ZITCOM HOLDCO APS

Højvangen 4
8660 Skanderborg
Central Business Registration
No: 37272272

Annual report
2018

The Annual General Meeting adopted the annual report on 28.05.2019

Chairman of the General Meeting

Name Claus Røge Brandstrup

Contents

Entity details

Zitcom HoldCo ApS
Højvangen 4
8660 Skanderborg

Central Business Registration No: 37272272
Registered in: Skanderborg
Financial year: 2018

Executive Board

Jonas Marcel E. Dhaenens
Stefan Rosenlund

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by management on the annual report

The Executive Board have today considered and approved the annual report of Zitcom HoldCo ApS for the financial year 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations and cash flows for the financial year 01.01.2018 - 31.12.2018.

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, 28.05.2019

Executive Board

Stefan Rosenlund

Jonas Marcel E. Dhaenens

Independent auditor's report

To the shareholders of Zitcom HoldCo ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Zitcom HoldCo ApS for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2018, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2018 - 31.12.2018 in accordance with 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 consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent'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 consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and the Parent's internal control.

Independent auditor's report

- 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 consolidated financial statements and the parent 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 Parent'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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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.

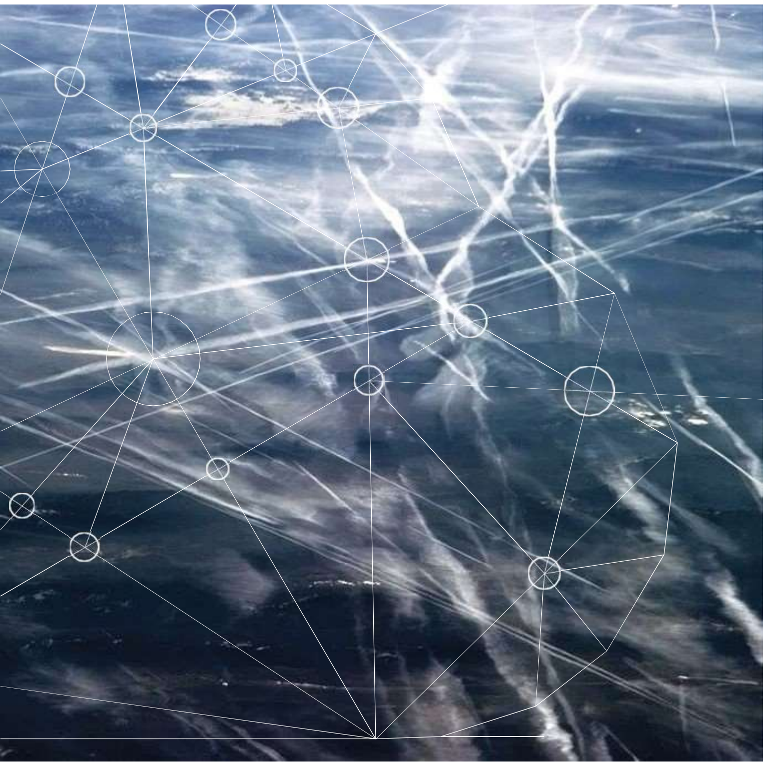
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent 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, 28.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No (CVR) 33 96 35 56

Michael Bach
State Authorised Public Accountant
Identification No (MNE) 19691

Mads Fauerskov
State Authorised Public Accountant
Identification No (MNE) 35428

Management commentary

FINANCIAL HIGHLIGHTS

T.DKK	2018	2017	2015/16
CONSOLIDATED INCOME STATEMENT			
Revenue	334.762	204.962	179.108
Gross profit/loss	202.704	116.753	92.554
Operating profit/loss	9.390	7.011	-12.578
Net financials	-16.256	-21.862	-19.472
Profit/loss for the year	-26.563	-22.749	-32.202

T.DKK			
CONSOLIDATED BALANCE SHEET			
Total assets	904.884	489.586	501.281
Investments in property, plant and equipment	34.829	33.640	17.580
Equity	362.432	79.871	102.606
Invested capital incl. goodwill	919.045	500.342	427.268
Interest bearing debt, net	278.860	316.224	299.397

T.DKK			
CONSOLIDATED CASH FLOW			
Operating activities	126.062	51.392	44.474
Investing activities	-411.262	-66.951	-427.395
Financing activities	339.390	361	402.481

