Belgravia Topco ApS

CVR No 38 99 39 76
Englandsvej 14, 5700 Svendborg

Annual report for

01.01.2020
-
31.12.2020

The Annual Report was presented and adopted at the Annual General Meeting of the Company on:
16/4 2021

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
Munkebjergvænget 1, 3. og 4. sal, 5230 Odense M
DK-5000 Odense C

Key figures

	2020 TDKK	2019 TDKK	2018 TDKK	6/10-31/12 2017 TDKK
Financial highlights				
Profit and loss accounts				
Revenue	1.119.754	1.044.438	650.529	83.238
Gross profit	142.573	135.073	82.383	(14.359)
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	51.479	60.345	39.763	(17.819)
Operating profit	37.772	48.176	22.581	(19.568)
Net financials	(21.940)	(39.341)	(30.462)	(1.323)
Profit/loss before tax	15.832	8.835	(7.881)	(20.891)
Profit for the period	12.099	4.381	(8.345)	(22.846)
Balance sheet				
Total assets	638.830	664.999	507.215	513.985
Total equity	69.895	61.703	59.591	97.472
Cash flows				
Cash flows from:				
- operating activities	57.429	32.752	98.806	(5.905)
- investing activities	(6.694)	(97.699)	(1.446)	(235.410)
including investment in property, plant and equipment	(5.877)	(8.758)	(1.446)	(600)
- financing activities	(6.408)	(8.741)	(6.581)	209.971
Change in cash and cash equivalents for the year	44.327	(73.688)	90.779	(31.344)
Empolyees				
Average number of employees	133	125	66	60
Key Ratios				
Gross margin (%)	12,7%	12,9%	12,7%	-17,3%
EBITDA margin (%)	4,6%	5,8%	6,1%	-21,4%
Profit margin (%)	3,4%	4,6%	3,5%	-23,5%
Return on assets (%)	5,9%	7,2%	4,5%	-3,8%
Solvency ratio (%)	10,9%	9,3%	11,7%	19,0%
Return on equity (%)	18,4%	7,2%	-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 increased by 7.2% to DKK 1,120 million in 2020 (2019: DKK 1,044 million). The demand and supply on the primary markets of the group have been affected by the Covid-19 pandemic with the result of a limited growth in revenue in 2020 of DKK 75.2 million. The increase in revenue mainly derived from the acquisition made in 2019. In June 2020, the merge of Danoffice IT ApS and Datacon Enterprise Solutions A/S was finalized and implemented with effect from January 2020. The Group realized a profit of TDKK 12,099 in 2020 (2019: TDKK 4,381), which is below the management’s expectations for the year.

Adjusted for non-recurring costs according to group policy, the 2020 EBITDA is DKK 57.9 million. (2019: DKK 61.7 million)

At 31 December 2020 the Equity amounts to TDKK 69,895 compared to an equity of TDKK 60,154 at 31 December 2019.

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 2020.

Outlook

The Group expects a positive development in 2021 and a net profit for the year in the range of DKK 10-20 million. In December 2020 the Group had a significant increase in order intake resulting in a record high order bank end of 2020.

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 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.

Statutory statement in accordance with section 99 a of the Danish Financial Statements Act

Business model

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

We work with leading global businesses, organizations, government departments and NGO's from our global presence. We have forged close relationships with our suppliers and manufacturers, and we deal with the major brands in IT hardware, software, and solutions. It means we can deliver a prompt, reliable and competitive service to our customers – wherever they are in the world.

Risk assessment

The Group complies with all relevant legislation in the markets where we are present. As signatories to the UN Global Compact, we take our responsibility towards the surrounding society very seriously and maintain policies and efforts to minimize our negative impact and amplify our positive.

Our employees are our most important resource and being able to attract and maintain the right employees is of key importance.

When we assess climate change, environmental issues and human rights, no material risks appear with reference to our business and services, but as a responsible company and the values our company are built upon and due to our commitment to the UN Global Compact, we have decided to maintain policies for all three areas and work accordingly with them during the year.

At the Group we consider corruption as a substantial obstacle to economic and social development around the world. It has negative impacts on sustainable development and predominantly sustains poverty.

