.

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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

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.

Skanderborg, 19.06.2024

Executive Board

Lotte Bendstrup

Board of Directors

Stephen Ewart
Chairman

Ole Pallesen Jensen

Daniel Boldsen Gaye

Lotte Bendstrup

Independent auditor's report

To the shareholders of team.blue Denmark A/S

Opinion

We have audited the financial statements of team.blue Denmark A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that 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 by relevant law and regulations.

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.

Aarhus, 19.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Mads Fauerskov

State Authorised Public Accountant

Identification No (MNE) mne35428

Rasmus Volert Madsen

State Authorised Public Accountant

Identification No (MNE) mne45822

Management commentary

Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	600,101	536,120	476,717	416,792	393,039
Gross profit/loss	351,148	312,049	290,560	255,263	241,738
Operating profit/loss	175,111	145,399	135,072	120,061	115,955
Net financials	5,517	5,354	3,196	3,168	1,952
Profit/loss for the year	140,129	117,090	107,406	95,401	90,800
Total assets	561,177	512,547	506,769	418,251	327,410
Investments in property, plant and equipment	55,719	56,124	46,715	40,036	47,031
Equity	288,808	248,679	281,589	174,183	138,782
Invested capital incl. goodwill	395,005	391,476	424,726	311,485	245,968
Net interest-bearing debt	27,592	57,778	21,107	25,895	9,815
Average number of employees	197	187	180	176	185
Ratios					
Gross margin (%)	58.51	58.21	60.95	61.24	61.50
Net margin (%)	23.35	21.84	22.53	22.89	23.10
Turnover invested capital	1.53	1.31	1.3	1.50	2.20
Return on invested capital incl. goodwill (%)	49.26	40.80	42.20	49.50	71.00
Financial gearing	0.10	0.20	0.10	0.20	0.10
Return on equity (%)	52.14	44.16	47.13	60.97	95.71
Solvency ratio (%)	51.46	48.52	55.60	41.60	42.40
Revenue per employee	3,046	2,867	2,648	2,368	2,125

* 2019 comprise HostNordic A/S which was merged into team.blue Denmark A/S and the figures from earlier years are therefore not directly comparable.

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

Gross margin (%):
$$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$$
Net margin (%):
$$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$$
Turnover invested capital:
$$\frac{\text{Revenue}}{\text{Average invested capital incl. goodwill}}$$
Return invested capital:
$$\frac{\text{EBITA} * 100}{\text{Average invested capital incl. goodwill}}$$
Financial gearing (%):
$$\frac{\text{Net interest-bearing debt} * 100}{\text{Average equity}}$$
Return on equity (%):
$$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$$
Solvency ratio (%):
$$\frac{\text{Equity} * 100}{\text{Total assets}}$$
Revenue per employee:
$$\frac{\text{Revenue}}{\text{Average number of employees}}$$

Primary activities

The Company's primary business area is to offer and deliver hosting and highly standardized solutions to SMEs. Sale and delivery are made either through direct customer relationships or through the partner channel.

The products offered by team.blue can be divided into 4 overall categories; Applications, Hosting, Domains and other. These overall categories can be divided into multiple products below where Applications covers e.g. Marketing tools, Ecommerce, E-mail, Office 365, Sitebuilder, Security Certificates and Premium, and Basic Hosting covers IAAS (InfraStructure As A Service), Virtual Servers, Backup and Security, Shared Hosting and Website Hosting.

Development in activities and finances

Management considers the financial development in 2023 as strong as revenue increased to DKK 600,101k compared to DKK 536,120k the year before, and gross profit increased to DKK 351,148k from DKK 312,168k.

Profit/loss for the year in relation to expected developments

Compared to the expectation for 2023 both revenue and profit before tax is in line with outlook.

Outlook

Management expects an increase in both revenue and profit in 2024 and is planning to further expand the presence in the Nordic hosting market via further growth. Revenue for 2024 is expected to end in the range between DKK 640m and DKK 660m with a profit before tax in the range between DKK 200m and DKK 215m.

The strong uplift in both revenue and profit is primarily coming from organic growth.

Financial performance in the first months of 2024 supports the outlook for the year, and management is satisfied with the development, both compared to historical periods and the budget.

