

**NC NewCo A/S
Grønningen 17,1
1270 Copenhagen K
Central Business Registration No 37 29 69 37**

Annual report 2016

The Annual General Meeting adopted the annual
report on

Chairman of the General Meeting



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Entity details

Entity

NC NewCo A/S

Grønningen, 17, 1

1270 Copenhagen K, Denmark

Business Registration No: 37 29 69 37

Registered in: Copenhagen, Denmark

Board of Directors

Thomas Broe-Andersen, Chairman

Nicholas Hjorth

Lars Denkov

Carsten Krogh Gomard

Executive Board

Nicholas Hjorth

Entity auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of NC NewCo A/S for the financial year 1 January to 31 December 2016.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position and results at 31 December 2016 as well as the Entity's cash flows for the financial year 1 January to 31 December 2016.

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

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

Copenhagen, 23 / 2 - 2017

Executive Board



Nicholas Hjorth
Chief Executive Officer

Board of Directors



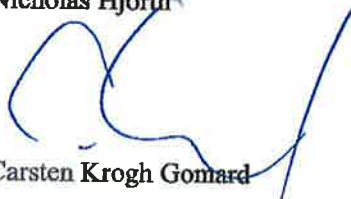
Thomas Broe-Andersen
Chairman



Nicholas Hjorth



Lars Denkov



Carsten Krogh Gomard

Independent auditor's report

To the shareholder of NC NewCo A/S

Opinion

We have audited the financial statements of NC NewCo A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31-12-2016, and of the results of its operations and cash flows for the financial year 01.01.2016 - 31.12.2016 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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.

Independent auditor's report

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate,

Independent auditor's report

quate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

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

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

Copenhagen, 23/2 2017

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56



Kim Takata Mücke
State-Authorised Public Accountant

Management commentary

	2016	2015
	<u>DKK'000</u>	<u>DKK'000</u>
Financial highlights		
Key figures		
Revenue	5,940	0
Gross profit/loss	(23,938)	0
Operating profit/loss (EBIT)	(29,756)	0
Net financial income/(costs)	(56,276)	0
Net profit/loss for the year	24,348	0
Other comprehensive income	2,528	0
Balance sheet total	2,377,343	15,422
Equity	1,216,719	500
Investments in properties, plant and equipment	-	-
Average number of employees	2	0
Ratios		
Return on equity (%)	2.0	-
Solvency ratio (%)	51.2	3.2

The Entity was established on 14 December 2015 for which reason the financial year 2015 only covers the period 14-31 December 2015.

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by CFA Society Denmark. The ratios have been compiled in accordance with the following calculation formulas:

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

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

Management commentary

Primary activities

The Company's primary activity is to hold equity investments and to provide IT services.

The Company's income statement for 2016 shows a profit of DKK 24,348k, and its balance sheet at 31 December 2016 shows equity of DKK 1,216,719k.

Investments

The investment level in 2016 was mainly driven by the purchase of Netcompany A/S.

Particular risks

Financial exposures

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

The interest-bearing liabilities in the Company relates to the loan made in 2016 to finance the purchase of Netcompany A/S, which bears interest according to OTC Rate Floor Transaction agreement made. The interest-bearing liabilities also relates to the cash balances, which bears negative interest due to the current low interest environment.

The Company has a limited foreign exchange exposure. The main parts of purchases and sales are executed in DKK.

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.

Corporate social responsibility

The Company strives to operate responsibly and wants to comply with legislation. This includes its attempts at minimising the environmental implications of the operation of the Company and also the Company's CSR efforts relating to the fight against corruption as well as efforts relating to human rights and labour rights, etc.

NC NewCo A/S is a member of the NC TopCo A/S Group which has joined the UN's Global Compact. The report of the ultimate Parent Company, NC TopCo A/S, can be downloaded from:

<https://www.unglobalcompact.org/participation/report/cop/create-and-submit/active/310251>.

