Belgravia Topco ApS

CVR No 38 99 39 76

Annual report for

01.01.2018
-
31.12.2018

The Annual Report was presented and adopted at the Annual General Meeting of the Company on:
29/5 2019

Chairman

Kevin Kristoffer Ehnhuus Iermiin

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Company Information

Company
Belgravia Topco ApS
Englandsvej 14
DK-5700 Svendborg

Central Business Registration No	38 99 39 76
Registered in	Svendborg

Executive Board
Kevin Kristoffer Ehnhuus Iermiin
Martin Nicholas Calderbank
Liam Stuart Goddard

Auditors
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Rytterkasernen 21
DK-5000 Odense C

Key figures

	2018 TDKK	6/10 -31/12 2017 TDKK
Financial highlights		
Profit and loss accounts		
Revenue	650.529	83.238
Gross profit	82.383	(14.359)
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	39.763	(17.819)
Operating profit	22.581	(19.568)
Net financials	(30.462)	(1.323)
Profit/loss before tax	(7.881)	(20.891)
Profit for the period	(8.345)	(22.846)
Balance sheet		
Total assets	507.215	513.985
Total equity	59.591	97.472
Cash flows		
Cash flows from:		
- operating activities	76.433	-5.905
- investing activities	-1.446	-235.410
including investment in property, plant and equipment	-1.446	-600
- financing activities	15.791	209.971
Change in cash and cash equivalents for the year	90.778	-31.344
Empolyees		
Average number of employees	66	60
Key Ratios		
Gross margin (%)	12,7%	-17,3%
EBITDA margin (%)	6,1%	-21,4%
Profit margin (%)	3,5%	-23,5%
Return on assets (%)	4,5%	-3,8%
Solvency ratio (%)	11,7%	19,0%
Return on equity (%)	-10,6%	-21,0%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Primary activities
Belgravia Topco ApS is a holding company which primary activity is owning shares in Danoffice IT Group. The Group's principal activities comprise of providing IT infrastructure and other high-technology solutions to international institutions and international B2B customers.

Development in activities and finances
The groups revenue in 2018 amounted to DKK 650.529 thousand. The growth primarily derives from increasing sales within the groups established markets.

Adjusted for non-recurring costs according to group policy, the 2018 EBITDA is DKK 45.472 thousand.

In 2018, the Group realized a loss of DKK 8.345 thousand, compared to a loss in 2017 of DKK 22.846 thousand.

At 31 December 2018 the Equity amounts to DKK 59.591 thousand compared to an equity of DKK 68,231 thousand 31 December 2017.

Including the loans from shareholders of DKK 67.303 thousand, the shareholder capital amounts to DKK 126.894 thousand, which corresponds to a ratio of 25% of the total liabilities.

Uncertainty relating to recognition and measurement
The group does not have any special uncertainties relating to recognision and measurement.

Unusual events

The group has not been affected by any unusual events in the financial year ending 31 December 2018.

Outlook

The company expects a positive development in 2019 and a profit level above the level achieved in 2018.

Risks
Currency risks
The majority of the Group's sales are invoiced in USD. The goods sold in USD are, however, also purchased in USD resulting in a natural hedge to some extent. The Group does currently not hedge the resulting net exposure arising from the sales being higher than the purchases and the different payment terms for sales and purchases in USD.

Trade receivables
The Group is exposed to credit risk from the sale of goods. The majority of the Group's trade receivables are vs. UN organizations, NGO's and large corporate organizations. UN is funded by national states and the credit risk is therefore considered very limited. The remaining trade receivable arise from sale to various corporates and IGO's.

Corporate Social Responsibility

The Group's polices, actions and results concerning human rights, labour, environment and anti-bribe are described in our Communication on progress reports which is submitted to UN's Global Compact and is available at the company web site www.danofficeit.com under www.danofficeit.com/corporate-information/corporate-responsibility.aspx

Goal and policies regarding gender quotation

The supreme management body of Belgravia Topco ApS is the executive board, which include three male members. According to section 99b of the Danish Financial Statements Act concerning the statement of the underrepresented gender, Belgravia Topco ApS has set a target number to obtain a female member of the executive board before the end of 2022. This target number has not been achieved in 2018, which is due to the fact that there were no qualified female candidates in the owner group.

In the day-to-day Management of the Group, 25% are female and 75% are male. The Group has implemented a policy to have continues focus on the underrepresented gender in the management.

It is our policy, that the underrepresented gender should represent 50% of the Group's total members of the Executive Board and Day-to-day business management.

To balance the gender, the Group strive at having minimum one of each gender represented among the last three candidates in the hiring process.

Environmental performance

The Group strives to respect the environment to fulfil the legal requirements at any time.

Research and development activities

The Group does not have any research and development activities.

Events after the balance sheet date

No events have occurred after the balance sheet date affecting considerably the 2018 annual report.

Management's Statement

The Executive Board have today considered and adopted the Annual Report of Belgravia Topco ApS for the financial year 1 January - 31 December 2018.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and the Parent Company Financial Statements have been prepared in accordance with the Danish Financial Statements Act. Management's Review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year 1 January - 31 December 2018.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Svendborg, 29 may 2019

Executive Board

Kevin Kristoffer Ehnhuus Iermiin

Martin Nicholas Calderbank

Liam Stuart Goddard

Independent Auditor's Report

To the Shareholders of Belgravia Topco ApS Group

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2018 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2018 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2018 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Belgravia Topco ApS Group for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group ("financial statements").

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 our report. We are independent of the Group in accordance with the International Ethics Standards Board for 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Company 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 Group's and the Parent Company'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 Group's and the Parent Company'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 Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the 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.

