

team.blue Nordic ApS



• Annual Report 2020

team.blue Nordic ApS
Højvangen 4
8660 Skanderborg

Central Business Registration
No: 37272272

The Annual General Meeting adopted the annual report on 16.04.2021

Chairman of the General Meeting

Name: Claus Røge Brandstrup

team.blue

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• Entity details

team.blue Nordic ApS
Højvangen 4
8660 Skanderborg

Central Business Registration No: 37272272
Registered in: Skanderborg
Financial year: 2020

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 team.blue Nordic ApS for the financial year 01.01.2020 - 31.12.2020.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations and cash flows for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

Skanderborg, 16.04.2021

Executive Board

Stefan Rosenlund

Jonas Marcel E. Dhaenens

• Independent auditor's report

To the shareholders of team.blue Nordic ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of team.blue Nordic ApS for the financial year 01.01.2020 - 31.12.2020, 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 31.12.2020, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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.

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.

- 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.

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, 16.04.2021

Deloitte

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

Mads Fauerskov

State Authorised Public Accountant
Identification No (MNE) 35428

Rasmus Villadsen Madsen

State Authorised Public Accountant
Identification No (MNE) 45822

• Management commentary

Financial highlights

T.DKK	2020	2019	2018	2017	2015/16
Consolidated income statement					
Revenue	416.792	393.039	334.762	204.962	179.108
Gross profit/loss	251.777	237.414	202.704	116.753	92.554
Operating profit/loss	32.568	28.330	9.390	7.011	-12.578
Net financials	-12.817	-16.300	-16.256	-21.862	-19.472
Profit/loss for the year	-6.072	-12.689	-26.563	-22.749	-32.202
T.DKK					
Consolidated balance sheet					
Total assets	743.334	802.568	904.884	489.586	501.281
Investments in property, plant and equipment	40.036	47.031	34.829	33.640	17.580
Equity	243.671	309.744	362.432	79.871	102.606
Invested capital incl. goodwill	965.599	963.809	919.045	500.342	427.268
Interest bearing debt, net	282.495	316.608	278.860	316.224	299.397
T.DKK					
Consolidated cash flow					
Operating activities	170.592	98.277	126.062	51.392	44.474
Investing activities	-54.979	-84.122	-411.262	-66.951	-427.395
Financing activities	-97.117	-42.991	339.390	361	402.481
T.DKK					
Ratios*					
Gross margin (%)	60,4	60,4	60,6	57,0	51,7
Net margin (%)	-1,5	-3,2	-7,9	-11,1	-18,0
Return on invested capital incl. goodwill (%)	13,9	13,3	14,3	12,2	-
Turnover invested capital	0,4	0,4	0,5	0,4	-
Financial gearing (%)	1,0	0,9	1,3	3,5	-
Return on equity (%)	-2,2	-3,8	-12,0	-24,9	-
Solvency ratio (%)	32,8	38,6	40,1	16,3	20,5
Revenue per employee	2.368	2.125	1.579	2.157	2.267
Employees in average	176	185	212	95	79

2015/16 is the establishment year of the group

* Ratios with average figures are not calculated on a consolidated basis in 2015/16

Financial highlights

Financial highlights are defined and calculated as follows:

Ratios	Calculation formula	Description
Gross margin (%)	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	The entity's operating gearing
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The entity's operating profitability
Return on invested capital	$\frac{\text{EBITA} \times 100}{\text{Avr. invested capital incl. GW}}$	The return generated by the entity on the investors' funds
Turnover invested capital	$\frac{\text{Revenue}}{\text{Avr. invested capital incl. GW}}$	Turnover rate of capital employed by the entity
Financial gearing (%)	$\frac{\text{Net interest-bearing debt}}{\text{Avr. equity}}$	The entity's financial gearing
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Avr. equity}}$	The entity's return on capital invested in the Entity by the owners
Solvency ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity
Revenue per employee	$\frac{\text{Revenue}}{\text{Avr. number of employees}}$	The entity's productivity

EBITA (Earnings Before Interest, Tax and Amortization) is defined as operating profit plus the year's amortisation 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.

Primary Activities

The Group'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 5 overall categories; Applications, Premium Hosting, Basic 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 2020 as strong as the revenue increased to t.dkk 416.792 compared to t.dkk 393.039 the year before and gross profit increased to t.dkk 251.777 from t.dkk 237.414.