Report on the underrepresented gender

NC NewCo A/S is a member of the NC TopCo A/S Group which has prepared a consolidated report on the gender composition in Management. The report of the NC TopCo A/S Group is included in the Management's commentary in the annual report of NC TopCo A/S.

Statement of comprehensive income for 2016

	<u>Notes</u>	<u>2016 DKK'000</u>	<u>2015 DKK'000</u>
Revenue		5,940	0
External expenses		<u>(29,878)</u>	<u>0</u>
Gross profit/loss		(23,938)	0
Staff costs	4	<u>(5,818)</u>	<u>0</u>
Operating profit/loss (EBIT)		(29,756)	0
Income from investments in subsidiaries	7	113,500	0
Financial income	5	381	0
Financial expenses	5	<u>(56,657)</u>	<u>0</u>
Profit/loss before tax		27,468	0
Tax on profit/loss for the year	6	<u>(3,120)</u>	<u>0</u>
Profit/loss for the year		<u>24,348</u>	<u>0</u>
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Fair value adjustment of interest rate and currency swaps	13	(27,974)	0
Tax on other comprehensive income		<u>6,154</u>	<u>0</u>
Other comprehensive income		<u>(21,820)</u>	<u>0</u>
Comprehensive income for the year		<u>2,528</u>	<u>0</u>

Balance sheet at 31 December 2016

	<u>Notes</u>	<u>2016 DKK'000</u>	<u>2015 DKK'000</u>
Investments in subsidiaries	7	2,320,445	0
Financial assets		<u>2,320,445</u>	<u>0</u>
Non-current assets		<u>2,320,445</u>	<u>0</u>
Receivables from subsidiary	14	50,112	0
Other receivables		2,200	500
Prepayments		0	14,922
Income tax receivables		3,143	0
Receivables		<u>55,455</u>	<u>15,422</u>
Cash	8	<u>1,443</u>	<u>0</u>
Current assets		<u>56,898</u>	<u>15,422</u>
Assets		<u>2,377,343</u>	<u>15,422</u>

Balance sheet at 31 December 2016

	<u>Notes</u>	<u>2016 DKK'000</u>	<u>2015 DKK'000</u>
Share capital	9	10,000	500
Retained earnings		1,206,719	0
Equity		<u>1,216,719</u>	<u>500</u>
Borrowings	10	1,075,848	0
Non-current liabilities		<u>1,075,848</u>	<u>0</u>
Borrowings	10	27,973	0
Payables to subsidiary	14	25,896	0
Other payables	11	30,907	14,922
Current liabilities		<u>84,776</u>	<u>14,922</u>
Liabilities		<u>1,160,624</u>	<u>14,922</u>
Equity and liabilities		<u><u>2,377,343</u></u>	<u><u>15,422</u></u>

Statement of changes in equity for 2016

	Share capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity at 14 December 2015	500	0	500
Profit/loss for the year	0	0	0
Other comprehensive income for the year	0	0	0
Equity at 31 December 2015	500	0	500
Equity at 1 January 2016	500	0	500
Capital increase	9,500	728,144	737,644
Capital contribution	0	476,047	476,047
Profit/loss for the year	0	24,348	24,348
Other comprehensive income/loss for the year	0	(21,820)	(21,820)
Equity at 31 December 2016	10,000	1,206,719	1,216,719

Cash flow statement for 2016

	<u>Notes</u>	<u>2016 DKK'000</u>	<u>2015 DKK'000</u>
Operating profit/loss (EBIT)		(29,756)	0
Investment costs reversed		29,450	0
Working capital changes	12	1,124	(500)
		818	(500)
Interest received		381	0
Cash flows from operating activities		1,199	(500)
Change in receivables from subsidiaries		(50,112)	0
Payments to acquire subsidiary		(2,320,445)	0
Investment costs		(29,450)	0
Dividend received		113,500	0
Cash flows from investing activities		(2,286,507)	0
Change in payables to subsidiaries		25,896	0
Issue of share capital upon formation		0	500
Capital increase / capital contribution		1,213,691	0
Proceeds from bank loans		1,075,848	0
Interest paid		(56,657)	0
Cash flows from financing activities		2,258,778	500
Increase in cash and cash equivalents		(26,530)	0
Cash and cash equivalents at 1 January	8	0	0
Cash and cash equivalents at 31 December		(26,530)	0