T.DKK			
RATIOS*			
Gross margin (%)	60,6	57,0	51,7
Net margin (%)	-7,9	-11,1	-18,0
Return on invested capital incl. goodwill (%)	14,3	12,2	-
Turnover invested capital	0,5	0,4	-
Financial gearing (%)	1,3	3,5	-
Return on equity (%)	-12,0	-24,9	-
Solvency ratio (%)	40,1	16,3	20,5
Revenue per employee	1.579	2.157	2.267
Employees in average	212	95	79

2015/16 is the establishment year of the group

* Ratios with average figures are not calculated on a consolidated basis

Management commentary

FINANCIAL HIGHLIGHTS

Financial highlights are defined and calculated as follows:

RATIOS	CALCULATION FORMULA	DESCRIPTION
Gross margin (%)	Gross profit x 100 / Revenue	The entity's operating gearing
Net margin (%)	Profit/loss for the year x 100 / Revenue	The entity's operating profitability
Return on invested capital	EBITA x 100 / Avr. invested capital incl. GW	The return generated by the entity on the investors' funds
Turnover invested capital	Revenue / Avr. invested capital incl. GW	Turnover rate of capital employed by the entity
Financial gearing (%)	Net interest-bearing debt / Avr. equity	The entity's financial gearing
Return on equity (%)	Profit/loss for the year x 100 / Avr. equity	The entity's return on capital invested in the Entity by the owners
Solvency ratio (%)	Equity x 100 / Total assets	The financial strength of the entity
Revenue per employee	Revenue / Avr. number of employees	The entity's productivity

EBITA (Earnings Before Interest, Tax and Amortization) is defined as operating profit plus the year's amortization of and impairment losses relating to intangible assets including goodwill.

Invested capital including goodwill is defined as net working capital plus the carrying amount of property, plant and equipment and intangible assets as well as accumulated amortization of intangible assets including goodwill, and less other provisions and long-term operating liabilities.
Accumulated impairment losses relating to goodwill are not added.

Net working capital is defined as receivables and other operating current assets net of trade payables and other short-term operating liabilities. Income taxes receivables and payable as well as cash are not included in net working capital.

Net interest-bearing debt is defined as interest-bearing liabilities, including income tax payable, net of interest-bearing assets, including cash and income tax receivable.

Management commentary

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.

DEVELOPMENT IN ACTIVITIES AND FINANCES

Management considers the financial development in 2018 as strong as the revenue increased to t.dkk 334.762 compared to t.dkk 204.962 the year before and gross profit increased to t.dkk 202.704 from t.dkk 116.753.

The development in financial performance and general activities in 2018 was impacted by

- Acquisition of Surftown A/S on the 28th of February 2018
- Acquisition of Smartweb ApS on the 2nd of May 2018
- Acquisition of DanDomain A/S on the 28th of February 2018
- Acquisition of ActiveWebs A/S on the 12th of October 2018

Surftown was acquired on the 28th of February 2018 and has given Zitcom A/S a presence in Copenhagen. All physical activities in the former locations of Smartweb ApS and ActiveWebs A/S has ceased and have been migrated to the existing location of Zitcom A/S (Højvangen 4, 8660 Skanderborg).

During 2018 a group wide re-structuring took place, which amongst other things resulted in a tax-free contribution and an external financing agreement, shifting loan liabilities from InterCompany debt to external debt.

Management commentary

OUTLOOK

Management expects an increase in both revenue and profit in 2019 and is planning to further expand the presence in the Nordic hosting market via further growth. Revenue for 2019 is expected to end in the range between 370 m.dkk and 400 m.dkk with a profit after tax in the range between 60 m.dkk and 80 m.dkk.

The strong uplift in both revenue and profit is primarily coming from acquisitions and mergers, but also from continued organic growth.

In April 2019 Zitcom A/S acquired HostNordic A/S and Management expects to continue the active M&A strategy in 2019 and it is likely that further M&A activity will take place during the year.

Financial performance in the first months of 2019 supports the outlook for the year and management is satisfied with the development, both compared to historical periods and the budget.