Outlook

Management expects an increase in both revenue and profit in 2021 and is planning to further expand the presence in the Nordic hosting market via further growth. Revenue for 2021 is expected to end in the range between 465 m.dkk and 480 m.dkk with a profit before tax in the range between 135 m.dkk and 145 m.dkk.

The strong uplift in both revenue and profit is primarily coming from organic growth and partially from acquired customer portfolios.

Financial performance in the first months of 2021 supports the outlook for the year and management is satisfied with the development, both compared to historical periods and the budget.

Particular risks

Management is not aware of anything of particular risk to the group's presence in the Danish SME hosting market and also no 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.

Intellectual capital 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 is 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 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. 906 as of 31 December 2020.

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 2.000.000 customers and has 1.400 employees whereof in the Nordics, 250.000 customers are served and 176 team members employed. This gives us of 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 employees, we wish to be an employer who actively engages in their development and physical and mental well-being.

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

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.

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.

Data centers use a substantial amount of energy which means that by finding and investing in better equipment we can create enormous energy savings.

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 431 tons of CO2 annually. As a result of our energy efforts we have in 2020 succeeded in reducing our CO2 emissions.

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.

We have greatly reduced our energy consumption, by converting our electricity into Environmentally Friendly Electricity.

In 2020 we bought Environmentally Friendly Electricity from Nordic hydropower plants. 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 Energi Denmark. Also, it is documented through guarantees of Origin, the so-called Recs certificates.

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.

Physical well-being

Our employees are our most valuable assets.

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

We believe that education is an important part of our employee's 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.

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

It is our belief that we in 2020 have maintained a healthy and safe work environment.

Employee care

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 is 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 employee's family on festive occasions when relevant and possible.

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 whenever possible.

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
- Cooperation with Aarhus University
- Sponsor for Skanderborg Culture Center
- Main sponsor for FC Skanderborg
- Coding Class for young students
- Continuous education of our employees
- Health initiative with Anders Oll, former national Triathlon coach
- Health initiative with Morten Elsøe, author and health expert

Continuous development

Once a year, we review our policies and initiatives and discuss whether they suffice to reach our ambitious goals, which are based on the United Nations' 17 Sustainable Development Goals:

1. No Poverty
2. Zero Hunger
3. Good Health and Well-Being
4. Quality Education
5. Gender Equality
6. Clean Water and Sanitation
7. Affordable and Clean Energy
8. Decent Work and Economic Growth
9. Industry, Innovation and Infrastructure
10. Reduced Inequalities
11. Sustainable Cities and Communities
12. Responsible Consumption and Production
13. Climate Action
14. Life Below Water
15. Life on Land
16. Peace, Justice and Strong Institutions
17. Partnerships

We continuously discuss how our competences can create the biggest positive difference, and once a year, we review and prioritize our CSR action plan.

Anti-bribery

The Company 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 have a zero tolerance in relation to corruption and bribery.

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

team.blue was established in 2019 as an outcome of a merger of three bigger European hosting companies. The work to create the group wide governance models has been started and the Anti-bribery procedures specifically is being formalized in writing as we speak. So far the anti-bribery activities has been discussed verbally and the required information has also been shared verbally. We are fully aware of the need to create and maintain written procedures and we are working closely together with the Group functions to implement the procedures as fast as possible. The work to formalize the procedures has been delayed by the huge efforts of merging three similar sized companies into one big player in the European Hosting Industry.

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 2020 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.

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

team.blue strives to work with acknowledged suppliers to minimize risk of any breaches of human rights.

In 2020 team.blue has not received any reports concerning breaches of human rights.

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 4 men, who is the Group CEO, Country CEO, Country CFO and Country CTO. The goal of the company is to have a minimum of 20% females represented in the board of directors by the end of 2025. Since no new members were elected at The Annual General Meeting, the target was not met in 2020.

The Senior management team of team.blue denmark consists of 5 persons, whereof 1 is a female. The goal for the company is to have a minimum of 20% femals represented at the Senior Management level.

Throughout the recent years, the company has been focusing on the mixture and representation of genders in the organisation and the percentage of females in the organisation currently is 22%, whereof 4 persons holds managerial positions. When recruiting, we ensure that all job advertisements are neutral in regards to gender and during our recruitment process we do not place emphasis on gender when inviting candidates to a 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.