Knowledge resources

As a knowledge-intensive group, it is crucial for team.blue to have highly skilled employees with an extensive know-how within the business. Future earnings in the group are dependent on the right mix of employees. That is why team.blue Group has an ambition to hire the best people and also continuously train the existing workforce within their specific center of competence.

Environmental performance

team.blue Group has the ambition to run the most energy efficient business. The group is doing so by re-using equipment to the largest extent possible but having in mind that operations should run on the most energy efficient way. Especially the use of electricity consumption is a key metric for the group, which has also been recognized via several governmental subsidies taking its base in optimization of energy consumption.

Research and development activities

Software is being developed which comprises SaaS, including control panels, payment systems and internal systems developed to create more efficiency and simplified processes and also to sell solutions to customers, altogether to create a better customer experience. Development projects in progress amounts to DKK 3,020k as of 31 December 2023.

Statutory report on corporate social responsibility

In recent years, we, team.blue Denmark, have experienced an explosive growth in employees and customers.

The group we are a part of serve more than 2,500,000 customers and have over 2,000 employees. In the Nordics, 250,000 customers are served, and 200 team members employed. This gives us a great social responsibility of which we are both very proud and very aware.

The IT industry to which we belong is responsible for significant CO2 emissions. For this reason, we as an IT company need to consider how we affect the environment and how we continuously find sustainable ways of operating our business.

To our customers, we wish to be a trusted digital enabler who actively invests in better and more sustainable ways of delivering our solutions – without ever compromising the quality. See also description in section “Primary Activities”.

To our local society, we wish to be an active stakeholder who supports local businesses, organizations and entrepreneurs.

Particular risks

Management is not aware of anything of particular risk to the company's presence in the Danish SME hosting market and nor of any risk that impacts the growth plans for the coming years. All acquired companies have been carefully integrated into the existing platform and framework, and the migration is continuously being monitored and tracked.

In terms of our corporate social responsibility, we have identified some risks, both inside—out and outside-in, in the areas of climate and environment, employee,- and social relations, anti-corruption, and human rights.

Climate and environment

The IT industry is one of the biggest risks regarding CO2 emissions – a fact that we cannot and should not shy away from. Data centers use a substantial amount of energy, which means that by finding and investing in better equipment we can create enormous energy savings.

We can and must work towards building a company that is as sustainable as possible. One way is to pay close attention to exactly how energy efficient our data centers are.

In recent years, the group that we are a part of have invested heavily in equipment which now enables us, on a group level, to save tons of CO2 annually.

Whenever we change IT equipment, both in the offices and in our data centers, we choose energy efficient hardware and make sure that old equipment is either reused or recycled in the safest and most environmentally friendly way possible.

We have already made numerous improvements to team.blue, which all help us setting a greener footprint on the environment. We are not done at all, but we are very well underway.

In 2023 we utilized Environmentally Friendly Electricity from Nordic hydropower plants and wind energy. This way we will be doing our part by helping setting focus on the need for sustainable energy.

When we use electricity from renewable energy sources, we make it more attractive to produce sustainable energy.

We received our certification of Environmentally Friendly Electricity purchased from our datacenter providers. Also, it is documented through guarantees of origin, the so-called RECS certificates.

We will continue to focus on this matter and work on our current initiatives in the coming financial year.

Climate and Environment: Workspace sustainability

As our building is new and most of it built per our request, we have had the opportunity to influence material choice and the overall construction.

We have chosen to have large open offices, as this not only supports our way of working, but also creates a better and more efficient way of heating and cooling the building, resulting in energy saving. For the same reason, we have equipped our windows with sun curtains and solar film.

One of our priorities was to have a lot of windows installed. It may seem simple, but it is an efficient way to lessen the need for artificial lighting. The lighting we do have, however, is intelligent, meaning that it turns on and off by itself as a further measure to conserve energy.

In addition to the energy saving initiatives that we have taken, we are also actively trying to reduce food waste. Our kitchen invests both time and money in creating a menu where leftover food can be reused the next day.

We prioritize buying local and ecological food products whenever possible. Furthermore, the kitchen provides an inexpensive dinner solution with the leftover food they have by creating portion sized dinner boxes for our employees to take home.

In 2023 we continued our previous efforts with a sustained focus on food waste.