Odense, 29 May 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Line Hedam	Bo Damgaard Hansen
State Authorised Public Accountant	State Authorised Public Accountant
mne27768	mne34543

Consolidated statement of profit and loss

	Notes	2018 TDKK	6/10 - 31/12 2017 TDKK
Revenue	4	650.529	83.238
Costs of goods sold		(551.358)	(70.656)
Other operating income		0	61
Other external expenses		(16.788)	(27.002)
Gross profit		**82.383**	**(14.359)**
Employee benefits expense	5	(42.620)	(3.460)
Earnings Before Interest, Taxes, Depreciation and Amortisation		**39.763**	**(17.819)**
Depreciation, amortisation and impairment losses	6	(17.170)	(1.655)
Other operating expenses		(12)	(94)
Operating profit		**22.581**	**(19.568)**
Finance income	7	7.325	1.429
Finance costs	8	(37.787)	(2.752)
Profit before tax		**(7.881)**	**(20.891)**
Income tax expense	9	(464)	(1.955)
Profit for the period		**(8.345)**	**(22.846)**
Profit is attributable to:			
Owners of Belgravia Topco ApS		(4.396)	(12.156)
Non-controlling interests		(3.949)	(10.691)
		(8.345)	**(22.846)**

Consolidated statement of comprehensive income

	Notes	2018 TDKK	6/10 - 31/12 2017 TDKK
Profit for the period		(8.345)	(22.846)
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translation of subsidaries (net)		(1.836)	0
Hedging gains/losses transferred to the income statement, finance costs		(1.319)	0
Income tax relating to these items		290	0
Other comprehensive income for the period, net of tax		**(2.865)**	**0**
Total comprehensive income for the period		**(11.210)**	**(22.846)**
Total comprehensive income for the period is attributable to:			
Owners of Belgravia Topco ApS		(5.905)	(12.156)
Non-controlling interests		(5.305)	(10.691)
		(11.210)	**(22.846)**

Consolidated balance sheet

	Notes	2018 TDKK	2017 TDKK	6/10 2017 TDKK
Goodwill	10	227.366	227.366	0
Customer contracts	10	7.290	20.640	0
Software	10	4.308	4.960	0
Property, plant and equipment	11	7.416	9.138	0
Deferred tax asset	15	0	428	0
Total non-current assets		**246.380**	**262.532**	**0**
Inventories	16	51.938	71.315	0
Trade receivables	17	82.676	140.996	0
Other receivables		17.844	21.427	0
Prepayments		19	136	0
Cash and cash equivalents		108.358	17.579	50
Total current assets		**260.835**	**251.453**	**50**
Total assets		**507.215**	**513.985**	**50**

Consolidated balance sheet

	Notes	2018 TDKK	2017 TDKK	6/10 2017 TDKK
Share capital	19	1.618	1.618	50
Reserves		(18.062)	(12.156)	0
Equity attributable to equity holders of the parent		(16.444)	(10.538)	50
Non-controlling interests		76.035	108.009	0
Total equity		**59.591**	**97.472**	**50**
Borrowings	20	225.744	115.611	0
Lease obligations	12	4.930	6.339	
Payables to owner and Management	20	67.303	128.610	0
Deferred tax liabilities	15	4.135	6.931	0
Total non-current liabilities		**302.112**	**257.491**	**0**
Borrowings	20	8.797	13.780	0
Lease obligations	12	1.765	1.738	
Trade payables		122.829	133.190	0
Corporation tax		121	6.000	0
Payables to group enterprises relating to corporation tax		2.474	842	0
Other payables		9.526	3.472	0
Total current liabilities		**145.512**	**159.022**	**0**
Total liabilities		**447.624**	**416.513**	**0**
Total equity and liabilities		**507.215**	**513.985**	**50**

Consolidated statement of changes in equity

	Notes	Share capital TDKK	Retained earnings TDKK	Foreign currency translation reserve TDKK	Equity attributable to share-holders of the parent TDKK	Non-controlling interests TDKK	Total TDKK
Equity at 06.10.2017		50	0	0	50	118.700	118.750
Loss for the period		0	(12.156)	0	(12.156)	(10.691)	(22.846)
Other comprehensive income		0	0	0	0	0	0
Total comprehensive income for the period		50	(12.156)	0	(12.106)	108.009	95.904
Transactions with owners in their capacity as owners							
Capital increase		1.568	0	0	1.568	0	1.568
Equity at 31.12.2017		**1.618**	**(12.156)**	**0**	**(10.538)**	**108.009**	**97.472**
Profit for the period		0	(4.396)	0	(4.396)	(3.949)	(8.345)
Fair value adjustment of hedging instruments, end of year		0	(695)	0	(695)	(624)	(1.319)
Tax on adjustment of hedging instruments for the year		0	153	0	153	137	290
Exchange adjustments relating to foreign entities		0	0	(968)	(968)	(868)	(1.836)
Total comprehensive income for the period		0	(4.938)	(968)	(5.906)	(5.304)	(11.210)
Capital increase		0	0	0	0	1.200	1.200
Extraordinary dividend paid		0	0	0	0	(27.871)	(27.871)
Equity at 31.12.2018		**1.618**	**(17.094)**	**(968)**	**(16.444)**	**76.035**	**59.591**

Consolidated statement of cash flows

	Notes	2018 TDKK	2017 TDKK
Profit for the period		(8.345)	(22.846)
Financial income		(7.325)	(1.429)
Financial expenses		37.787	2.752
Depreciation and amortisation expense		17.170	1.655
Tax on profit/loss for the year		464	1.955
Change in net working capital	27	73.954	13.331
Cash flows from primary operating activities		113.705	(4.582)
Interests received		7.325	1.429
Interests paid		(37.787)	(2.752)
Income taxes paid		(6.810)	0
Net cash flow from operating activities		**76.433**	**(5.905)**
Purchase of business	14	0	(234.810)
Purchase of property, plant and equipment		(1.446)	(600)
Net cash flow from investing activities		**(1.446)**	**(235.410)**
Proceeds from borrowings		118.930	115.611
Repayment of borrowings		(61.306)	(47.862)
Proceeds from other long-term debt		0	128.610
Minority interests		1.200	0
Lease instruments		(1.382)	(168)
Dividend non-controlling interest		(27.871)	0
Net change in overdraft facility		(13.780)	13.780
Cash flow from financing activities	20	**15.791**	**209.971**
Net cash flow for the year		**90.778**	**(31.344)**
Cash and cash equivalents, beginning of the year		17.579	48.923
Cash and cash equivalents at end of the year		**108.357**	**17.579**