Refinancing

During 2021 team.blue performed a refinancing on Group level with no direct impact on the Danish group companies. The refinancing was performed to optimize the debt structure and to finance future M&A.

COVID-19

Management is not expecting significant negative impacts in 2021 from COVID-19, as development in the period from January 2021 to April 2021 has been positive despite the slowdown in the general markets due to Governmental lockdown. team.blue Nordic ApS has experienced and increase in the focus on E-commerce business and also a positive trend towards companies outsourcing their hosting services.

Management has monitored the development on a daily basis throughout the period impacted by COVID-19, and has not experienced material negative impacts on debtors aging, cashflow, revenue or other key metrics in the period.

Management will continue to monitor the development until the general negative impact from COVID-19 has let go of the markets. However given the business model and the dependency from customers towards operating their business, management is confident that team.blue Nordic will continue the positive development throughout the coming months and years.

• Consolidated income statement

DKK	Notes	2020	2019
Revenue	1	416.792.488	393.039.318
Cost of sales		-127.942.189	-116.941.670
Other external expenses	2	-37.072.932	-38.683.811
Gross profit/loss		251.777.367	237.413.837
Staff costs	3	-76.584.718	-77.235.255
Depreciation, amortisation and impairment losses	4	-142.624.537	-131.848.852
Operating profit/loss		32.568.112	28.329.730
Other financial income	5	5.288.936	1.781.300
Other financial expenses	6	-18.106.256	-18.081.068
Profit/loss before tax		19.750.792	12.029.962
Tax on profit/loss for the year	7	-25.822.965	-24.718.536
Profit/loss for the year	8	-6.072.173	-12.688.574

• Consolidated balance sheet – assets

DKK	Notes	2020	2019
Intangible assets			
Acquired intangible assets		6.163.408	8.162.956
Goodwill		530.248.246	617.061.805
Completed development projects		20.526.942	16.720.086
Development projects in progress		905.856	1.946.811
Total intangible assets	9	557.844.452	643.891.658
Property, plant and equipment			
Other fixtures and fittings, tools and equipment		62.364.258	62.045.647
Leasehold improvements		4.800.519	6.044.993
Total property, plant and equipment	10	67.164.777	68.090.640
Fixed asset investments			
Deposit		2.281.230	2.953.484
Other investments		10.000	10.000
Total fixed asset investments	11	2.291.230	2.963.484
Total fixed assets		627.300.459	714.945.782
Receivables			
Trade receivables		32.167.524	25.175.897
Other short-term receivables		647.557	961.542
Prepayments	13	15.466.532	12.172.004
Total receivables		48.281.613	38.309.443
Cash		67.752.254	49.312.641
Total current assets		116.033.867	87.622.084
Total assets		743.334.326	802.567.866

• Consolidated balance sheet – equity and liabilities

DKK	Notes	2020	2019
Equity			
Contributed capital		55.000	55.000
Retained earnings		243.616.393	309.688.566
Total equity		243.671.393	309.743.566
Provisions			
Deferred tax		972.362	1.457.642
Total provisions	12	972.362	1.457.642
Non-current liabilities other than provision			
Other payables		-	2.943.096
Other loans		1.337.335	2.325.000
Finance lease liabilities		8.257.406	7.956.280
Total non-current liabilities other than provision	14	9.594.741	13.224.376
Current liabilities other than provisions			
Current portion of long-term liabilities other than provisions	14	29.165.101	16.851.625
Bank loans		68.257	124.494
Trade payables		33.204.885	24.046.782
Payables to group enterprises	15	259.801.249	305.602.261
Income tax payable		51.617.903	30.117.540
Other payables	16	21.304.257	16.259.063
Accrued expenses		3.268.380	4.341.830
Deferred income	17	90.665.798	80.798.687
Total current liabilities other than provisions		489.095.830	478.142.282
Liabilities other than provisions		498.690.571	491.366.658
Total equity and liabilities		743.334.326	802.567.866
Unrecognized rental and lease commitments	18		
Contingent liabilities	19		
Assets charged and collateral	20		
Related parties with control	21		
Transactions with related parties	22		

• Consolidated statement of changes in equity

DKK	Contributed capital	Retained earnings	Proposed extraordinary dividend	Total
Equity beginning of year	55.000	309.688.566	-	309.743.566
Dividend	-	-	-60.000.000	-60.000.000
Profit/loss for the year	-	-66.072.173	60.000.000	-6.072.173
Equity end of year	55.000	243.616.393	-	243.671.393