Management commentary

PARTICULAR RISKS

Management is not aware of anything of particular risk to the company's presence is the Danish SME hosting market and also no risk that impacts the growth plans for the coming years. All acquired companies are carefully integrated into the existing platform and framework, and the migration is continuously being monitored and tracked.

INTELLECTUAL CAPITAL RESOURCES

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

ENVIRONMENTAL PERFORMANCE

Zitcom 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 with having in mind that the 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 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. Development projects in progress amounts to t.dkk. 3.134.769 as of 31 December 2018.

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.

Consolidated income statement

DKK	Notes	2018	2017
Revenue		334.762.134	204.962.018
Cost of sales		-99.324.002	-67.571.217
Other external expenses		-32.734.614	-20.637.660
Gross profit/loss		202.703.518	116.753.141
Staff costs	1	-74.775.216	-44.180.718
Depreciation, amortisation and impairment losses	2	-118.537.813	-65.561.659
Operating profit/loss		9.390.489	7.010.764
Income from investments in associates		-121.091	-11.196
Other financial income	3	1.183.178	44.056
Other financial expenses	4	-17.439.386	-21.906.471
Profit/loss before tax		-6.986.810	-14.862.847
Tax on profit/loss for the year	5	-19.576.209	-7.885.829
Profit/loss for the year	6	-26.563.019	-22.748.676

Consolidated balance sheet – assets

DKK	Notes	2018	2017
Intangible assets			
Acquired intangible assets		499.936	696.605
Goodwill		678.320.006	388.733.375
Completed development projects		11.477.585	3.604.448
Development projects in progress		3.134.769	321.444
Total intangible assets	7	693.432.296	393.355.872
Property, plant and equipment			
Other fixtures and fittings, tools and equipment		51.973.987	39.562.500
Leasehold improvements		304.595	350.792
Total property, plant and equipment	8	52.278.582	21.935.855
Fixed asset investments			
Deposit		2.881.884	2.520.527
Other investments		10.000	10.000
Total fixed asset investments	9	2.891.884	2.530.527
Total fixed assets		748.602.762	435.799.691
Receivables			
Trade receivables		26.973.684	20.597.785
Receivables from group enterprises		40.527.865	0
Deferred tax	10	91.261	615.105
Other short-term receivables		778.763	394.861
Prepayments	11	9.584.172	7.897.771
Total receivables		77.955.745	29.505.522
Cash		78.325.655	24.280.844
Total current assets		156.281.400	53.786.366
Total assets		904.884.162	489.586.057

Consolidated balance sheet - equity and liabilities

DKK	Notes	2018	2017
Equity			
Contributed capital		55.000	53.000
Retained earnings		362.377.140	79.817.838
Total equity		**362.432.140**	**79.870.838**
Non-current liabilities other than provision			
Finance lease liabilities		19.599.971	13.146.869
Bank loans		249.747.822	-
Total non-current liabilities other than provision	12	**269.347.793**	**13.146.869**
Current liabilities other than provisions			
Current portion of long-term liabilities other than provisions	12	14.827.693	11.004.876
Bank loans		301.181	446.629
Trade payables		28.989.043	14.926.848
Payables to group enterprises		84.622.695	309.449.173
Income tax payable		28.613.721	6.457.482
Other payables	13	22.440.113	11.234.486
Accrued expenses		3.976.507	3.077.901
Deferred income	14	89.333.276	39.970.955
Total current liabilities other than provisions		**273.104.229**	**396.568.350**
Liabilities other than provisions		**542.452.022**	**409.715.219**
Total equity and liabilities		**904.884.162**	**489.586.057**

Unrecognized rental and lease commitments	15
Contingent liabilities	16
Assets charged and collateral	17
Related parties with control	18
Transactions with related parties	19

Consolidated statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	53.000	79.817.838	79.870.838
Capital Increase	2.000	30.766.147	30.768.147
Tax-free contribution	-	278.356.174	278.356.174
Profit/loss for the year	-	-26.563.019	-26.563.019
Equity end of year	**55.000**	**362.377.140**	**362.432.140**