Notes

1. Corporate information
2. Accounting policies
3. Critical accounting estimates and judgements
4. Revenue
5. Employee benefits expense
6. Amortisation, depreciation and impairment losses
7. Financial income
8. Financial expenses
9. Income tax expense
10. Intangible assets
11. Property, plant and equipment
12. Leases
13. Investments i subsidaries
14. Business combination
15. Deferred tax
16. Inventories
17. Trade receivables
18. Categories of financial instruments and fair values
19. Share capital
20. Borrowings
21. Related parties
23. Fee to auditors appointed at the general meeting
24. Commitments and contingent liabilities
25. Financial risk management
26. Events after the balance sheet date
27. Changes in net working capital
28. First time adoption of IFRS

Notes

1. Corporate information

Belgravia Topco ApS was formed in October 2017 to effect the acquisition of the Danoffice IT Group. The company is a Danish incorporated entity with a paid in capital of 1,618 TDKK.

The Group's principal activities comprise of providing IT infrastructure and other high-technology solutions to international public institutions and international B2B customers.

2. Accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of Belgravia Topco ApS and its subsidiaries.

Basis of preparation

Compliance with IFRS

The consolidated financial statements of the Belgravia Topco ApS group have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union as well as additional Danish disclosure requirements applying to large enterprises of reporting class C.

Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

First time adoption of IFRS

The Annual Report is the first financial statements presented in accordance with IFRS. Standards and interpretations applicable for reporting periods beginning of 1 January 2018 have been applied. The figures for 2017 have been restated to IFRS.

The impact on the reported figures for 2017 and related disclosures required by IFRS 1 are provided in note 28.

Early adoption of IFRS 16

Belgravia Topco ApS has early adopted IFRS 16 "Leases" which mandatory should has been adopted 1 January 2019. Comparative amounts have been restated by meaning the leased assets at the same amount as the lease liability as of 6 October 2017.

IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

New standards and interpretations not yet adopted

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Principles of consolidation

Subsidiaries

The consolidated financial statement comprise the parent company and enties over which it has control.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively. As further described in note 12 the non controlling interests hold preference shares in the Danoffice Group. The terms are equal to the term under the loan from the parent company, and profit/loss is attributed between the owners of the parent company and the non controlling taking into economic effect of the loan.

Business combinations

Acquisitions

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- fair value of non-controlling interests. Refer to note 13 for information about the acquisition of the Danoffice Group.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred and carrying amount of non controlling interests over the fair value of the net assets and the liabilities assumed is recognsied as goodwill

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Danish Kroner (DKK), which is Belgravia Topco ApS's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

Hedge accounting

Derivates financial instruments are recognised on the trade date and measured at fair value on initial recognition. They are subsequently, measured at fair value. The effective portion of fair value changes on derivate financial instruments designated as cash flow hedges is recognized in other comprehensive income and classified in a separate reserve. The gain or loss in transferred from this reserve to the income statement along with recognition of the hedged item.

Foreign currency translation (continued)
Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
b) income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
c) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Revenue recognition
Revenue consist primarily of sale of goods. Revenue is measured at the transaction price which is the consideration agreed exclusive VAT and less discounts, if any. Revenue is recognized when the customer obtains control over the goods which is typically on transfer of risk to the customer.

Costs of goods sold
Costs of goods sold comprises the carrying amount of inventories sold during the year.

Other external expenses
Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Employee benefits expense
Employee benefits expenses comprise wages and salaries as well as other payroll expenses.

Fair value of equity instrument granted as compensation is recognised as an expense over the period in which the participants become entitled to the instruments. If the instruments vest immediately, the expense is recognised at grant date.

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses
Financial income and expenses include interest, financial gains and expenses with respect to debt, realised and unrealised exchange adjustments, amortisation of mortgage loans as well as additional payments and repayment under the tax prepayment scheme.
Income tax and deferred tax
The company is jointly taxed with the Danish subsidiaries. The Danish income tax payable is allocated between the jointly taxed Danish companies based on their proportion of taxable income (full absorption including reimbursement of tax deficits). The jointly taxed companies are taxed under the Danish Tax Payment Scheme. Additions, deductions and allowances are recognised under financial income or financial costs.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Intangible assets
Goodwill is measured at cost less impairment losses. Goodwill is tested for impairment annually or in case of indications of an impairment.

Customer contracts on business combinations are measured at cost less accumulated amortisation. Customer relations are amortised over the expected useful life of 1-6 years.

Software is measured at cost less accumulated amortisation. Sotware is amortised over the expected useful life of 3-5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values over their estimated useful lives, as follows:

Leased assets	1-6 years
Other fixtures and equipment	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Impairment of assets
The carrying amount of intangible assets, property, plant and equipment are reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Where there are indications of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

Inventory
Inventories comprise of goods for resale and are measured at the lower of cost under the FIFO method and net realisable value.

The cost of goods for resale comprise of landed cost after deducting rebates and discounts.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

Trade receivables

Trade receivables are recognised initially at fair value . Subsequently, receivabes are measured at amortised cost which is usually equal to the nominal amount less allowance for expected credit losses. The Group applies the simplified approach and measures all credit losses as the life time expected credit losses.

Other receivables

Other receivables are initially recognised at fair value adjusted for any transaction costs. Subsequently, receivables are measured at amortised cost, which usually corresponds to the nominal value. Write-down is made to net realisable value to provide for expected losses.

Prepayments

Prepayments, sorted under current assets, comprise costs incurred concerning subsequent financial years.