• Consolidated cash flow statement

DKK	Notes	2020	2019
Operating profit/loss		32.568.112	28.329.730
Depreciation, amortization and impairment losses		142.624.537	131.848.852
Working capital changes	23	13.024.783	-24.211.051
Cash flow from ordinary operating activities		188.217.432	135.967.531
Financial income received		5.288.936	1.781.300
Financial expenses paid		-18.106.256	-18.081.068
Income taxes refunded/(paid)		-4.807.881	-21.391.114
Cash flow from operating activities		170.592.231	98.276.649
Acquisition etc of intangible assets		-15.288.918	-21.867.527
Acquisition etc of property, plant and equipment		-40.036.090	-47.030.640
Sale etc of property, plant and equipment		124.763	358.097
Acquisition of fixed asset investments		-451.220	-22.050.071
Sale of fixed asset investments		672.254	6.468.227
Cash flow from investing activities		-54.979.211	-84.121.914
Loans raised		12.201.786	261.507.431
Instalments on loans etc		-45.801.010	-247.867.688
Incurrence of lease obligations		11.811.165	-
Reductions of lease commitments		-15.329.111	-16.630.805
Dividends		-60.000.000	-40.000.000
Cash flow from financing activities		-97.117.170	-42.991.062
Increase/decrease in cash and cash equivalents		18.495.850	-28.836.327
Cash and cash equivalents beginning of year		49.188.147	78.024.474
Cash and cash equivalents end of year		67.683.997	49.188.147
Cash and cash equivalents at year end are composed of:			
Cash		67.752.254	49.312.641
Short-term debt to banks		-68.257	-124.494
Cash and cash equivalents end of year		67.683.997	49.188.147

• Group notes

DKK	2020	2019
1. Revenue		
Nordic	406.675.190	384.084.188
Europe	3.009.734	3.178.317
Other	7.107.564	5.776.813
	416.792.488	393.039.318

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.

DKK	2020	2019
2. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	280.000	272.000
Other assurance engagements	57.938	100.000
Tax services	143.669	408.557
Other services	641.579	759.032
	1.123.186	1.539.589

DKK	2020	2019
3. Staff costs		
Wages and salaries	78.139.920	79.679.038
Pension costs	9.148.328	8.133.035
Other social security costs	1.378.023	1.580.016
Other staff costs	48.343	140.494
Staff costs transferred to assets	-12.129.896	-12.297.328
	76.584.718	77.235.255
Average number of employees	176	185

Remuneration of management (Executive Board) 2020, 3.755 t.DKK. (2019: 3.905 t.DKK)

DKK	2020	2019
4. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	101.787.417	96.757.716
Depreciation of property, plant and equipment	40.961.954	35.318.499
Profit/loss from sale of intangible assets and property, plant and equipment	-124.834	-227.363
	142.624.537	131.848.852

DKK	2020	2019
5. Other financial income		
Financial income arising from group enterprises	1.147.002	1.162.381
Other financial income	4.141.934	618.919
	5.288.936	1.781.300

DKK	2020	2019
6. Other financial expenses		
Financial expenses from group enterprises	14.460.078	13.700.915
Interest expenses	287.387	2.547.684
Other financial expenses	3.358.791	1.832.469
	18.106.256	18.081.068

DKK	2020	2019
7. Tax on profit/loss for the year		
Tax on current year taxable income	26.308.244	22.105.292
Change in deferred tax for the year	-485.279	2.620.837
Adjustments concerning previous years	-	-7.593
	25.822.965	24.718.536

Change in deferred tax for last year also comprise change regarding the opening balance for the merged company.

DKK	2020	2019
8. Proposed distribution of profit/loss		
Extraordinary dividend	60.000.000	40.000.000
Retained earnings	-66.072.173	-52.688.574
	-6.072.173	-12.688.574

DKK	Acquired intangible assets	Goodwil
9. Intangible assets		
Cost beginning of year	17.196.672	881.100.659
Additions	998.276	451.220
Cost end of year	18.194.948	881.551.879
Amortisation and impairment losses beginning of year	-9.033.716	-264.038.780
Amortisation for the year	-2.997.824	-87.264.853
Amortisation and impairment losses end of year	-12.031.540	-351.303.633
Carrying amount end of year	6.163.408	530.248.246

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.