In 2024 we wish to continue with the priorities within Climate and Environment we have set in 2023.

Employee- and social relations

Our employees are our most valuable assets.

As an employer, we wish to retain our employees and ensure that they are happy, healthy, and educated. A risk in regard to our employees is that they do not thrive when being part of team.blue.

Following are the ways that we mitigate the risks within employee- and social relations. We believe that education is an important part of our employees' development and that it should be an integral part of their work lives. For this reason, we offer our employees a range of different supplementary training whilst working for team.blue Denmark.

As an employer, we also have a responsibility for helping our employees fulfill their social needs and aspirations for a healthy lifestyle. Among other things, we provide a healthy breakfast and lunch, health insurance and free access to our in-house gym.

We believe that the physical environment is fundamental to the well-being of our employees, which is why we tailor their workspaces to their exact wants and needs. We provide our employees with the IT equipment of their choice, and we offer height adjustable tables and chairs that are customizable to the needs of the individual.

We try to facilitate a work environment where the individual has his or her own project that he or she can manage however they see fit. We strive to also meet individual demands from our employees, to enhance their work experience and their general well-being.

We adhere to relevant collective agreements regarding pay, meaning that all team.blue Denmark employees receive a salary and benefit package that is competitive in relation to the market standard.

We provide a range of benefits which include, but are not limited to, physiotherapy, carwash whilst at work, massage and much more.

To better the balance between work life and family life, we provide the possibility of working from home if needed in most of our departments. Furthermore, we include our employees' families on festive occasions when relevant and possible.

At least once a year, we arrange a "health initiative" – typically in the form of a competition which helps our employees become more aware of their eating habits, exercise habits and/or their health in general.

We have an internal employee handbook, wherein relevant subjects concerning employee- and social relations are described.

In 2023 we continued our previous efforts.

In 2024 we wish to continue with the priorities within employee- and social relations we have set in 2023.

Anti-bribery

team.blue always strives to act and do business in an ethical, responsible, transparent, and honest manner. team.blue does not accept or solicit corruption or bribery in any kind and has a zero tolerance in relation to corruption and bribery.

In all business relationships we are obliged to act in a professional way, which entails that we do not accept presents, bribery and extortion that can have an influence on decisions made by team.blue.

team.blue in Denmark has an anti-bribery policy at a local level specifying local standards, among other things, non-acceptable behaviors related to e.g. giving or receiving gifts and engaging with competitors, acceptable gifts and donations, and how to raise concerns internally. The work to create the group wide governance model has been started, and the anti-bribery procedures specifically will be formalized in writing. So far, the anti-bribery activities have been discussed verbally, and the required information has also been shared verbally. team.blue as a Group is fully aware of the need to create and maintain written procedures and is working closely together with Group functions to implement the procedures as fast as possible. The plan is to finalize the Group wide procedures during Q2 2024. Currently, the regional and local governance models still stand and will still apply but will fall under an overarching governance framework steered from team.blue HQ. This governance framework will entail an code of conduct addressing, among other things, anti-bribery and anti-fraud procedures, a governance charter, a delegation of authority and whistleblower policy. The governance charter was implemented in 2023, and the code of conduct is planned for Q2 2024 with implementation throughout 2024.

With that said, we believe that the risk in relation to anti-bribery has been minimized with this informal communication of our values etc., and team.blue has not received any reports in 2023 concerning corruption or bribery .

Human rights

team.blue is committed to maintain and develop a culture based on respect towards human rights. This means that we have a responsibility to ensure the rights and safety of our employees and furthermore human rights throughout our supply chain. team.blue has internal guidelines on how we work with Human Rights, which in their principles follow internationally acknowledge guidelines on human rights, and in addition these are to be formalized in Q2 2024.

We consider our supply chain as relatively simple due to the composition of our suppliers, and we therefore assess our supply chain as being low risk regarding breaches of human rights.

team.blue strives to work with acknowledged suppliers that uphold a certain level of ethics to minimize risk of any breaches of human rights. When engaging new suppliers, we take our reservations and conduct due diligence screenings where needed.

In 2023 team.blue has not received any reports concerning breaches of human rights.