Equity

Retained earnings

Retained earnings comprises of cumulative earnings less dividend distributed.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 2, Foreign currency translation and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Cash flow hedge reserve

Cash flow hedge reserve comprises of the effective part of fair value changes on derivate financial instruments qualifying for cash flow hedge accounting.

Non-controlling interests

Non-controlling interests comprises of the proportion of equity in subsidiaries held by non-controlling owners.

Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost which is generally equal to the nominal amount of the liability.

Borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. On subsequent recognition, the borrowings are measured at amortised cost, corresponding to the capitalised value, using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Leases and lease obligations

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments
- the exercise price of a purchase or extension option if the lessee is reasonably certain to exercise that option

The lease payments are discounted using the group's incremental borrowing rate.

Right-of-the-use assets are measured at cost compromising the following:

- the amount of the initial measurement of lease obligation
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and restoration costs.

Statement of cash flow
The cash flow statement shows the Company' s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt, lease payments (excluding interest) as well as payments to and from shareholders.

Cash and cash equivalents
For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and current bank deposits.

Consolidated Key Figures

The key figures and financial ratios have been prepared on a consolidated basis. The financial ratios have been computed in accordance with the latest Guidelines issued by the Danish Finance Society.

Gross margin	Gross profit x 100 / Revenue
Profit margin	Operating profit x 100 / Revenue
Return on assets	Operating profit x 100 / Total assets
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity

3. Critical accounting estimates and judgements

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

The judgments, estimates and assumptions made are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The most critical judgments, estimates and assumptions for the individual items are described below.

The Group is also subject to risks and uncertainties that may lead to actual results differing from these estimates, both positively and negatively.

3. Critical accounting estimates and judgements (continued)

Imparment test

Determining the value in use of goodwill is associated with significant estimation uncertainty. As of 31 December 2018, the impairment test shows that no reasonably possible adverse change in the key assumptions applied to determine the cash flows would lead to an impairment. Consequently, the estimation uncertainty related to determining the carrying amount of goodwill is limited as of 31 December 2018. Refer to note 10.

Notes

	2018 TDKK	6/10 - 31/12 2017 TDKK
4. Revenue		
Asia Pacific	29.696	7.642
Europe, Middle East and Africa	533.428	64.926
North and South America	87.405	10.670
	650.529	**83.238**

The revenue is devided based on the geographical delivery destination.

The group has entered into long term supply agreements with customers. The agreements are framework agreements and consequently, no amount for unsatisfied performance obligations at the balance sheet date is disclosed.

5. Employee benefits expense		
Wages and salaries	38.313	2.493
Pensions	2.024	132
Other social security expenses	541	11
Other staff expenses	1.742	824
	42.620	**3.460**
Average number of employees	66	60

Key Management Compensation

Key Management consists of Executive Board and other key personnel. The compensation paid or payables to key management for employee services is shown below:

Remuneration of management in total:

Wages and salaries	3.974	0
Pension costs	145	0
Share-based payments	150	0
	4.269	**0**

Share incentive plan for key management

Key management and certains other emplyees holds shares in the group, cf. note 13

In order to retain the Groups Key management personnel, Key management personnel has been offered to become shareholders of the Belgravia Midco Group to value of TDKK 150.

The scheme set-forth that shares are traded on market values. Reference is made to note 13 Share based payments.

	2018 TDKK	6/10 - 31/12 2017 TDKK
6. Amortisation, depreciation and impairment losses		
Amortisation	14.471	1.351
Depreciation	2.699	304
	17.170	**1.655**
7. Financial income		
Interest income	165	0
Exchange rate adjustments	7.160	1.429
	7.325	**1.429**
8. Financial expenses		
Interest expenses	29.431	2.752
Exchange rate adjustments	8.356	0
	37.787	**2.752**

	2018 TDKK	6/10 - 31/12 2017 TDKK
9. Income tax expense		
Current tax		
Current tax on profits for the year	2.773	804
Adjustment for current tax of prior periods	59	0
Total current tax expense	**2.832**	**804**
Deferred tax		
Decrease/(increase) in deferred tax assets	428	0
Decrease/(increase) in deferred tax liabilities	(2.796)	1.151
Other adjustments	0	0
Total deferred tax expense/(benefit)	**(2.368)**	**1.151**
Income tax expenses	**464**	**1.955**
The effective tax rate is determed as follows:		
Calculated 22.0% tax on profit for the year before income tax	(1.734)	(4.596)
Tax effects of:		
Non-taxable income		0
Non-deductible expenses	1.305	6.515
Deferred tax assets for the year not recognised	612	36
Effect of tax rates in foreign jurisdictions	281	0
	464	**1.955**
Effective tax rate	-6%	-9%

Notes

10. Intangible assets

	Goodwill TDKK	Customer contracts TDKK	Software TDKK	Total TDKK
Cost:				
At 01.01.2018	227.366	21.900	5.051	254.317
Additions during the year	0	0	469	469
At 31.12.2018	227.366	21.900	5.520	254.786
Depreciation and impairment:				
At 01.01.2018	0	1.260	91	1.351
Depreciation for the year	0	13.350	1.121	14.471
At 31.12.2018	0	14.610	1.212	15.822
Carrying amount 31.12.2018	**227.366**	**7.290**	**4.308**	**238.964**
Cost:				
At 06.10.2017	0	0	0	0
Additions through business combinations	227.366	21.900	5.051	254.317
At 31.12.2017	227.366	21.900	5.051	254.317
Depreciation and impairment:				
At 06.10.2017	0	0	0	0
Depreciation for the year	0	1.260	91	1.351
At 31.12.2017	0	1.260	91	1.351
Carrying amount 31.12.2017	**227.366**	**20.640**	**4.960**	**252.966**

Impairment test for goodwill

The Group's activities comprises of sales of IT equipment and software primarily to UN organizations. No part of the Group's activities are managed and monitored separately financially, and consequently, the Group has only one operation segment comprising all activities of the Group. Accordingly, goodwill is non monitored separately at any level, and consequently, goodwill is tested for impairment at Group level. The carrying amount of goodwill is 227 MDKK as of 31 December 2018.