Regarding climate change and environmental issues
We strive to minimize our negative impact on the environment and on climate change.

Since 2009 Danoffice IT has executed on our “Protect Mother Earth” recycling program. In partnership with our United Nations clients and our vendors, we collect used toners and cartridges from the UN missions all over the world and recycle them in Europe. Our combined efforts have reached several tens of thousands of units collected so far and still counting.

Internally, we have in 2020 continued to minimize our consumption of energy and resources through setting requirements for equipment and suppliers and by intelligent solutions in our offices. Several initiatives have been implemented in 2020 including installation of charging stations to Hybrid and Electric powered vehicles at our sites in Svendborg and Allerød, installation and a significant reduction of the energy consumption in our Datacenter accomplished by implementation of new and updated equipment.

Regarding human rights

In the Group we believe that all human beings are born free and equal in dignity and rights. We respect all people regardless of nationality, race, religion, class or political opinions. Danoffice IT promote social interaction between people and cultures and aim at a mix organisational culture. We embrace culture and have employees from 10 different nationalities, coming from South America, USA, Europe and Middle East. Our organisation mix is balanced with 34% women and 66% men and we span over various religions. Moreover, we have employees who came to Denmark as refugees.

In 2020 we continued buying coffee beans through the NGO NGUVU who buys directly from local female farmers cutting all the middlemen giving the women higher yield. The women agree on a contract where the NGO secures education of their children and other necessities. This way we can support the women and their children with food, clean water, medical treatment, and education.

Regarding social and employee conditions

Our staff is our most important resource wherefore we strive at keeping our staff mentally and physically fit.

During the year we “RUN for a purpose!”. All employees have the possibility to exercise once or twice a week and end year Danoffice IT donates a fixed amount per km. In 2020 Peace Innovation Foundation’s TechGirls received the Run for purpose donation from the Group. The TechGirls program aims at encouraging young women in developing countries to pursue a career in technology or science.

As part of our wish to support an active and healthy lifestyle, the Group also supports local sports clubs in Denmark. Once a year the employees nominates relevant projects/clubs.

The Group has a work life balance policy encouraging flexible working hours and tolerance for personal and family issues and or needs.

Regarding anti-corruption

The Group has a zero tolerance towards corruption. The Group does not take part or accept any form of fraud or corruption

The Group defines bribery as an act on offering or receiving money, goods or other forms of recompense from a business associate in exchange for an alteration of their behavior to the benefit or interest of the giver that the recipient would otherwise not alter.

The company is determined to prevent, detect and deter any form thereof. This has been our position since our foundation in 1995 and we are proud to say that our company has never been involved, accused, or convicted of any form of fraud or corruption, neither in 2020. To ensure constant focus on preventing any form of fraud and corruption the company successfully implemented ISO 37001 in 2020. Our whistleblower hotline has been in place for many years, and in 2020, no cases have been reported.

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 2020, 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.

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 2020.

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 2020 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 2020.

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, 16 April 2021

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 2020 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2020 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 2020 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2020 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 2020, 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, 16 April 2021
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Line Hedam	Claus Damhave
State Authorised Public Accountant	State Authorised Public Accountant
mne27768	mne34166

Consolidated statement of profit and loss

	Notes	2020 TDKK	2019 TDKK
Revenue	4	1.119.754	1.044.438
Costs of goods sold		(958.774)	(890.460)
Other operating income		76	0
Other external expenses		(18.483)	(18.905)
Gross profit		**142.573**	**135.073**
Employee benefits expense	5	(91.094)	(74.728)
Earnings Before Interest, Taxes, Depreciation and Amortisation		**51.479**	**60.345**
Depreciation, amortisation and impairment losses	6	(13.707)	(12.169)
Other operating expenses		0	0
Operating profit		**37.772**	**48.176**
Finance income	7	25.161	6.048
Finance costs	8	(47.101)	(45.389)
Profit before tax		**15.832**	**8.835**
Income tax expense	9	(3.733)	(4.454)
Profit for the period		**12.099**	**4.381**
Profit is attributable to:			
Owners of Belgravia Topco ApS		7.030	2.546
Non-controlling interests		5.069	1.835
		12.099	**4.381**