At team.blue we continuously improve and develop our organization, and in the course of 2024 and in the future, we aim to implement a group wide code of conduct that, among other things, will include a human rights policy.

Such group wide code of conduct will be implemented locally through internal available policies combined with eLearning or physical training where needed.

Societal and local responsibility

As one of Europe's leading digital enablers, we have a strong responsibility for developing the Danish IT industry.

For this reason, we cooperate with several research and educational institutions such as Aarhus University and Business Academy Aarhus.

By cooperating with schools, academies, and universities, we believe that we can play an important part in promoting the development of the IT industry. In return, we get a unique opportunity to meet students who provide us with input and ideas which we can implement in our company.

In addition to cooperating with schools, we frequently hire interns and if possible, offer apprenticeships.

Also, we wish to contribute to the development of the local business and startup environment. For this reason, we regularly sponsor local initiatives and organizations and host local events.

Specific initiatives

We enjoy being an active part of our local society and strive to participate in the development of the Danish IT scene. We also do whatever we can to help keep our employees happy and healthy.

Below is a list of some of our initiatives supporting these causes:

- Local sponsorships
- Sponsor for Skanderborg Culture Center
- Main sponsor for FC Skanderborg
- Coding Class for young students
- Continuous education of our employees
- Several health initiatives

Statutory report on Data ethics policy

Data ethics are a high priority at team.blue, and we are committed through internal guidelines and policies. As an incorporated part of the normal business operations, we make sure this is reflected in our internal policies and procedures and is communicated clearly to all our employees.

At team.blue, we focus on the following to maintain our high priority on data ethics:

1. Ensure compliance with all relevant laws and regulations, such as privacy and security regulations like GDPR and NIS2
2. Maintaining strong data privacy policies and practices, including data collection, use, and access rights
3. Provide dedicated and skilled personnel to ensure a high level of security protection and preventive measures
4. Obtain annual information security certifications and annual audits of our security and privacy standards

We operationalize the policies through, for example, use of data from external sources to a limited extent in our daily course of operations. When a new use of data is required, local management will be involved if the new use is of significant impact for the provider of the data.

team.blue is following the development on this subject to make sure we comply with the current rules and regulations to ensure that data are handled in a compliant way.

Statutory report on the underrepresented gender

The company is working on complying with the provisions of the laws for the underrepresented gender in the Senior Management body.

The board of directors currently consists of 3 men and 1 female, who are the Group CRO, Country CEO, Country CFO and Country CTO. We have had a target of 20% females represented in the Board of Directors, which was achieved in 2022.

The Senior Management team of team.blue Denmark consists of 6 persons, 2 of them female. The goal for the company was to have a minimum of 20% females represented at the Senior Management level. This goal has been met in 2023 with the current structure in Senior Management.

	2023
Board of directors	
Number of board members	4
% of the underrepresented gender	25%
Target in %	n/a
Year for achievement of target	n/a
Other management levels	
Number	6
% of the underrepresented gender	33%
Target in %	n/a
Year for achievement of target	n/a

As laid out in the above table the company has an equal gender distribution within the Board of Directors and Other management levels. As we have an equal representation of the underrepresented gender in both the Board of Directors and on other management levels, we are exempted from setting targets and years of achievement for the targets.

Throughout the recent years, the company has been focusing on the mixture and representation of genders in the organization and the percentage of females in the organization currently is 16%, 3 of them holding managerial positions. When recruiting, we ensure that all job advertisements are neutral in regard to gender, and during our recruitment process we do not place emphasis on gender when inviting candidates to an interview.

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 2023

	Notes	2023 DKK	2022 DKK
Revenue	1	600,100,859	536,120,069
Own work capitalised		12,820,950	13,589,614
Other operating income		2,167,297	119,148
Cost of sales		(197,474,674)	(170,717,850)
Other external expenses	2	(66,466,752)	(66,942,739)
Gross profit/loss		351,147,680	312,168,242
Staff costs	3	(108,292,897)	(100,502,019)
Depreciation, amortisation and impairment losses	4	(67,743,603)	(66,267,256)
Operating profit/loss		175,111,180	145,398,967
Other financial income	5	11,004,357	9,805,672
Other financial expenses	6	(5,486,991)	(4,451,527)
Profit/loss before tax		180,628,546	150,753,112
Tax on profit/loss for the year	7	(40,499,712)	(33,663,419)
Profit/loss for the year	8	140,128,834	117,089,693