The Group determines value in use based on a 7 year forecast period based on a 2019 budget approved by Management. A 7 year forecast period is applied due to the relatively stable business based on long term customer contracts.

10. Intangible assets (continued)

Impairment test for goodwill (continued)

The key assumptions for determining the forecasted cash flows are:

1. Revenue development
2. Gross margin

Management expects a moderate increase in revenue in the first years of the forecast period with a decrease down to terminal period growth rate of 1.5%.

Management expects a stable gross margin in the forecast period.

The expectaions to revenue growth and the gross margin are primarily based on the current portfolio of long term customer contracts, expectations to additional sales, the renewal rate of such contracts and expectations regarding obtaining new contracts in tenders. The expectations to the development in these assumptions are based on historical experience. The terminal period growth rate is determined on the basis of general global growth expectations. The Management has applied a discount rate of 8% after tax (approx. 10.25% before tax) based on what market participants would require in return for investments in similar entities.

As of 31 December 2018, no reasonably possible change in one of the key assumptions for determining future cash flows will result in an impairment.

11. Property, plant and equipment

	Leased assets TDKK	Other fixtures and fittings, tools and equipment TDKK	Total TDKK
Cost:			
At 01.01.2018	8.245	1.197	9.442
Additions during the year	521	478	999
Disposals during the year		(22)	(22)
At 31.12.2018	8.766	1.653	10.419
Depreciation and impairment:			
At 01.01.2018	182	122	304
Depreciation for the year	2.044	655	2.699
At 31.12.2018	2.226	777	3.003
Carrying amount 31.12.2018	**6.540**	**876**	**7.416**

11. Property, plant and equipment (continued)

	Leased assets TDKK	Other fixtures and fittings, tools and equipment TDKK	Total TDKK
Cost:			
At 06.10.2017	0	0	0
Additions through business combinations	8.245	597	8.842
Additions during the year	0	600	600
At 31.12.2017	8.245	1.197	9.442
Depreciation and impairment:			
At 06.10.2017	0	0	0
Depreciation for the year	182	122	304
At 31.12.2017	182	122	304
Carrying amount 31.12.2017	**8.063**	**1.075**	**9.138**

12. Leases

Amounts recognised in the balance sheet

The balance show the following amounts relating to leases:

	2018 TDKK	2017 TDKK
Right-of-use assets		
Land and buildings	5.964	7.675
Equipment	576	387
	6.540	**8.062**
Lease liability		
Current	1.765	1.738
Non-current	4.930	6.339
	6.695	**8.077**

12 . Leases (continued)

Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	2018 TDKK	2017 TDKK
Depreciation charge of right-of-use assets		
Land and buildings	1.712	165
Equipment	332	18
	2.044	**183**
Interest expenses relating to recognised leases at the balance sheet	338	31
Expenses relating to short-term leases	0	0
Expenses relating to low-value-assets (that are not short-term leases)	0	0
Expense relating to variable lease payments (not included in lease liabilities)	0	0
	338	**31**

The group does not have significant short-term leases or low-value assets related to lease agreements.

Amounts recognised in the balance sheet

The balance show the following amounts relating to leases:

Right-of-use assets	Land and buildings TDKK	Equiptment TDKK	Total TDKK
Carrying amount 1 January 2018	7.675	387	8.062
Effect of adoption of IFRS 16	0	0	0
Additions	0	522	522
Depreciation for the year	-1.712	-332	-2.044
Carrying amount 31 December 2018	5.963	577	6.540

Right-of-use assets	Land and buildings TDKK	Equiptment TDKK	Total TDKK
Carrying amount 6 October 2017	0	0	0
Effect of adoption of IFRS 16	7.840	405	8.245
Additions	0	0	0
Depreciation for the year	-165	-18	-183
Carrying amount 31 December 2017	7.675	387	8.062

13. Investments i subsidiaries

Investments in subsidiaries are specified as follows:

Name	Place of Registered Office	Vote and Owner-ship	Share Capital
Belgravia Midco ApS	Svendborg, Denmark	74%[1)]	TDKK 2,273
Belgravia Midco 2 ApS	Svendborg, Denmark	74%[1)]	TDKK 2,273
Belgravia Bidco ApS	Svendborg, Denmark	74%[1)]	TDKK 2,273
Danoffice IT ApS	Svendborg, Denmark	74%[1)]	TDKK 250
Danoffice Inc.	Silver Spring, Maryland, USA	74%[1)]	TDKK 1
Danoffice IT SA	Rolle, Switzerland	74%[1)]	TDKK 692
Danoffice IT Inc.	Sterling, Virginia, USA	74%[1)]	TDKK 1

1) Belgravia Midco holds 100% of the shares in Belgravia Bidco, which holds 100% of the shares in Danoffice IT and its fully owned subsidiaries.

Management and investors holds a non controlling interest in the Group through ownership of non voting preference shares in Belgravia Midco ApS, cf. note 14. The activities of this subgroup comprises in all material respect the activities of the Group as a whole. Consequently, no summarized financial information is provided for subsidiaries with significant non controlling interests.

If a Management member lead the Group, the parent company is entitled but not obligated to buy the shares held by the leaving member or arrange purchase by another party. If the Group elects not to exercise its option, other management members will be entitled to buy the shares. The repurchase price is generally fair value but in some instances lower of fair value and cost price. The arrangement has no incremental value for the participants in the arrangement, and consequently, no remuneration expense has been recognized.

14. Business combination

On 30 November 2017, the parent company obtained control over the Danoffice Group through the formation of the subsidiary Belgravia Midco ApS and acquisition of the Danoffice Group through Belgravia Midco's fully owned subsidiary Belgravia Bidco ApS. The purpose of the acquisition is to further develop Danoffice Group.