Consolidated statement of comprehensive income

	Notes	2020 TDKK	2019 TDKK
Profit for the period		12.099	4.381
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translation of subsidaries (net)		(485)	(1.190)
Hedging gains/losses transferred to the income statement, finance costs		(2.592)	(3.419)
Income tax relating to these items		570	752
Other comprehensive income for the period, net of tax		**(2.507)**	**(3.857)**
Total comprehensive income for the period		**9.592**	**524**
Total comprehensive income for the period is attributable to:			
Owners of Belgravia Topco ApS		4.974	249
Non-controlling interests		4.618	275
		9.592	**524**

Consolidated balance sheet

	Notes	2020 TDKK	2019 TDKK
Goodwill	10	279.714	279.714
Customer contracts	10	2.430	4.050
Customer relations	10	34.976	37.583
Software	10	4.053	3.607
Property, plant and equipment	11, 12	5.649	7.955
Deferred tax asset	14	0	0
Other receivables		1.668	1.666
Total non-current assets		**328.490**	**334.575**
Inventories	15	80.250	72.856
Trade receivables	16	139.904	200.634
Other receivables		10.697	21.474
Prepayments		492	790
Cash and cash equivalents		78.997	34.670
Total current assets		**310.340**	**330.424**
Total assets		**638.830**	**664.999**

Consolidated balance sheet

	Notes	2020 TDKK	2019 TDKK
Share capital	18	1.618	1.618
Reserves		(12.839)	(16.265)
Equity attributable to equity holders of the parent		(11.221)	(14.647)
Non-controlling interests		81.117	76.350
Total equity		**69.895**	**61.703**
Borrowings	19	228.647	241.919
Lease obligations	12	2.849	1.324
Payables to owner and Management	19, 20	84.848	75.532
Deferred tax liabilities	14	9.695	11.138
Other payables		8.161	2.788
Total non-current liabilities		**334.200**	**332.701**
Borrowings	19	6.050	6.618
Lease obligations	12	1.638	3.307
Trade payables		199.781	226.382
Corporation tax		2.648	5.140
Other payables		24.410	29.163
Deferred revenue		208	1.534
Total current liabilities		**234.735**	**272.144**
Total liabilities		**568.935**	**604.845**
Total equity and liabilities		**638.830**	**666.548**

Consolidated statement of changes in equity

	Notes	Share capital TDKK	Retained earnings TDKK	Reserve for hedging transactions TDKK	Foreign currency translation reserve TDKK	Equity attributable to share-holders of the parent TDKK	Non-controlling interests TDKK	Total TDKK
Equity at 01.01.2019		1.618	(17.151)	57	(968)	(16.444)	76.035	59.591
Profit for the period		0	2.546	0	0	2.546	1.835	4.381
Fair value adjustment of hedging instruments, beginning of year		0	0	695	0	695	624	1.319
Fair value adjustment of hedging instruments, end of year		0	0	(2.754)	0	(2.754)	(1.984)	(4.738)
Tax on adjustment of hedging instruments for the year		0	0	453	0	453	299	752
Exchange adjustments relating to foreign entities		0	0	0	(692)	(692)	(498)	(1.190)
Total comprehensive income for the period		0	2.546	(1.606)	(692)	249	276	524
Transactions with owners in their capacity as owners								
Capital increase		0	0	0	0	0	39	39
Equity at 31.12.2019		**1.618**	**(14.605)**	**(1.549)**	**(1.660)**	**(16.195)**	**76.350**	**60.154**
Profit for the period		0	7.030	0	0	7.030	5.069	12.099
Fair value adjustment of hedging instruments, beginning of year		0	0	1.986	0	1.986	2.753	4.739
Fair value adjustment of hedging instruments, end of year		0	0	(4.259)	0	(4.259)	(3.072)	(7.331)
Tax on adjustment of hedging instruments for the year		0	0	500	0	500	70	570
Exchange adjustments relating to foreign entities		0	0	0	(282)	(282)	(203)	(485)
Total comprehensive income for the period		0	7.030	(1.773)	(282)	4.974	4.618	9.592
Transactions with owners in their capacity as owners								
Capital increase		0	0	0	0	0	149	149
Equity at 31.12.2020		**1.618**	**(7.575)**	**(3.322)**	**(1.941)**	**(11.221)**	**81.117**	**69.895**