Consolidated cash flow statement for 2018

DKK	Notes	2018	2017
Operating profit/loss		9.390.489	7.010.764
Depreciation, amortization and impairment losses		118.537.813	65.561.659
Working capital changes	20	21.594.662	4.421.423
Cash flow from ordinary operating activities		149.522.964	76.993.846
Financial income received		1.183.178	44.056
Financial expenses paid		-17.439.386	-21.906.471
Income taxes refunded/(paid)		-7.204.409	-3.739.494
Cash flow from operating activities		126.062.347	51.391.937
Acquisition etc of intangible assets		-10.456.609	-4.488.848
Acquisition etc of property, plant and equipment		-34.829.312	-33.639.533
Sale etc of property, plant and equipment		283.921	741.300
Acquisition of fixed asset investments		-397.734.342	-29.564.304
Sale of fixed asset investments		31.474.710	-
Cash flow from investing acitivities		-411.261.632	-66.951.385
Loans raised		249.747.822	279.879.141
Instalments on loans etc		-224.826.478	-288.407.221
Incurrence of lease obligations		20.968.058	19.032.936
Reductions of lease commitments		-15.624.179	-10.144.217
Contribution		278.356.174	-
Capital increase		30.768.147	-
Cash flow from financing acitivities		339.389.544	360.639
Increase/decrease in cash and cash equivalents		54.190.259	-15.198.809
Cash and cash equivalents beginning of year		23.834.215	39.033.024
Cash and cash equivalents end of year		78.024.474	23.834.215
Cash and cash equivalents at year end are composed of:			
Cash		78.325.655	24.280.844
Short-term debt to banks		-301.181	-446.629
Cash and cash equivalents end of year		78.024.474	23.834.215

Group notes

DKK	2018	2017
1. Staff costs		
Wages and salaries	75.413.498	43.235.636
Pension costs	6.892.152	3.903.055
Other social security costs	1.384.201	755.475
Other staff costs	937.184	718.255
Staff costs transfered to assets	-9.851.819	-4.431.703
	74.775.216	44.180.718
Average number of employees	212	95

	Remune-ration of management 2018	Remune-ration of management 2017
Executive board	3.782.366	3.829.895
Board of directors	0	878.025
	3.782.366	4.707.920

DKK	2018	2017
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	91.973.362	49.414.288
Depreciation of property, plant and equipment	26.948.514	16.689.426
Profit/loss from sale of intangible assets and property, plant and equipment	-384.063	-542.055
	118.537.813	65.561.659

DKK	2018	2017
3. Other financial income		
Interest income	1.016.827	16.650
Other financial income	166.351	27.406
	1.183.178	44.056

Group notes

DKK	2018	2017
4. Other financial expenses		
Financial expenses from group enterprises	3.964.046	5.767.883
Interest expenses	11.834.275	6.234.121
Other financial expenses	1.641.065	9.904.467
	17.439.386	21.906.471

DKK	2018	2017
5. Tax on profit/loss for the year		
Tax on current year taxable income	19.948.257	5.686.119
Change in deferred tax for the year	-1.097.365	2.250.165
Adjustments concerning previous years	725.317	-50.455
	19.576.209	7.885.829

The change in deferred tax for the year also comprise the change regarding the opening balance for the acquired companies in the financial year.

DKK	2018	2017
6. Proposed distribution of profit/loss		
Retained earnings	-26.563.019	-22.748.676
	-26.563.019	-22.748.676

Group notes

DKK	Acquired intangible assets	Goodwil
7. Intangible assets		
Cost beginning of year	8.085.281	488.231.648
Additions from mergers	209.115	13.686.567
Additions	-	395.648.269
Disposals	-43.801	-43.254.692
Cost end of year	8.250.595	854.311.792
Amortisation and impairment losses beginning of year	-7.388.676	-99.498.273
Amortization from mergers	-87.562	-10.044.617
Amortisation for the year	-318.222	-80.190.408
Reversal regarding disposals	43.801	13.741.512
Amortisation and impairment losses end of year	-7.750.659	-175.991.786
Carrying amount end of year	499.936	678.320.006

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.

Group notes

DKK	Completed development projects	Develo p-ment projects in progress
7. Intangible assets, continued		
Cost beginning of year	4.110.259	321.444
Additions from mergers	55.283.285	907.183
Additions	7.321.840	3.134.769
Transfers	1.228.627	-1.228.627
Cost end of year	67.944.011	3.134.769
Amortisation and impairment losses beginning of year	-505.811	-
Amortization from mergers	-44.495.883	-
Amortisation for the year	-11.464.732	-
Amortisation and impairment losses end of year	-56.466.426	-
Carrying amount end of year	11.477.585	3.134.769

Development projects

Development projects in progress amounts to t.dkk. 3.135 as of 31 December 2018 and is to be finalized in Q1 2019.