The parent company holds 84% of the voting rights of Belgravia Midco ApS through C shares. Further, the parent company holds 48% of the non voting B-shares, whereas the former owners hold a non controlling interest through the balance of B and C shares, and all non voting A-shares.

The acquisition is accounted for under the acquisition method by measuring the non controlling interest at the acquisition date at fair value. A-shares bear a preference entitling them to a fixed internal rate of return prior to the parent company's sharing of returns. The parent company has a similar preference through a loan to Belgravia Midco. For the purpose of attributing consolidated profit or loss to owners of the parent company and non-controlling interests, the loan is treated as preference shares.

The goodwill of 227 MDKK is attributable to non recognized intangible assets and an assembled workforce.

The following table summarises the consideration paid for the Danoffice Group and the fair value of assets acquired and liabilities assumed as of the acquisition date.

Fair value of the shares was determined on the basis of the equity value of the Danoffice group forming the basis for the purchase price.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	Fair value TDKK
Purchase consideration:	
Cash paid	190.325
interest	118.700
Total consideration	**309.025**

The assets and liabilities recognised as a result of the acquisition are as follows:

Property, plant and equipment and intangible assets	6.144
Customer contracts	21.900
Deferred tax related to customer contracts	(4.820)
Inventories	83.275
Trade receivables, other receivables and prepayments	153.135
Cash and cash equivalents	48.923
Loans	(47.862)
Bank overdraft	(45.546)
Other liabilities	(133.490)
Net identifiable assets acquired	81.659
Add: goodwill	227.366
Total consideration	**309.025**

14. Business combination (continued)

	Fair value TDKK
Purchase consideration - cash outflow	
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	190.325
Less: Balances acquired	
Cash less bank overdraft	(3.377)
Settlement of loans	47.862
	44.485
Net outflow of cash - investing activities	**234.810**

Acquired receivables

The nominal value of acquired receivables amounts to TDKK 153,235 compared to the carrying amount of TDKK 153,235.

Revenue and profit contribution

Due to the fact that the Danoffice Group comprises subtantially all activities of the Group, the conribution to the Group's revenue is equal to reported revenue for 2017 (1 December to 31 December 2017). The Danoffice Group contributed with a profit of 3,7 MDKK.

Had the Danoffice Group been owned from 1 January 2017, it would have contributed to revenue with 600 MDKK and contributed to profit with 22 MDKK.

Acquisition-related costs

Costs incurred to effect the business combinations amounts to 25 MDKK. The costs are included in the line item Other external expenses.

15. Deferred tax

	2018 TDKK	2017 TDKK
Deferred tax at 01.01.2018	6.503	5.352
Deferred tax reccognised in the income statement	(2.368)	1.151
Deferred tax at 31.12.2018	**4.135**	**6.503**
Deferred tax relates to:		
Property, plant and equipment	9	65
Intangible assets	2.548	5.631
Tax loss carry-forwards	(448)	(428)
Other liabilities	2.026	1.235
	4.135	**6.503**
Of which presented as deferred tax assets	0	428
Of which presented as deferred tax liabilities	4.135	6.931

The group did not recognise deferred income tax assets of TDKK 612.

16. Inventories

	2018 TDKK	2017 TDKK
Goods for resale	51.938	71.315
	51.938	**71.315**

17. Trade receivables

During 2018, the Group entered into a trade receivable transfer arrangement under which certain trade receivables are legally transferred to a financial counterparty. The buyer takes on 90% on the credit risk whereas the Group retains remaining 10% credit risk and the full late payment risk up until a deemed default date. Management has determined that the Group has neither transferred nor substantially retained all risks and rewards related to the transferred receivables. Consequently, an amount of 58 MDKK have been transfererd to the financial counterparty. The part which remains to be recognized being the 10% credit risk and the interest up until the deemed default date amounts to 5,8 MDKK.

18. Categories of financial instruments and fair values

The table below sets out the financial instruments held by the Group at the carrying amount:

	2018 TDKK	2017 TDKK
Trade receivables	82.676	140.996
Other receivables	17.844	21.427
Cash and cash equivalents	108.358	17.579
Financial assets at amortised cost	**208.878**	**180.002**
Credit institutions	225.744	115.611
Payable to owner and Management	67.303	128.610
Borrowings (current)	8.797	13.780
Trade payables	122.829	133.190
Payables to Group enterprises relating to corporation tax	2.474	842
Financial liabilities at amortised cost	**427.147**	**392.033**
Interest rate swaps	1.319	0
Financial assets/liabilities at fair value through profit or loss	**1.319**	**0**

Financial instruments measured at fair value can be divided into three levels:
Level 1 - Quoted prices in active markets for identical assets or liablilities
Level 2 - Inputs other than quoted prices included in level 1 that are observable for the asset or liability
Level 3 - Inputs for the asset or liability that are not based on observable market data.

Fair values are approximately corresponding to the carrying amounts. All financial instruments are classified within level 2.

19. Share capital

The share capital consists of 1 share of a nominal value of TDKK 1.618. No shares carry any special rights.

Capital management

The Group's objectives when managing capital are to safequard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. Similar to other investments held by venture capital organizations, this results in a relatively high leverage. Capital is managed on a debt to equity ratio.

20. Borrowings

The borrowings comprise of acquisition related loans as well as revolving facilities to fund the ongoing operations. The group is funded by external bank loans and by shareholder loans. There are covenants attached to the bank facilities.