Consolidated statement of cash flows

	Notes	2020 TDKK	2019 TDKK
Profit for the period		12.099	4.381
Financial income		(25.161)	(6.048)
Financial expenses		47.101	45.389
Depreciation and amortisation expense		13.707	12.169
Tax on profit/loss for the year		3.733	4.454
Change in net working capital	24	32.584	(16.195)
Cash flows from primary operating activities		84.063	44.150
Interests received		3.289	6.048
Interests paid		(23.591)	(14.970)
Income taxes paid		(6.332)	(2.476)
Net cash flow from operating activities		**57.429**	**32.752**
Purchase of business		0	(88.352)
Purchase of intangible assets		(1.813)	(589)
Purchase of property, plant and equipment		(5.877)	(8.758)
Sale of property, plant and equiptment		146	0
Sale of fixed asset investments		850	0
Net cash flow from investing activities		**(6.694)**	**(97.699)**
Proceeds from borrowings	19	0	0
Repayment of borrowings	19	(6.357)	(6.617)
Repayment from owner and management	19	(56)	(100)
Minority interests		149	39
Lease instruments		(144)	(2.063)
Dividend non-controlling interest		0	0
Net change in overdraft facility		0	0
Cash flow from financing activities		**(6.408)**	**(8.741)**
Net cash flow for the year		**44.327**	**(73.688)**
Cash and cash equivalents, beginning of the year		34.670	108.358
Cash and cash equivalents at end of the year		**78.997**	**34.670**

Notes

1. Accounting policies
2. Critical accounting estimates and judgements
3. Events after the balance sheet date
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 subsidiaries
14. Deferred tax
15. Inventories
16. Trade receivables
17. Categories of financial instruments and fair values
18. Share capital
19. Borrowings
20. Related parties
21. Fee to auditors appointed at the general meeting
22. Commitments and contingent liabilities
23. Financial risk management
24. Changes in net working capital

Notes

1. Accounting policies

The Financial Statements for Belgravia Topco ApS have been prepared in accordance with International Financial Reporting Standards (IFRS) is issued by the International Accounting Standards Board (IASB) and as adopted by the European Union as well as additional Danish disclosure requirements applying to entities of reporting class C for large enterprises.

The financial statements are presented in Danish kroner (DKK). The financial statements have been rounded to the nearest thousand.

With regards to the true and fair view of the financial statements, certain reclassifications have been made in the balance sheet and notes. Comparative figures have been adjusted accordingly. The changes has no effect on equity and result.

New standards not yet effective

There are no IFRSs or IFRIC interpretations that are not yet effective that is expected to have a material impact on the Company.

Basis of consolidation

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 14 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.

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.

Transferred receivables

Trade receivables are derecogised when they are legally transferred and the buyer assumes substantially all risks and rewards such as credit risk and late payment risk. If some of the risks are retained, a portion of the receivables reflecting the retained interest is not derecognized.

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.

Reserve for hedging transactions

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	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Operating profit x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Operating profit x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$

2. 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.

Impairment test

Determining the value in use of goodwill is associated with significant estimation uncertainty. As of 31 December 2020, 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 2020. Refer to note 10.

Notes

3. Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

	2020 TDKK	2019 TDKK
4. Revenue		
Asia Pacific	55.102	62.465
Europe, Middle East and Africa	914.738	836.459
North and South America	149.914	145.514
	1.119.754	**1.044.438**

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.

	2020 TDKK	2019 TDKK
5. Employee benefits expense		
Wages and salaries	82.634	67.631
Pensions	4.082	3.231
Other social security expenses	984	897
Other staff expenses	3.394	2.969
	91.094	**74.728**
Average number of employees	133	125

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	8.086	7.548
Pension costs	412	288
	8.498	**7.836**

The Executive Board is not separately remunerated as payment is included in the Management fee paid to Agilitas 2015 private Equity Fund L.P. 1.043 TDKK (2019: 1.043 TDKK) of the Management fee is estimated to be attributable to remuneration of the Executive Board

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.