Notes

1. Accounting policies
2. Significant accounting estimates, assumptions and uncertainties
3. Effect of the change in accounting policies
4. Staff costs
5. Financial income and expenses
6. Tax
7. Investments in subsidiaries
8. Cash and cash equivalents
9. Share capital
10. Borrowings
11. Other payables
12. Working capital changes
13. Financial risks and financial instruments
14. Related parties
15. Collateral provided and contingent liabilities
16. Consolidation
17. Adoption of the annual report for publication
18. Events after the balance sheet date
19. New accounting standards

Notes

1. Accounting policies

As of 2016, NC NewCo A/S presents the financial statements in accordance with the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for financial statements governing reporting class B enterprises, see the Danish Executive Order on IFRS issued according to the Danish Financial Statements Act.

NC NewCo A/S is a company with its registered office in Denmark.

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

The Entity was established in 2015, and the financial statements, therefore, only include figures for 2015 and 2016.

In the 2016 financial statements, new and revised Standards and Interpretations having taken effect and been approved by the EU, were effective for this financial year without this having any effect on the annual report.

Consolidation

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

Foreign currency translation

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

Derivative financial instruments

The Entity enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks in the form of interest rate and cross currency swaps. The Entity designates the derivative financial instruments as cash flow hedges.

The derivative financial instruments are initially recognised at fair value and are subsequently remeasured to their fair value. The effective portion of changes in the fair value is recognised in other comprehensive income,

Notes

1. Accounting policies (continued)

whereas any gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to the income statement in the periods when the hedged item is reflected in the income statement.

Hedge accounting is discontinued when the Entity revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the income statement.

Statement of comprehensive income

Revenue

The Entity provide management services and revenue comprise management fee for the services relating to the year.

External expenses

External expenses comprise of corporate costs, including costs incurred in connection with acquiring the shares in Netcompany A/S.

Staff costs

Staff costs comprise salaries and wages as well as social security costs, pension contributions etc for the Entity's staff.

Financial income and expenses

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

Income taxes

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

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

On calculation of current tax, the tax rates and rules applicable at the balance sheet date are used.

Notes

1. Accounting policies (continued)

Income taxes (continued)

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities using the balance sheet liability method.

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

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

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

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

Balance sheet

Investments in subsidiaries

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

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

Receivables

Receivables include receivables from sale of services and other receivables.

Receivables are measured at fair value on initial recognition and subsequently at amortised cost, usually equaling nominal value less write-downs for bad debts.

Notes

1. Accounting policies (continued)

Prepayments

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

Dividend

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

Financial liabilities

Financial liabilities are measured at amortised cost.

Cash flow statement

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

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

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

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

Cash and cash equivalents comprise cash.

Notes

2. Significant accounting estimates, assumptions and uncertainties

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

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

In the financial statements for 2016, it is particularly important to note the following assumptions and uncertainties:

Investment in subsidiaries

The Entity acquired the entire share capital in Netcompany A/S at 1 February 2016 at a price of DKK 2,320,445k. The investment is carried at cost. Management will annually review the carrying amount for indication of impairment. On the basis that the investment recently took place in a transaction between unrelated parties and considering that Netcompany A/S has performed according to the plans supporting the determination of the purchase price, Management has determined that there are no impairment indicators at 31 December 2016.

Fair value measurement

The Entity measures a number of financial assets and liabilities, including derivative financial instruments, at fair value.

Derivative financial instruments in the form of interest rate and currency swaps are measured by discounting future cash flows to net present value that are based on relevant swap curves and discounted using a discount rate which reflects the credit risk of relevant counterparties (level 2 of the IFRS fair value hierarchy).