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Completed development projects	10	20,336,259	20,153,407
Acquired intangible assets		137,279	641,881
Goodwill		10,201,133	13,249,037
Development projects in progress	10	3,020,034	3,683,308
Intangible assets	9	33,694,705	37,727,633
Other fixtures and fittings, tools and equipment		86,314,629	78,414,699
Leasehold improvements		736,614	2,071,671
Property, plant and equipment	11	87,051,243	80,486,370
Other investments		10,000	10,000
Deposits		2,410,746	2,434,752
Financial assets	12	2,420,746	2,444,752
Fixed assets		123,166,694	120,658,755
Trade receivables		51,212,101	39,785,401
Receivables from group enterprises		330,567,058	315,908,118
Deferred tax	13	1,741,033	2,126,408
Other receivables		1,891,468	1,451,330
Prepayments	14	25,462,949	10,953,563
Receivables		410,874,609	370,224,820
Cash		27,136,046	21,663,277
Current assets		438,010,655	391,888,097
Assets		561,177,349	512,546,852

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		1,013,500	1,013,500
Reserve for development expenditure		18,217,909	18,592,638
Retained earnings		229,576,208	229,072,645
Proposed dividend		40,000,000	0
Equity		288,807,617	248,678,783
Lease liabilities		9,892,554	16,527,385
Other payables		8,931,638	8,629,601
Non-current liabilities other than provisions	15	18,824,192	25,156,986
Current portion of non-current liabilities other than provisions	15	4,720,888	14,736,251
Bank loans		0	70
Trade payables		80,068,615	48,177,717
Payables to group enterprises		0	20,498,410
Tax payable		40,114,337	37,395,272
Other payables	16	15,325,403	12,424,978
Deferred income	17	113,316,297	105,478,385
Current liabilities other than provisions		253,545,540	238,711,083
Liabilities other than provisions		272,369,732	263,868,069
Equity and liabilities		561,177,349	512,546,852
Unrecognised rental and lease commitments	18		
Contingent liabilities	19		
Assets charged and collateral	20		
Related parties with controlling interest	21		
Transactions with related parties	22		
Group relations	23		

Statement of changes in equity for 2023

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Proposed extraordinary dividend DKK	Proposed dividend DKK
Equity beginning of year	1,013,500	18,592,638	229,072,645	0	0
Extraordinary dividend paid	0	0	0	(100,000,000)	0
Transfer to reserves	0	(374,729)	374,729	0	0
Profit/loss for the year	0	0	128,834	100,000,000	40,000,000
Equity end of year	1,013,500	18,217,909	229,576,208	0	40,000,000
					Total DKK
Equity beginning of year					248,678,783
Extraordinary dividend paid					(100,000,000)
Transfer to reserves					0
Profit/loss for the year					140,128,834
Equity end of year					288,807,617

Notes

1 Revenue

	2023	2022
	DKK	DKK
Nordic	572,484,414	521,607,584
Europe	19,785,359	7,095,243
Other	7,831,086	7,417,242
Total revenue by geographical market	600,100,859	536,120,069

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

In general the Company's primary business consists of offering and delivering hosting and highly standardized solutions to SMEs. Management wishes with regard to the Danish Financial Statements Act § 96 not to give additional information about business segment breakdown of revenue as a detailed breakdown of the revenue can harm the competitive situation.

2 Fees to the auditor appointed by the Annual General Meeting

	2023	2022
	DKK	DKK
Statutory audit services	285,000	306,000
Tax services	59,000	88,575
Other services	772,927	690,324
	1,116,927	1,084,899

3 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	93,810,069	87,355,825
Pension costs	12,342,168	11,128,326
Other social security costs	2,082,925	1,964,107
Other staff costs	57,735	53,761
	108,292,897	100,502,019

Average number of full-time employees	197	187
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	Remuneration of Management 2023 DKK	Remuneration of Management 2022 DKK
Executive Board	3,291,659	4,576,000
	3,291,659	4,576,000