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

	2020 TDKK	2019 TDKK
6. Amortisation, depreciation and impairment losses		
Amortisation	6.357	6.047
Depreciation	7.350	6.122
	13.707	**12.169**
7. Financial income		
Interest income	849	711
Exchange rate adjustments	24.312	5.337
	25.161	**6.048**
8. Financial expenses		
Interest expenses	38.219	39.678
Exchange rate adjustments	8.882	5.711
	47.101	**45.389**

9. Income tax expense

	2020 TDKK	2019 TDKK
Current tax		
Current tax on profits for the year	4.102	6.607
Adjustment for current tax of prior periods	1.092	(516)
Total current tax expense	**5.194**	**6.091**
Deferred tax		
Decrease/(increase) in deferred tax liabilities	(1.443)	(1.637)
Other adjustments	(18)	0
Total deferred tax expense/(benefit)	**(1.461)**	**(1.637)**
Income tax expenses	**3.733**	**4.454**
The effective tax rate is determed as follows:		
Calculated 22.0% tax on profit for the year before income tax	3.483	1.944
Tax effects of:		
Non-taxable income	0	(82)
Non-deductible expenses	235	2.985
Deferred tax assets for the year not recognised	15	189
Effect of tax rates in foreign jurisdictions	0	(582)
	3.733	**4.454**
Effective tax rate	24%	50%

Notes

10. Intangible assets

	Goodwill TDKK	Customer contracts TDKK	Customer relations TDKK	Software TDKK
Cost:				
At 01.01.2020	279.714	21.900	39.100	6.109
Additions during the year	0	0	0	1.813
Transfers for the year	0	0	0	2.001
At 31.12.2020	279.714	21.900	39.100	9.923
Depreciation and impairment:				
At 01.01.2020	0	17.850	1.517	2.502
Depreciation for the year	0	1.620	2.607	2.130
Reversals regarding disposals	0	0	0	1.238
At 31.12.2020	0	19.470	4.124	5.870
Carrying amount 31.12.2020	**279.714**	**2.430**	**34.976**	**4.053**
Cost:				
At 01.01.2019	227.366	21.900	0	5.520
Additions through business combinations	52.348	0	39.100	0
Additions	0	0	0	589
At 31.12.2019	279.714	21.900	39.100	6.109
Depreciation and impairment:				
At 01.01.2019	0	14.610	0	1.212
Depreciation for the year	0	3.240	1.517	1.290
At 31.12.2019	0	17.850	1.517	2.502
Carrying amount 31.12.2019	**279.714**	**4.050**	**37.583**	**3.607**

10. Intangible assets (continued)
Impairment test for goodwill

Goodwill related to Danoffice IT Group

Danoffice IT Group's activities comprise of sales of IT equipment and software primarily to international institutions and local and global public and corporate 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 Danoffice IT Group. The carrying amount of goodwill is 280 MDKK as of 31 December 2020. The Group determines value in use based on a 2 year forecast period based on a 2021 budget approved by Management.

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% (2019: 1.5%). Management expects a stable gross margin in the forecast period. The expectations 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 9% (2019: 9%) after tax (approx. 11.54% before tax) based on what market participants would require in return for investments in similar entities.

As of 31 December 2020, 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 01.01.2020	9.474	5.924	15.398
Additions during the year	5.410	467	5.877
Disposals during the year	(1.643)	(341)	(1.984)
Transfers for the year	0	(2.001)	(2.001)
At 31.12.2020	13.241	4.049	17.290
Depreciation and impairment:			
At 01.01.2020	4.942	2.501	7.443
Depreciation for the year	5.562	1.788	7.350
Reversals regarding disposals	(1.643)	(271)	(271)
Transfers for the year	0	(1.238)	(1.238)
At 31.12.2020	8.861	2.780	13.284
Carrying amount 31.12.2020	**4.380**	**1.269**	**5.649**