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

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

Notes

3. Effect of the change in accounting policies

2016 is the first year where NC NewCo A/S presents its financial statement in accordance with IFRS.

In accordance with IFRS 1, the balance sheet at 14 December 2015 and the comparative figures for 2015 have been prepared in accordance with the standards in effect at 31 December 2016. The Entity was established on 14 December 2015, and the financial statements only include comparative figures for 2015. The balance sheet at 14 December 2015 has been prepared as if the standards and interpretations had always been used except where specific transitional and effective date provisions in IFRS 1 apply.

The transition to presenting financial statements under IFRS has not had any impact on income and cash flow for 2015 and 2016 and on equity for the years ended 31 December 2016 and 2015.

	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>
4. Staff costs		
Average number of employees	2	0
	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>
5. Financial income and expenses		
Financial income		
Intra-group interest income	268	0
Other interest income	113	0
	<u>381</u>	<u>0</u>
Financial expenses		
Interest expenses on borrowings	56,453	0
Intra-group interest expenses	204	0
	<u>56,657</u>	<u>0</u>

Notes

	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>
6. Tax		
Current tax	3,034	0
Hereof tax on other comprehensive income	(6,154)	0
	<u>(3,120)</u>	<u>0</u>

The current corporation tax rate is 22% (2015: 23.5%).

	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>
Profit/loss before tax	27,468	0
Tax at a rate of 22% (2015: 23.5%)	(6,043)	0
Tax-based value of non-deductible expenses	(22,047)	0
Dividend from subsidiaries	24,970	0
	<u>(3,120)</u>	<u>0</u>
Effective tax rate	<u>11.4</u>	<u>0.0</u>

7. Investments in subsidiaries

	<u>2016</u> <u>DKK'000</u>
Cost at 1 January	0
Additions	2,320,445
Cost at 31 December	<u>2,320,445</u>
Carrying amount at 31 December	<u>2,320,445</u>

	<u>Registered</u> <u>office</u>	<u>Form of</u> <u>enterprise</u>	<u>Owner-</u> <u>ship</u>	<u>Equity</u> <u>DKK'000</u>	<u>Profit/loss</u> <u>DKK'000</u>
Subsidiaries:					
Netcompany A/S	Danmark	A/S	100%	227,469	156,984

	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>
Dividend income	113,500	0
Income from investments in subsidiaries	<u>113,500</u>	<u>0</u>

Notes

	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>
8. Cash and cash equivalents		
Deposits at bank	1,443	0
Bank overdraft	(27,973)	0
	<u>(26,530)</u>	<u>0</u>

The carrying amounts for cash and cash equivalents equal the fair value as these carry a floating rate. The Entity's cash and cash equivalents consist of deposits in well-reputed banks. Therefore, cash and cash equivalents are not subject to credit risk.

9. Share capital

The share capital equals DKK 500,000 divided into shares of DKK 1 each or multiples thereof.

The shares have not been divided into classes.

	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>
10. Borrowings		
Borrowings have been presented as follows in the balance sheet		
Non-current	1,075,848	0
Current	0	0
	<u>1,075,848</u>	<u>0</u>

	<u>Currency</u>	<u>Mature</u>	<u>Fixed or floating interest</u>	<u>Amotised cost DKK'000</u>	<u>Nominal value DKK'000</u>	<u>Fair value DKK'00</u>
Bank loan	DKK	2023	Floating	1,075,848	1,108,000	1,108,000
31.12.2016				<u>1,075,848</u>	<u>1,108,000</u>	<u>1,108,000</u>

The fair value of the bank loans is deemed to approximate the nominal value of the loan. The carrying value of the loan based on the amortised cost method consist of the loan proceeds obtained less cost to obtain the loan. The loan costs are amortised over the life of the loan based on the effective interest rate method.

The repayment profile for debt to credit institutions is conditional on the Entity complying with a number of financial ratios (covenants). In 2016, the Entity has complied with the covenants. According to the loan agreement, among other things, all distribution of dividend has to be approved by the lender.