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 projetcs where the individual projects are identificable 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

Group notes

DKK	Other fixtures and fittings, tools and equipment	Leasehold improve-ments
8. Property, plant and equipment		
Cost beginning of year	93.712.860	386.509
Additions from mergers	62.467.371	9.352.912
Additions	34.811.088	18.224
Disposals	-41.120.498	-1.431.997
Cost end of year	149.870.821	8.325.648
Depreciation and impairment losses beginning of year	-54.150.360	-35.717
Depreciation from mergers	-57.403.006	-8.433.051
Depreciation for the year	-26.347.376	-601.138
Reversal regarding disposals	40.003.908	1.048.853
Depreciation and impairment losses end of year	-97.896.834	-8.021.053
Carrying amount end of year	51.973.987	304.595
Recognised assets not owned by entity	29.047.351	-

DKK	Other investments	Deposit
9. Fixed asset investments		
Cost beginning of year	10.000	2.520.527
Additions	-	894.588
Disposals	-	-533.231
Cost end of year	10.000	2.881.884
Carrying amount end of year	10.000	2.881.884

Group notes

DKK	2018	2017
10. Deferred tax		
Intangible assets	-3.077.912	-635.374
Property, plant and equipment	3.293.024	1.674.158
Leasehold improvements	79.709	-
Tax losses carried forward	-	-
Receivables	-	-423.679
Other deductible temporary differences	-203.560	-
	91.261	615.105

11. Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

Prepayments are measured at cost.

DKK	Instalments within 12 months 2017	Instalments within 12 months 2018	Instalments beyond 12 months 2018
12. Long-term liabilities other than provision			
Finance lease liabilities	11.004.876	14.827.693	19.599.971
Bank loans	-	-	249.747.822
	11.004.876	14.827.693	269.347.793

No long-term liabilities beyond 5 years.

Group notes

DKK	2018	2017
13. Other payables		
VAT and duties	11.964.631	4.148.772
Wages and salaries, personal income taxes, social security costs, etc payable	10.475.482	7.030.243
Other costs payable	-	55.471
	22.440.113	11.234.486

14. Deferred income

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

Deferred income are measured at cost.

DKK	2018	2017
15. Unrecognised rental and lease commitments		
Commitments under rental or leases until expiry	12.014.605	14.751.300

16. Contingent liabilities

The Group is part of a Danish joint taxation from 27.02.2018 with Combell Holding ApS as tax principal.

According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc. for the jointly taxed companies and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

The total net liability is incorporated in the accounts for the above-mentioned tax principals.

17. Assets charged and collateral

No guarantees, securities or like.

18. Related parties with control

Related parties with a controlling interest:

Combell N.V., Skaldenstraat 121, 9042 Gent, Belgium.

Group notes

19. 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.

DKK	2018	2017
20. Change in working capital		
Increase/decrease in inventories	-	-
Increase/decrease in receivables	10.915.652	1.938.905
Increase/decrease in trade payables etc.	10.679.010	2.482.518
	21.594.662	4.421.423

Parent income statement

DKK	Notes	2018	2017
Revenue		1.914.569	-
Other external expenses		-4.227.095	-21.563
Gross profit/loss		-2.312.526	-21.563
Staff costs	1	-1.280.425	-
Operating profit/loss		-3.592.951	-21.563
Income from investments in group enterprises	6	-7.612.101	-22.293.251
Other financial income	2	763.917	851.590
Other financial expenses	3	-17.256.414	-1.393.456
Profit/loss before tax		-27.697.549	-22.856.680
Tax on profit/loss for the year	4	1.134.530	108.004
Profit/loss for the year	5	-26.563.019	-22.748.676

Parent balance sheet – assets

DKK	Notes	2018	2017
Fixed asset investments			
Investment in group enterprises		703.093.547	80.433.085
Total fixed asset investments	6	703.093.547	80.433.085
Total fixed assets		703.093.547	80.433.085
Receivables			
Receivables from group enterprises		-	29.243.759
Joint taxation contribution receivable		3.260.481	10.745.531
Income tax receivable		-	-
Total receivables		3.260.480	39.989.290
Cash		4.765.347	727.163
Total current assets		8.025.828	40.716.453
Total assets		711.119.375	121.149.538