DKK	Completed development projects	Development projects in progress
9. Intangible assets, continued		
Cost beginning of year	82.611.526	1.946.811
Additions	13.384.786	905.856
Transfers	1.946.811	-1.946.811
Cost end of year	97.943.123	905.856
Amortisation and impairment losses beginning of year	-65.891.441	-
Amortisation for the year	-11.524.740	-
Amortisation and impairment losses end of year	-77.416.181	-
Carrying amount end of year	20.526.942	905.856

Development projects

Development projects in progress amounts to t.dkk. 906 as of 31 December 2020 and is to be finalized in Q1 2021.

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.

DKK	Other fixtures and fittings, tools and equipment	Leasehold improvements
10. Property, plant and equipment		
Cost beginning of year	208.087.236	15.193.945
Additions	39.856.866	179.224
Cost end of year	247.944.102	15.373.169
Depreciation and impairment losses beginning of year	-146.041.589	-9.148.952
Depreciation for the year	-39.538.255	-1.423.698
Depreciation and impairment losses end of year	-185.579.844	-10.572.650
Carrying amount end of year	62.364.258	4.800.519
Recognised assets not owned by entity	23.771.232	-

DKK	Other investments	Deposit
11. Fixed asset investments		
Cost beginning of year	10.000	2.953.484
Disposals	-	-672.254
Cost end of year	10.000	2.281.230
Carrying amount end of year	10.000	2.281.230

DKK	2020	2019
12. Deferred tax		
Intangible assets	4.495.277	4.340.086
Property, plant and equipment	-4.291.473	-3.316.364
Leasehold improvements	-41.433	112.163
Other deductible temporary differences	809.991	321.757
	972.362	1.457.642

13. Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

Prepayments are measured at cost.

DKK	Instalments within 12 months 2019	Instalments within 12 months 2020	Instalments beyond 12 months 2020
14. Long-term liabilities other than provision			
Other payables (Holiday pay obligation)	-	8.358.079	-
Other loans	4.650.000	10.706.724	1.337.335
Finance lease liabilities	12.201.625	10.100.298	8.257.406
	16.851.625	29.165.101	9.594.741

No long-term liabilities beyond 5 years.

15. Payables to group enterprises

In 2019 team.blue performed a refinancing of external facility debt after which a Intercompany loan was established. Due to the conditions in the loan agreement the Intercompany debt is presented as short term debt. The Management and Group Companies does not expect that the Intercompany debt will be demanded repaid during the next 12 month.

DKK	2020	2019
16. Other payables		
VAT and duties	7.802.842	6.717.446
Wages and salaries, personal income taxes, social security costs, etc payable	13.501.415	9.541.617
	21.304.257	16.259.063

17. Deferred income

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

DKK	2020	2019
18. Unrecognised rental and lease commitments		
Commitments under rental or leases until expiry	52.584.663	54.106.010

19. Contingent liabilities

The Group is part of a Danish joint taxation which Combell Holding ApS as the 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 tax liability is incorporated in the accounts for Combell Holding ApS.

20. Assets charged and collateral

Bank accounts are pledged to the benefit of Commerzbank Aktiengesellschaft, DNB (UK) Limited, Investec Bank plc and The Governor and Company of the Bank of Ireland.

Intra-group receivables are pledged to the benefit of Commerzbank Aktiengesellschaft, DNB (UK) Limited, Investec Bank plc and The Governor and Company of the Bank of Ireland.

21. Related parties with control

Related parties with a controlling interest:

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

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

Intelligent Holding B.V., Watertorenplein 4 A, 1051 PA Amsterdam, Netherlands (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 (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.