11. Property, plant and equipment (continued)

	Leased assets TDKK	Other fixtures and fittings, tools and equipment TDKK	Total TDKK
Cost:			
At 01.01.2019	8.766	1.653	10.419
Additions through business combinations	0	3.867	3.867
Additions during the year	8.321	437	8.758
Disposals during the year	(7.613)	(33)	(7.646)
At 31.12.2019	9.474	5.924	15.398
Depreciation and impairment:			
At 01.01.2019	2.226	777	3.003
Depreciation for the year	4.365	1.757	6.122
Reversals regarding disposals	(1.649)	(33)	(1.682)
At 31.12.2019	4.942	2.501	7.443
Carrying amount 31.12.2019	**4.532**	**3.423**	**7.955**

12. Leases

Amounts recognised in the balance sheet

The balance show the following amounts relating to leases:

	2020 TDKK	2019 TDKK
Right-of-use assets		
Land and buildings	1.047	3.032
Equipment	3.333	1.500
	4.380	**4.532**
Lease liability		
Current	1.638	3.307
Non-current	2.849	1.324
	4.487	**4.631**

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:

	2020 TDKK	2019 TDKK
Depreciation charge of right-of-use assets		
Land and buildings	3.629	3.309
Equipment	1.933	1.056
	5.562	**4.365**
Interest expenses relating to recognised leases at the balance sheet	271	274
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
	271	**274**

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 2020	3.032	1.500	4.532
Additions	1.642	3.768	5.410
Depreciation for the year	-3.629	-1.933	-5.562
Carrying amount 31 December 2020	1.045	3.335	4.380

Right-of-use assets	Land and buildings TDKK	Equiptment TDKK	Total TDKK
Carrying amount 1 January 2019	5.963	577	6.540
Additions	6.342	1.979	8.321
Disposals	-7.613	0	-7.613
Depreciation for the year	-3.309	-1.056	-4.365
Reversals regarding disposals	1.649	0	1.649
Carrying amount 31 December 2019	3.032	1.500	4.532

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 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 Midco 2 and Belgravia Midco 2 holds 100% of the shares i 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. 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 leave 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. Deferred tax

	2020 TDKK	2019 TDKK
Deferred tax at 01.01.2020	11.138	4.135
Additions through business combinations	0	8.640
Deferred tax reccognised in the income statement	(1.443)	(1.637)
Deferred tax at 31.12.2020	**9.695**	**11.138**

	2020 TDKK	2019 TDKK
Deferred tax relates to:		
Property, plant and equipment	(549)	(281)
Intangible assets	9.121	9.953
Tax loss carry-forwards	0	0
Other liabilities	1.123	1.466
	9.695	**11.138**
Of which presented as deferred tax assets	0	0
Of which presented as deferred tax liabilities	9.695	11.138

15. Inventories

	2020 TDKK	2019 TDKK
Goods for resale	80.250	72.856
	80.250	**72.856**

16. Trade receivables

The Group has a trade receivable transfer arrangement under which certain trade receivables are legally transferred to a financial counterparty. The buyer takes on 95% on the credit risk and the Group retains late payment risk up until a deemed default date. Management has determined that the Group has neither transferred nor retained substantially all risks and rewards related to the transferred receivables. As of 31 December 2020, an amount of 40.6 MDKK has been transferred to the financial counterparty. An amount of 2.0 MDKK has been recognised as a receivable and a corresponding liability to reflect the continuing involvement.

17. Categories of financial instruments and fair values

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

	2020 TDKK	2019 TDKK
Trade receivables	139.904	200.634
Other receivables	12.365	23.140
Cash and cash equivalents	78.997	34.670
Financial assets at amortised cost	**231.266**	**258.444**
Credit institutions	228.647	241.919
Payable to owner and Management	84.848	75.532
Borrowings (current)	6.050	6.618
Trade payables	199.781	226.382
Payables to Group enterprises relating to corporation tax	2.648	5.140
Financial liabilities at amortised cost	**521.974**	**555.591**
Interest rate swaps	7.331	4.738
Financial liabilities at fair value through profit or loss	**7.331**	**4.738**

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.

18. 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.