	Beginning of year	Cash flows	Foreign currency changes	Year end
Non-current borrowings	67.749	110.133	0	177.882
Current borrowings	13.780	(4.983)	0	8.797
Payables to owner and Management	128.610	(61.307)	0	67.303
Cash flow from financing activities at 31.12	**210.139**	**43.843**	**0**	**253.982**

	Beginning of year	Cash flows	Foreign currency changes	Year end
Non-current borrowings	0	67.749	0	67.749
Current borrowings	0	13.780	0	13.780
Payables to owner and Management	0	128.610	0	128.610
Cash flow from financing activities at 31.12	**0**	**210.139**	**0**	**210.139**

21. Related parties

The group is controlled by the following entities:

	Basis
Belgravia Holding Sárl, Luxembourg	Majority owner
Agilitas 2015 Private Equity Fund L.P., United Kingdom	Ultimate owner

22. Related parties (continued)

The party exercising control of Belgravia Topco ApS' is its majority shareholder Agilitas 2015 private Equity Fund L.P. via its holding in Belgravia Holding S.a.r.l. (Luxembourg)

Other related parties comprise Belgravia Topco ApS' Executive Board and key management.

The following transactions were carried through in 2018 with related parties:

The group has expensed DKK 2,1m in fees for services rendered to Agilitas Private Equity LLP. Agilitas Private Equity LLP is the general parner of Agilitas 2015 Private Equity Fund L.P, majority shareholder of Belgravia Topco ApS.

The group has expensed DKK 1,1m in fees for services rendered to other minority shareholders.

The group has expensed Interest DKK 15,1m on loans to Agilitas 2015 Private Equity Fund L.P. and other minority shareholders. Paid instalments on the loans in 2018 amounts to DKK 61,3m. The balance of the loans December 31st 2019 is DKK 67,3m

Transactions with key management personnel consist of remureration, whish is disclosed in note 5.

Transaction with key management personnel related to sale of shares and 7P program amounts to DKK 0,3m

No other transactions have taken place during the year with Executive Board, major shareholders or other related parties.

23. Fee to auditors appointed at the general meeting

	2018 TDKK	2017 TDKK
PricewaterhouseCoopers		
Audit fee	155	124
Other assurance engagements	0	0
Tax advisory services	53	48
Non-audit services	667	63
	875	**235**

24. Commitments and contingent liabilities

Contingent liabilities
Group

As part of the group's ordinary business procedures, bank guarantees have been provided to third parties. At 31 December 2018, bank guarantees amounted to TDKK 27,544 (2017: TDKK 33,923).

The following assets have been placed as security with bankers (credit facilities totaling TDKK 237.008 as per 31th December 2018).

	2018 TDKK	2017 TDKK
Net assets in the companies Danoffice IT ApS, Belgravia Bidco ApS and Belgravia Midco 2 ApS with a carrying value of	310.668	188.210

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company’s liability.

Notes

25. Financial risk management

The group's activities expose it to a variety of financial risks: market risk (currency and interest risk), credit risk and liquidity risk.

The Financial risks of the group are managed centrally. The overall risk management guidelines and policies have been approved by the board of directors. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. The CFO manages contracts and risk exposures in accordance with the guidelines and policies and reports to the board of directors on a regular basis.

Currency risk

The majority of the Group's sales are invoiced in USD. The goods sold in USD are, however, also purchased in USD resulting in a natural hedge to some extent. The Group does currently not hedge the resulting net exposure arising from the sales being higher than the purchases and the different payment terms for sales and purchases in USD.

As of 31 December 2018 and 2017 respectively, the Group's borrowings are mainly in USD. It is the Group's policy not to hedge these loans. The loans form a "natural hedge" of the unhedged commercial exposure discussed above.

As of 31 December, a 10% increase in USD vs. DKK would have a (negative) impact on profit before tax of 19,9 MDKK.

The Group has no significant exposures to any other currencies.

Interest rate risk EUR

The Group is exposed to interest rate risk through its floating rate borrowings. As of 31 December 2018 and 2017 respectively, all borrowing are floating rate borrowings.

The group generally hedges floating interest rate into fixed rate.

During 2018, the Group entered into two interest rate swaps under which the interest rate on part of the borrowings was fixed for the remaining term.

As of 31 December 2018, an 1% increase in interest rates would have a negative impact on profit with 0,6 MDKK and affect other comprehensive income positively with 0,0 TDKK.

The notional amount on the interest swaps as of 31 December 2018 is 14,625 MUSD. In the period 2019-2023 the notional amount will be reduced by 3.75 MUSD.

Credit risk
The Group is exposed to credit risk from the sale of goods. The majority of the Group's trade receivables are vs. UN organisations. Due to the fact that UN is funded by national states, the credit risk is considered very limited. The remaining trade receivable arise from sale to various corporates.

The credit risk vs. financial counter parties is limited as the group is primarily borrower.

Liquidity risk
The Group manages is liquidity risk by monitoring the changes in working capital and by ensuring adequate funding is in place. Based on the Group's cash management principle - cash concentration.

The Group has loans which is subject to covernant compliance. The includes that the Group has to comply with debt ratios. Management continuously monitor abd forecast on the ratios. No breach of covernants have occured.

The group has undrawn borrowing facilities of 50,6 MDKK that may be available for future operating activities and to settle capital commitments.

Notes

25. Financial risk management (continued)

The table below analyses the group's non-derivative and derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

For floating rate borrowings, the rate at the balance sheet date has been applied.

As at 31.12.2018	Less than 1 year TDKK	1-5 years TDKK	>5 years TDKK	Total TDKK
Non-derivatives				
Credit institutions	8.797	27.399	198.345	234.541
Trade payables	122.829	0	0	122.829
Payables to shareholders	0	0	67.303	67.303
Lease obligations	1.765	4.930	0	6.695
Other payables	9.526	0	0	9.526
	142.917	**32.329**	**265.648**	**440.894**
Derivatives				
Interest rate swaps	1.319	0	0	1.319
As at 31.12.2017				
Non-derivatives				
Credit institutions	6.208	28.528	87.083	121.819
Other credit institutions	7.572	0	0	7.572
Trade payables	133.190	0	0	133.190
Payables to owners and Management	0	0	128.610	128.610
Lease obligations	1.738	6.339	0	8.077
Other payables	3.472	0	0	3.472
	152.180	**34.867**	**215.693**	**402.740**
Derivatives				
Interest rate swaps	0	0	0	0

26. Events after the balance sheet date

No events have occurred after the balance sheet date of importance to the Annual Report.