4 Depreciation, amortisation and impairment losses

	2023 DKK	2022 DKK
Amortisation of intangible assets	18,589,399	21,025,193
Depreciation of property, plant and equipment	49,154,204	45,242,063
	67,743,603	66,267,256

5 Other financial income

	2023 DKK	2022 DKK
Financial income from group enterprises	8,880,098	8,842,014
Other financial income	2,124,259	963,658
	11,004,357	9,805,672

6 Other financial expenses

	2023 DKK	2022 DKK
Other interest expenses	0	313,744
Other financial expenses	5,486,991	4,137,783
	5,486,991	4,451,527

7 Tax on profit/loss for the year

	2023 DKK	2022 DKK
Current tax	40,114,338	35,421,122
Change in deferred tax	385,374	(1,757,703)
	40,499,712	33,663,419

8 Proposed distribution of profit and loss

	2023 DKK	2022 DKK
Ordinary dividend for the financial year	40,000,000	0
Retained earnings	100,128,834	117,089,693
	140,128,834	117,089,693

9 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK	Goodwill DKK	Development projects in progress DKK
Cost beginning of year	126,092,216	10,703,900	31,383,255	3,683,308
Transfers	3,683,308	0	0	(3,683,308)
Additions	11,536,437	0	0	3,020,034
Cost end of year	141,311,961	10,703,900	31,383,255	3,020,034
Amortisation and impairment losses beginning of year	(105,938,809)	(10,062,019)	(18,134,218)	0
Amortisation for the year	(15,036,893)	(504,602)	(3,047,904)	0
Amortisation and impairment losses end of year	(120,975,702)	(10,566,621)	(21,182,122)	0
Carrying amount end of year	20,336,259	137,279	10,201,133	3,020,034

Goodwill is recognized when acquisitions are made. Management has estimated the useful life and the amortization period regarding the goodwill. Based on the acquired company's business activity, customer base, customer mix and synergy possibilities Management has estimated the useful life to 5-10 years. Useful life is reassessed continuously by Management.

10 Development projects

Development projects in progress amounts to t.dkk. 3.020 as of 31 December 2023 and is to be finalized in Q1 2024.

Development projects comprise software, including control panels, payment systems and internal systems developed to create more efficiency and simplified processes and also to sell solutions to customers all together to create a better customer experience. Software and solutions are developed with base in market and customer demands and therefore has proven potential already prior to the development of the project.

The developed software is divided into separate projects where the individual projects are identifiable and follow their own course, including start-up, progress and completion.

The developed software must be seen as an integrated part of the company's DNA, whereby revenue and earnings follow the company's overall budgets and forecasts. Due to the financial performance there are no identified indicators of a need for impairment.

11 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	221,819,276	7,343,559
Additions	55,657,735	61,342
Cost end of year	277,477,011	7,404,901
Depreciation and impairment losses beginning of year	(143,404,577)	(5,271,888)
Depreciation for the year	(47,757,805)	(1,396,399)
Depreciation and impairment losses end of year	(191,162,382)	(6,668,287)
Carrying amount end of year	86,314,629	736,614
Recognised assets not owned by entity	12,408,925	0

12 Financial assets

	Other investments DKK	Deposits DKK
Cost beginning of year	10,000	2,434,752
Additions	0	31,094
Disposals	0	(55,100)
Cost end of year	10,000	2,410,746
Carrying amount end of year	10,000	2,410,746

13 Deferred tax

	2023 DKK	2022 DKK
Intangible assets	4,445,425	4,302,861
Property, plant and equipment	(6,597,197)	(6,889,229)
Other deductible temporary differences	410,739	459,960
Deferred tax	(1,741,033)	(2,126,408)

	2023 DKK	2022 DKK
Changes during the year		
Beginning of year	(2,126,408)	(368,705)
Recognised in the income statement	385,375	(1,757,703)
End of year	(1,741,033)	(2,126,408)

Deferred tax assets

Deferred tax assets are recognized at the value at which they are expected to be realized, either by offsetting in deferred tax liabilities or by offsetting tax on future earnings.

14 Prepayments

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

15 Non-current liabilities other than provisions

	Due within 12 months 2023 DKK	Due within 12 months 2022 DKK	Due after more than 12 months 2023 DKK
Lease liabilities	4,720,888	14,736,251	9,892,554
Other payables	0	0	8,931,638
	4,720,888	14,736,251	18,824,192

No liability is due after 5 years.

