



# ZITCOM MIDCO APS

Højvangen 4  
8660 Skanderborg

Central Business Registration  
No: 37272787

## Annual report 2017

The Annual General Meeting adopted the annual report on 31.05.2018

Chairman of the General Meeting



Name: Claus Røge Brandstrup

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# Entity details

Zitcom MidCo ApS  
Højvangen 4  
8660 Skanderborg

Central Business Registration No: 37272787  
Registered in: Skanderborg  
Financial year: 2017

## 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 MidCo ApS for the financial year 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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, 31.05.2018

## Executive Board



Jonas Marcel E. Dhaenens



Stefan Rosenlund

# Independent auditor's report

To the shareholders of Zitcom MidCo ApS

## Opinion

We have audited the financial statements of Zitcom MidCo ApS for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board 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 financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

# Independent auditor's report

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



# 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 financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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



# Independent auditor's report

## Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

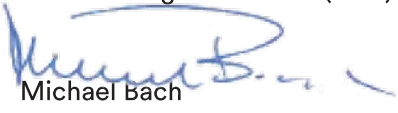
Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

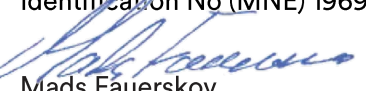
Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 31.05.2018

**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

## **PRIMARY ACTIVITIES**

The company's objects are to be a holding company and make investments and any other related activity

## **DEVELOPMENT IN ACTIVITIES AND FINANCES**

Loss for the year amounted to t.DKK 22.293 primarily due to income from investments in group enterprises which is highly affected by amortization of Goodwill in the Group. Management regards loss for the year as expected due to the amortization of goodwill.

Management expects an increase for the Group in both revenue and profit in 2018 and is planning to further expand the presence in the Nordic hosting market via further growth. Revenue for 2018 is expected to increase significantly which will increase profit after tax to approximately 20 m.dkk to 30 m.dkk.

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

The relative limited expected profit of Zitcom Group compared to revenue is caused by amortization of Goodwill, which is negatively impacting profit with 55 m.dkk to 60 m.dkk. This is also the reason why Zitcom Group ApS is expected to have a strong underlying cash generation in the range between 6 m.dkk to 8 m.dkk on a monthly basis.

## **EVENTS AFTER THE BALANCE SHEET DATE**

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Income statement

DKK	Notes	2017	2015/16
Other external expenses		-12.813	-5.000
<b>Gross profit/loss</b>		<b>-12.813</b>	<b>-5.000</b>
<b>Operating profit/loss</b>		<b>-12.813</b>	<b>-5.000</b>
Income from investments in group enterprises		-22.282.392	-31.254.277
Other financial income	1	851.500	9.882.778
Other financial expenses	2	-852.609	-9.882.793
<b>Profit/loss before tax</b>		<b>-22.296.314</b>	<b>-31.259.292</b>
Tax on profit/loss for the year	3	3.063	1.103
<b>Profit/loss for the year</b>	4	<b>-22.293.251</b>	<b>-31.258.189</b>

# Balance sheet – assets

DKK	Notes	2017	2016
<b>Fixed asset investments</b>			
Investments in group enterprises		80.447.856	102.717.147
<b>Total fixed asset investments</b>	5	<b>80.447.856</b>	<b>102.717.147</b>
<hr/>			
<b>Total fixed assets</b>		<b>80.447.856</b>	<b>102.717.147</b>
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<b>Receivables</b>			
Receivables from group enterprises		29.234.840	28.383.340
Income tax receivable		3.064	1.103
<b>Total receivables</b>		<b>29.237.904</b>	<b>28.384.443</b>
<hr/>			
<b>Cash</b>		<b>1.084</b>	<b>-</b>
<hr/>			
<b>Total current assets</b>		<b>29.238.988</b>	<b>28.384.443</b>
<hr/>			
<b>Total assets</b>		<b>109.686.844</b>	<b>131.101.590</b>