	2018 TDKK	2017 TDKK
27. Changes in net working capital		
Changes in inventories	19.377	11.960
Changes in trade receivables	58.086	(9.850)
Changes in other receivables	3.583	0
Changes in prepayments	117	0
Changes in trade and other payables	(5.891)	11.221
Derivater	(1.318)	0
	73.954	**13.331**

28. First time adoption of IFRS

The group has adopted IFRS for its consolidated financial accounts with effect from 1 January 2018. The compartive figures for 2017 have been restated.

Under IFRS, goodwill is not amortised. Therefore, amortisation of goodwill reported under Danish GAAP is reversed. Part of the goodwill amount reported under Danish GAAP is allocated to customer relations which are amortised over the expected useful life.

Part of the costs reported as acquisition costs in the income statement as reported under Danish GAAP is treated as transaction costs related to borrowings under IFRS and included as part of the effcctive interest over the expected term of the loans.

The below tables set out the effect on equity as of 1 January 2018 and on the income statement for 2017. There is no impact on equity as of the date of transition, 6 October 2017, which is the date of incorporation of the parent company.

Group reconciliation of equity as at 1 January 2018	**Equity attribu-table to the owners of the parent company TDKK**	**Non control-ling interests TDKK**	**Total equity TDKK**
Equity as reported under DFSA	(13.424)	105.471	92.047
Reversal of goodwill amortisation	1.084	953	2.037
Amortization of customer relations	(527)	(464)	(991)
Transaction costs reclassified to transaction costs loans	2.330	2.049	4.379
Equity under IFRS	**(10.538)**	**108.010**	**97.472**

28. First time adoption of IFRS (continued)

Group reconciliation of total comprehensive income for the year ended 31 December 2017			**Total compre-hensive income** **TDKK**
Loss of the year according to Danish GAAP	(15.042)	(13.229)	(28.271)
Reversal goodwill amortisation	1.084	953	2.037
Amortization of customer relations	(527)	(464)	(991)
Reversal of transaction costs	2.330	2.049	4.379
Loss according to IFRS	**(12.156)**	**(10.690)**	**(22.846)**

Under IFRS, the Group's bank overdrafts do not qualify for being negative cash in the cash flow statement under IFRS. Under Danish GAAP, these bank overdrafts were treated as negative cash. The 2017 comparative figures for the cash flow statement have been adjusted accordingly. Bank overdrafts classified as negative cash amount to 13.8 MDKK

Statement of profit and loss (Parent company)
1 January - 31 December

	Notes	2018 TDKK	6/10 - 31/12 2017 TDKK
Gross profit		**(338)**	**(38)**
Other operating expenses		(12)	0
Operating profit		**(350)**	**(38)**
Finance income	2	15.308	1.297
Finance costs	3	(15.081)	(1.298)
Profit before tax		**(123)**	**(39)**
Income tax expense	4	27	8
Profit for the period		**(96)**	**(31)**
Distribution of profit			
Proposed distribution of profit			
Retained earnings		(96)	(31)

Balance Sheet (Parent company) 31 December

Assets	**Notes**	**2018 TDKK**	**2017 TDKK**
Investments in subsidiaries		1.562	1.621
Receivables from group enterprises		67.675	128.555
Fixed asset investments		**69.237**	**130.176**
Fixed assets		**69.237**	**130.176**
Receivables from group enterprises		0	50
Corporation tax receivable from group enterprises		28	8
Receivables		**28**	**58**
Cash at bank and in hand		19	0
Currents assets		**47**	**58**
Assets		**69.284**	**130.234**
Liabilities and equity			
Share capital		1.618	1.618
Retained earnings		(127)	(31)
Equity		**1.491**	**1.587**
Payables to owners and Management		67.303	128.610
Long-term debt	6	**67.303**	**128.610**
Payables to group enterprises		162	0
Other payables		328	37
Short-term debt		**490**	**37**
Debt		**67.793**	**128.647**
Liabilities and equity		**69.284**	**130.234**
Key activities	2		
Contingent assets, liabilities and other financial obligations	7		
Accounting Policies	1		

Statement of Changes in Equity (Parent company)

	Share capital	Retained earnings	Total
	TDKK	**TDKK**	**TDKK**
Equity at 1 January	1.618	(31)	1.587
Net profit/loss for the year	0	(96)	(96)
Equity at 31 December	**1.618**	**(127)**	**1.491**

Notes (Parent company)

1. Accounting Policies
2. Key activities
3. Financial income
4. Financial expenses
5. Tax on profit/loss for the year
6. Long-term debt
7. Contingent assets, liabilities and other financial obligations

Notes to the Financial Statements

1. Accounting Policies

The Annual Report of Belgravia Topco ApS for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Financial Statements for 2018 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Income Statement

Other external expenses

Other external expenses com-prise office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of other external expenses.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

1. Accounting Policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item“Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Other fixed asset investments

Other fixed asset investments consist of loans to subsidiaries.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Notes

2. Key activities

The purpose of the company is to invest in and own shares in other companies and related activities.

	2018 TDKK	6/10 - 31/12 2017 TDKK
3. Financial income		
Interest received from group enterprises	15.308	1.297
	15.308	**1.297**
4. Financial expenses		
Other financial expenses	15.081	1.298
	15.081	**1.298**
5. Tax on profit/loss for the year		
Current tax for the year	(27)	(8)
	(27)	**(8)**

	2018 TDKK	2017 TDKK
6. Long-term debt		
Debt falling due after 5 years	67.303	128.610
	67.303	**128.610**

7. Contingent assets, liabilities and other financial obligations

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to TDKK 2.474. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company’s liability.