16 Other payables

	2023 DKK	2022 DKK
VAT and duties	5,455,076	6,576,852
Wages and salaries, personal income taxes, social security costs, etc payable	9,051,945	5,169,039
Other costs payable	818,382	679,087
	15,325,403	12,424,978

17 Deferred income

Deferred income comprise received income for recognition in subsequent financial years. Deferred income are measured at cost.

18 Unrecognised rental and lease commitments

	2023 DKK	2022 DKK
Liabilities under rental or lease agreements until maturity in total	43,297,277	40,917,711

19 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Combell Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

20 Assets charged and collateral

Material Bank accounts are pledged to the benefit of Kroll Trustee Services Limited acting as security agent.

21 Related parties with controlling interest

Related parties with a controlling interest:

team.blue Nordic ApS, Højvangen 4, 8660 Skanderborg (mother)

Combell N.V., Skaldenstraat 121, 9042 Gent, Belgium (mother)

Combell Holding ApS, Højvangen 4, 8660 Skanderborg, Denmark (mother)

Combell Group B.V., Watertorenplein 4 A, 1051PA Amsterdam, Netherlands (mother)

team.blue N.V., Skaldenstraat 121, 9042 Ghent, Belgium (mother)

team.blue Finco Sarl, 1, rue Hildegard von Bingen, L-1282, Luxembourg (mother)

team.blue Midco Sarl, 1, rue Hildegard von Bingen, L-1282, Luxembourg (mother)

team.blue Holdco Sarl, 1, rue Hildegard von Bingen, L-1282, Luxembourg (mother)

team.blue Mezzco Sarl, 1, rue Hildegard von Bingen, L-1282, Luxembourg (mother)

team.blue PIKco Sarl, 1, rue Hildegard von Bingen, L-1282, Luxembourg (mother)

team.blue Topco Sarl, 1, rue Hildegard von Bingen, L-1282, Luxembourg (mother)

team.blue EquityCo Sarl, rue Hildegard von Bingen, L-1282, Luxembourg (ultimate mother)

22 Transactions with related parties

Information about transactions with related parties are only listed in the annual report if these transactions have not been carried out on a market term basis. There have not been conducted such transactions in the financial year.

23 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

team.blue Nordic ApS, Højvangen 4, 8660 Skanderborg.

Accounting policies

Reporting class

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

The accounting policies applied to these financial statements are consistent with those applied last year, with minor reclassifications.

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 one in effect at the payment date, or the rate at the balance sheet date are recognized 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 recognized in the income statement when delivery is made to the buyer. Revenue is recognized net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Own work capitalised

Own work capitalised comprises staff costs incurred in the financial year and recognised in cost for proprietary intangible assets.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

Cost of sales

Costs of consumables comprise domains, internet access, software, etc. as well as costs directly attributable to realization of revenue for the year. Costs of sales also include write-down for bad debt recognized under current assets.

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.

Staff costs

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

Depreciation, amortisation and impairment losses

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

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies, etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, etc.

Tax on profit/loss for the year

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

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

Balance sheet**Goodwill**

Goodwill is amortized straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The useful life is determined based on an assessment of whether the strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and

recognized as separate assets. Useful lives are reassessed annually. The amortization periods used are 5-10 years.

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

Intellectual property rights etc

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

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

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

Completed development projects are amortized on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. For development projects protected by intellectual property rights, the maximum amortization period is the remaining duration of the relevant rights. The amortization period used are 3 years.

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

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

Property, plant and equipment

Other fixtures and fittings, tools and equipment and leasehold improvements 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.

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:

	Useful life
Other fixtures and fittings, tools and equipment	3-5
Leasehold improvements	3-5

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.

Other investments

Other investments comprise unlisted equity investments measured at the lower of cost and net realisable value.

Receivables

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

Deferred tax

Deferred tax is recognized on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognized in the balance sheet at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

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

Cash

Cash comprises bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Lease liabilities

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

Operating leases

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

Other financial liabilities

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

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's

taxable income, adjusted for prepaid tax.

Deferred income

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

Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of team.blue Nordic ApS, Business Reg. No. 37272272.