# Balance sheet - equity and liabilities

DKK	Notes	2017	2016
<b>Equity</b>			
Contributed capital		53.000	53.000
Retained earnings		80.380.085	102.660.235
<b>Total equity</b>		<b>80.433.085</b>	<b>102.713.235</b>
<b>Current liabilities other than provisions</b>			
Bank loans		-	15
Trade payables		10.000	5.000
Payables to group enterprises		29.243.759	28.383.340
<b>Total current liabilities other than provisions</b>		<b>29.253.759</b>	<b>28.388.355</b>
<b>Liabilities other than provisions</b>		<b>29.253.759</b>	<b>28.388.355</b>
<b>Total equity and liabilities</b>		<b>109.686.844</b>	<b>131.101.590</b>
Contingent liabilities	6		
Assets charged and collateral	7		
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# Statement of changes in equity for 2017

DKK	Contributed capital	Retained earnings	Total
Equity beginning of year	53.000	102.660.235	102.713.235
Fair value adjustment of hedging instruments	-	13.101	13.101
Profit/loss for the year	-	-22.293.251	-22.293.251
Equity end of year	53.000	80.380.085	80.433.085

# Notes

DKK	2017	2015/16
<b>1. Other financial income</b>		
Financial income arising from group enterprises	851.500	9.882.778
	<b>851.500</b>	<b>9.882.778</b>

DKK	2017	2015/16
<b>2. Other financial expenses</b>		
Financial expenses from group enterprises	851.591	9.882.778
Interest expenses	18	-
Other financial expenses	1.000	15
	<b>852.609</b>	<b>9.882.793</b>

DKK	2017	2015/16
<b>3. Tax on profit/loss for the year</b>		
Tax on current year taxable income	-3.063	-1.103
	<b>-3.063</b>	<b>-1.103</b>

DKK	2017	2015/16
<b>4. Proposed distribution of profit/loss</b>		
Retained earnings	-22.293.251	-31.258.189
	<b>-22.293.251</b>	<b>-31.258.189</b>

# Notes

DKK	Investment in group enterprises
<b>5. Fixed asset investments</b>	
Cost beginning of year	134.211.567
<b>Cost end of year</b>	<b>134.211.567</b>
Revaluations beginning of year	-31.494.420
Profit/loss for the year	-22.282.392
Other adjustments	13.101
<b>Revaluations end of year</b>	<b>-53.763.711</b>
<b>Carrying amount end of year</b>	<b>80.447.856</b>

## Subsidiaries

Zitcom Group ApS, Skanderborg, 100% ownership

## 6. Contingent liabilities

The Company is part of a Danish joint taxation with Zitcom HoldCo 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 liability is incorporated in the accounts for Zitcom HoldCo ApS.

## 7. Assets charged and collateral

No guarantees, securities or like.

## 8. Related parties with control

Related parties with a controlling interest:

Zitcom HoldCo ApS, Højvangen 4, 8660 Skanderborg.

Intelligent Holding B.V., Nieuwe's Grave Landseweg 17, 1405HK Bussum, The Netherlands

# Notes

## **9. Consolidation**

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Zitcom HoldCo ApS, Højvangen 4, 8660 Skanderborg.

## **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 B enterprises.

The accounting policies applied to these financial statements are consistent with those applied last year except for few reclassifications between other payables and trade payables.

## 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

According to the Danish Financial Statements Act § 112 a consolidated financial statement has not been prepared, as the Group is included in the consolidated financial statement in the largest group.



# Accounting policies

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognized in the income statement as financial income or financial expenses.

Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

## INCOME STATEMENT

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities.

### Other financial income

Other financial income comprise interest income, including interest income on transactions in foreign currencies, etc.

### Other financial expenses

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

### Tax on profit/loss for the year

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

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



# Accounting policies

## Income from investments in group enterprises

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

## BALANCE SHEET

### 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.

### Cash

Cash comprises bank deposits and cash.

### 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 computed on this year's taxable income, adjusted for prepaid tax.

# Accounting policies

## Cash flow statement

No cash flow statement has been included in the annual report as it is included in the cash flow statement in the consolidated financial statements of the parent Zitcom HoldCo ApS.