Notes

	<u>2016</u> DKK'000	<u>2015</u> DKK'000
11. Other payables		
Interest rate and currency swaps, negative fair value	27,974	0
Wages and salaries, personal income taxes, social security costs, etc payable	278	0
VAT and duties	396	0
Other costs payable	2,259	14,922
	<u>30,907</u>	<u>14,922</u>
12. Working capital changes		
Increase/decrease in receivables	13,112	(15,422)
Increase/decrease in trade payables etc	(11,988)	14,922
	<u>1,124</u>	<u>(500)</u>
13. Financial risks and financial instruments		
Categories of financial instruments		
Receivables from subsidiary	50,112	0
Other receivables	2,200	500
Cash	1,443	0
Loan and receivables	<u>53,755</u>	<u>500</u>
Interest rate and currency swaps, negative fair value	<u>27,974</u>	<u>0</u>
Borrowings	1,075,848	0
Payables to subsidiary	25,896	0
Other payables	30,907	14,922
Financial liabilities measured at amortised cost	<u>1,132,651</u>	<u>14,922</u>

Policy for management of financial risks

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

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

Liquidity risks

The Entity attempts to maximise flexibility and minimise risks. At 31 December 2016, the Entity has unutilised credit facilities of a total of DKK 22,027k (2015: DKK 0).

Notes

13. Financial risks and financial instruments (continued)

Credit risks

In 2016, the Entity has not had any bad debt losses and no credit risk is deemed to exist on the Entity's receivables at 31 December 2016.

Currency risks

The Entity's bank loans in EUR has been swapped to DKK through the use of currency swaps. The main part of the Entity's other transactions are in DKK.

The fair value of the currency swaps outstanding at 31 December 2016 is negative by DKK 19,987k (2015: DKK 0k).

Interest rate risks

The Entity's bank loans carry floating rates, which for 80% of the loan has been swapped to fixed-rate through the use of interest rate swaps.

In 2016, the floating rate averaged 5% (2015: 0%), and, including the effect of interest rate swaps, the average rate has been 4,5% in 2016 (2015: 0%), excluding the impact from amortised loan costs.

The fair value of the interest rate swaps outstanding at 31 December 2016 is negative by DKK 7,987k (2015: DKK 0k).

The Entity's cash balances bear negative interest due to the current low interest environment.

Optimisation of the capital structure

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

Notes

14. Related parties

Related parties with a controlling interest

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

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

Transactions with related parties

During the year, the Entity has entered into the following transactions with related parties:

Management fee income DKK 5,940k (2015: DKK 0k).

Net interest income DKK 64k (2015: DKK 0k).

At the balance sheet date, the Entity has a receivable from a subsidiary of DKK 50,112k (2015: DKK 0k).

At the balance sheet date, the Entity has a payable to another subsidiary of DKK 25,896k (2015: DKK 0k).

15. Collateral provided and contingent liabilities

The Entity's investment in Netcompany A/S with a carrying amount of DKK 2,320,445k have been provided as collateral for the Entity's debt to credit institutions.

The Entity has provided a guarantee for Netcompany A/S of DKK 58,674k in relation to the Group's credit facilities.

The Entity is jointly and severally liable to pay tax at source on interest, royalties and dividend and for corporate income tax arising from the joint taxation arrangement to which it is party.

16. Consolidation

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

17. Adoption of the annual report for publication

At a meeting held on 23 February 2017, the Board of Directors adopted the annual report for publication. The annual report is presented to the shareholder of NC NewCo A/S for adoption at the annual general meeting on 23 February 2017.

18. 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.

Notes

19. New accounting standards

At the time of adoption of the annual report, certain new and amended standards and interpretations have been issued by the International Accounting Standard Board (IASB). These standards and interpretations are not yet mandatory for the Group's annual report and will be implemented when they become mandatory. The new standards and interpretations are not expected to have a material effect on future annual reports.