DKK	2020	2019
23. Change in working capital		
Increase/decrease in receivables	-9.972.169	-1.921.190
Increase/decrease in trade payables etc.	22.996.952	-22.289.861
	13.024.783	-24.211.051

• Parent income statement

DKK	Notes	2020	2019
Other external expenses		-3.485.403	-4.324.612
Gross profit/loss		-3.485.403	-4.324.612
Operating profit/loss		-3.485.403	-4.324.612
Income from investments in group enterprises	5	11.392.603	7.499.370
Other financial income	1	1.229.638	13.280
Other financial expenses	2	-17.215.097	-18.265.277
Profit/loss before tax		-8.078.259	-15.077.239
Tax on profit/loss for the year	3	2.006.086	2.388.665
Profit/loss for the year	4	-6.072.173	-12.688.574

• Parent balance sheet - assets

DKK	Notes	2020	2019
Fixed asset investments			
Investment in group enterprises		684.548.743	732.704.917
Total fixed asset investments	5	684.548.743	732.704.917
Total fixed assets		684.548.743	732.704.917
Receivables			
Joint taxation contribution receivable		4.357.299	2.351.212
Total receivables		4.357.299	2.351.212
Cash		181.648	1.726.055
Total current assets		4.538.947	4.077.267
Total assets		689.087.690	736.782.184

• Parent balance sheet - equity and liabilities

DKK	Notes	2020	2019
Equity			
Contributed capital		55.000	55.000
Retained earnings		243.616.393	309.688.566
Total equity		243.671.393	309.743.566
Current liabilities other than provisions			
Trade payables		151.153	946.059
Payables to group enterprises	6	445.265.144	426.092.559
Total current liabilities other than provisions		445.416.297	427.038.618
Liabilities other than provisions		445.416.297	427.038.618
Total equity and liabilities		689.087.690	736.782.184
Contingent liabilities	7		
Assets charged and collateral	8		
Related parties with control	9		
Transactions with related parties	10		

• Parent statement of changes in equity

DKK	Contributed capital	Retained earnings	Proposed extraordinary dividend	Total
Equity beginning of year	55.000	309.688.566	-	309.743.566
Dividend	-	-	-60.000.000	-60.000.000
Profit/loss for the year	-	-66.072.173	60.000.000	-6.072.173
Equity end of year	55.000	243.616.393	-	243.671.393

• Parent notes

DKK	2020	2019
1. Other financial income		
Financial income arising from group enterprises	8.976	13.280
Other financial income	1.220.662	-
	1.229.638	13.280

DKK	2020	2019
2. Other financial expenses		
Financial expenses from group enterprises	17.147.759	15.655.769
Interest expenses	-	2.338.445
Other financial expenses	67.338	271.063
	17.215.097	18.265.277

DKK	2020	2019
3. Tax on profit/loss for the year		
Tax on current year taxable income	-2.006.086	-2.388.665
Adjustments concerning previous years	-	-
	-2.006.086	-2.388.665

DKK	2020	2019
4. Proposed distribution of profit/loss		
Extraordinary dividend	60.000.000	40.000.000
Retained earnings	-66.072.173	-52.688.574
	-6.072.173	-12.688.574

Dividend distributed after 31 December 2020	150.000.000	-
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DKK	Investment in group enterprises
5. Fixed asset investments	
Cost beginning of year	838.859.464
Additions	451.220
Cost end of year	839.310.684
Revaluations beginning of year	-106.154.544
Profit/loss for the year	95.400.570
Amortization of goodwill	-84.007.967
Dividend	-60.000.000
Revaluations end of year	-154.761.941
Carrying amount end of year	684.548.743

Goodwill included in carrying amount, T.DKK 510.366

Subsidiaries

team.blue Denmark A/S, Skanderborg, 100% ownership

6. Payables to group enterprises

In 2019 team.blue performed a refinancing of external facility debt after which a Intercompany loan was established. Due to the conditions in the loan agreement the Intercompany debt is presented as short term debt. The Management and Group Companies does not expect that the Intercompany debt will be demanded repaid during the next 12 month.

7. Contingent liabilities

The Company is part of a Danish joint taxation with Combell Holding ApS as the 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 tax liability is incorporated in the accounts for Combell Holding ApS.

8. Assets charged and collateral

Bank accounts are pledged to the benefit of Commerzbank Aktiengesellschaft, DNB (UK) Limited, Investec Bank plc and The Governor and Company of the Bank of Ireland.

Intra-group receivables are pledged to the benefit of Commerzbank Aktiengesellschaft, DNB (UK) Limited, Investec Bank plc and The Governor and Company of the Bank of Ireland.

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

9. Related parties with control

Related parties with a controlling interest:

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

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

Intelligent Holding B.V., Watertorenplein 4 A, 1051 PA Amsterdam, Netherlands (mother)

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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 (ultimate mother)

10. 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 (large).

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.

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 team.blue Nordic 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.

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.

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.

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.

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.

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.