Parent balance sheet - equity and liabilities

DKK	Notes	2018	2017
Equity			
Contributed capital		55.000	53.000
Retained earnings		362.377.140	79.817.838
Total equity		362.432.140	79.870.838
Non-current liabilities other than provision			
Bank loans		249.747.822	-
Total non-current liabilities other than provision	7	249.747.822	-
Current liabilities other than provisions			
Trade payables		121.575	18.750
Joint taxation contribution payable		1.592.941	4.948.392
Income tax payable		-	5.689.135
Payables to group enterprises		97.224.897	30.622.423
Total current liabilities other than provisions		98.939.413	41.278.700
Liabilities other than provisions		348.687.235	41.278.700
Total equity and liabilities		711.119.375	121.149.538
Contingent liabilities	8		
Assets charged and collateral	9		
Related parties with control	10		
Transactions with related parties	11		

Parent statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	53.000	79.817.838	79.870.838
Capital Increase	2.000	30.766.147	30.768.147
Tax-free contribution	-	278.356.174	278.356.174
Profit/loss for the year	-	-26.563.019	-26.563.019
Equity end of year	**55.000**	**362.377.140**	**362.432.140**

Parent notes

DKK	2018	2017
1. Staff costs		
Wages and salaries	991.049	-
Pension costs	229.950	-
Other social security costs	9.513	-
Other staff costs	49.913	-
	1.280.425	-
Average number of employees	3	-

DKK	2018	2017
2. Other financial income		
Financial income arising from group enterprises	763.917	851.590
	763.917	851.590

DKK	2018	2017
3. Other financial expenses		
Financial expenses from group enterprises	4.846.459	1.319.842
Interest expenses	11.665.165	-
Other financial expenses	744.790	73.614
	17.256.414	1.393.456

DKK	2017	2017
4. Tax on profit/loss for the year		
Tax on current year taxable income	-1.849.199	-108.004
Change in deferred tax for the year	-	-
Adjustments concerning previous years	714.669	-
	-1.134.530	-108.004

DKK	2018	2017
5. Proposed distribution of profit/loss		
Retained earnings	-26.563.019	-22.748.676
	-26.563.019	-22.748.676

Parent notes

DKK	Investment in group enterprises
6. Fixed asset investments	
Cost beginning of year	134.211.567
Additions from mergers	302.252.160
Additions	407.264.152
Disposals	-26.980.415
Cost end of year	816.747.464
Revaluations beginning of year	-53.778.482
Revaluations from mergers	-11.993.328
Profit/loss for the year	67.611.623
Amortization of goodwill	-75.223.724
Dividend	-40.500.000
Other adjustments	108.804
Reversals regarding disposals	121.190
Revalutions end of year	-113.653.917
Carrying amount end of year	703.093.547

Goodwill included in carrying amount, T.DKK 652.130

Subsidaries

Zitcom A/S, Skanderborg, 100% ownership

Surftown A/S, SmartWeb ApS, ActiveWebs A/S, DanDomain A/S and UnoEuro Danmark A/S has been merged into Zitcom A/S.

DKK	Instalments within 12 months 2017	Instalments within 12 months 2018	Instalments beyond 12 months 2018
7. Long-term liabilities other than provision			
Bank loans	-	-	249.747.822
	-	-	249.747.822

No long-term liabilities beyond 5 years.

Parent notes

8. Contingent liabilities

The Company serves as a tax principal in a Danish joint taxation arrangement for the period 01.01.2018 – 26.02.2018. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc. for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

The total net liability to the Danish tax authorities appears from the financial statements.

For the period 27.02.2018 – 31.12.2018 the company has been part of a Danish joint taxation with Combell Holding ApS as Tax principal.

9. Assets charged and collateral

The shares in the subsidiary Zitcom A/S are pledged to the benefit of Wilmington Trust (London).

An assignment agreement between Zitcom HoldCo ApS as pledgor and Wilmington Trust (London) Limited as security agent.

An account pledge agreement between Combell Holding ApS as pledgor and Wilmington Trust (London) Limited as security agent.

Zitcom HoldCo ApS has issued a parent company guarantee on behalf of Zitcom A/S in favour of the lessor, Dell Bank International D.A.C, for the payment of any amount or liability with respect to Zitcom A/S' obligations under any leasing agreement with Dell Bank International D.A.C. The guarantee is limited to T.DKK 2.500.

10. Related parties with control

Related parties with a controlling interest:
Combell N.V., Skaldenstraat 121, 9042 Gent, Belgium.

11. 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.

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.

Change in accounting principles

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognized 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 recognized 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.

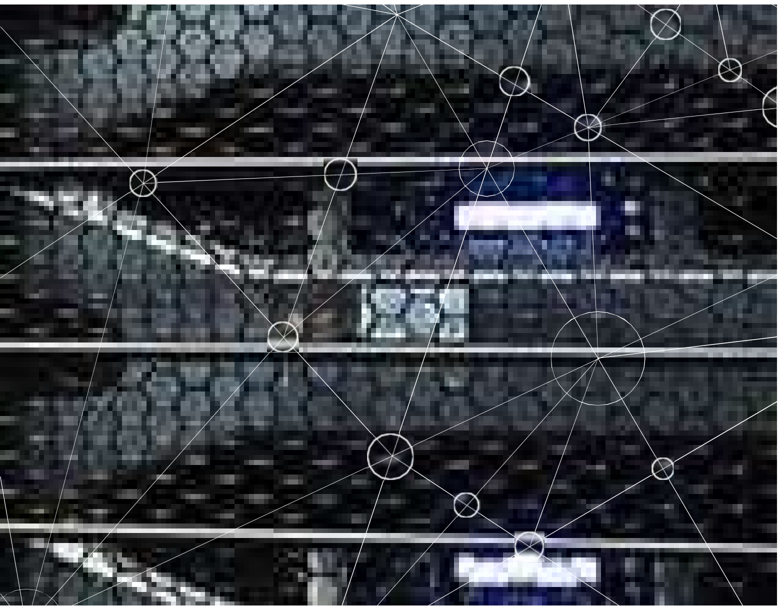
Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognized in the income statement when earned, whereas costs are recognized by the amounts attributable to this financial year.

Accounting policies

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.



Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Zitcom HoldCo ApS and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognized in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

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.

Accounting policies

Business combinations

Newly acquired or newly established enterprises are recognized in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognized in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognized under intangible assets, and they are amortized systematically over the income statement based on an individual assessment of their useful life. Negative balances (negative goodwill) are recognized as income in the income statement.

When acquisitions, mergers, demergers, asset transfers etc. are made, where the participating companies are controlled by the parent company the consolidation method is used, where the consolidation is considered carried out at the acquisition time without adjusting comparative figures. When using the consolidation method, the acquired companies' assets and liabilities are recognized at book value, adjusted for differences in accounting policies and accounting estimates. The difference between the agreed purchase price and the acquired companies' book value is booked in the equity.

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.

Cost of sales

Costs of raw materials and 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.

Accounting policies

Depreciation, amortization 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.

Income taxes

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).

Income from investments in group enterprises

Income from group enterprises comprises the pro rata share of the individual group enterprises profit/loss after elimination of internal profit or losses.

BALANCE SHEET

Acquired intangible assets

Acquired rights are measured at cost less accumulated amortization. Rights are amortized on a straight-line basis over the estimated useful life of 3 years. Goodwill related to purchase price allocations is amortized over 10 years.

Acquired intangible assets is written down to the lower of recoverable amount and carrying amount.

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.

Accounting policies

Development projects

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.

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:

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

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

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises

Investments in group enterprises are recognized and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unamortized positive, or negative, goodwill and minus or plus unrealized intra-group profits or losses.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognized under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Accounting policies

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired. Goodwill is amortized over its estimated useful life which is normally 5 years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortization period is considered to give a better reflection of the benefit from the relevant resources.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortized cost, usually equaling nominal value less write-downs 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 and cash.

Dividend

Dividend is recognized as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

Finance lease commitments

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

Operating leases

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

Other financial liabilities

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

Accounting policies

Income tax receivable or payable

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

Deferred income

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

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities 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 and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases,

instalments on interest-bearing debt, and payment of dividend.

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