19. 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**	**Forreign currency changes**	**Accrued interests**	**Year end**
Non-current borrowings	241.919	(6.357)	(19.926)	13.011	228.647
Current borrowings	6.618	0	(568)	0	6.050
Payables to owner and Management	75.532	(56)	0	9.372	84.848
Cash flow from financing activities at 31.12.2020	**324.069**	**(6.413)**	**(20.494)**	**22.383**	**319.545**

	Beginning of year	**Cash flows**	**Forreign currency changes**	**Accrued interests**	**Year end**
Non-current borrowings	225.744	(6.617)	6.605	16.187	241.919
Current borrowings	8.797	(2.179)	0	0	6.618
Payables to owner and Management	67.303	(100)	0	8.329	75.532
Cash flow from financing activities at 31.12.2019	**301.844**	**(8.896)**	**6.605**	**24.516**	**324.069**

20. 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

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 2020 with related parties:

The group has expensed DKK 1.7m 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 0.6m in fees for services rendered to other minority shareholders.

The group has expensed Interest DKK 9.4m on loans to Agilitas 2015 Private Equity Fund L.P. and other minority shareholders. The balance of the loans December 31st 2020 is DKK 84.8m.

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

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

All related party transactions has been made on a arm's lenghs basis.

21. Fee to auditors appointed at the general meeting

	2020 TDKK	2019 TDKK
PricewaterhouseCoopers		
Audit fee	230	239
Other assurance engagements	0	0
Tax advisory services	170	244
Non-audit services	899	881
	1.299	**1.364**

22. 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 2020, bank guarantees amounted to TDKK 27,324 (2019: TDKK 29,441).

The following assets have been placed as security with bankers (credit facilities totaling TDKK 238,917 as per 31th December 2020).

	2020 TDKK	**2019 TDKK**
Net assets in the companies Danoffice IT ApS, Belgravia Bidco ApS and Belgravia Midco 2 ApS with a carrying value of	318.659	319.295

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

23. 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 2020 and 2019 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 24.0 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 2020 and 2019 respectively, all borrowing are floating rate borrowings.

The group generally hedges floating interest rate into fixed rate.

As of 31 December 2020, the Group has two interest rate swaps under which the interest rate on part of the borrowings is fixed for the remaining term. The two interest rate swaps have a fixed average interest of 2.88%. The interest rate swaps exspire by the end of 2024.

As of 31 December 2020, an 1% increase in interest rates would have a negative impact on profit with 1.7 MDKK and affect other comprehensive income positively with 0.0 TDKK.

The notional amount on the interest swaps as of 31 December 2020 is 13,125 MUSD. In the period 2021-2025 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 48.3 MDKK that may be available for future operating activities and to settle capital commitments.

Notes

23. 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 31.12.2020	**Less than 1 year TDKK**	**1-5 years TDKK**	**>5 years TDKK**	**Total TDKK**
Non-derivatives				
Credit institutions	6.050	58.077	170.570	234.697
Trade payables	199.781	0	0	199.781
Payables to shareholders	0	0	84.848	84.848
Lease obligations	1.638	2.849	0	4.487
Other payables	24.410	0	0	24.410
	231.879	**60.926**	**255.418**	**548.223**
Derivatives				
Interest rate swaps	7.331	0	0	7.331
As at 31.12.2019				
Non-derivatives				
Credit institutions	6.618	148.457	93.462	248.537
Trade payables	226.382	0	0	226.382
Payables to owners and Management	0	0	75.532	75.532
Lease obligations	3.307	1.324	0	4.631
Other payables	29.163	0	0	29.163
	265.470	**149.781**	**168.994**	**584.245**
Derivatives				
Interest rate swaps	4.738	0	0	4.738

24. Changes in net working capital

	2020 TDKK	2019 TDKK
Changes in inventories	(7.394)	(18.743)
Changes in trade receivables	56.966	(51.243)
Changes in other receivables	10.775	(5.296)
Changes in prepayments	298	(771)
Changes in trade and other payables	(25.468)	63.278
Derivater	(2.593)	(3.420)
	32.584	**(16.195)**

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

	Notes	2020 TDKK	2019 TDKK
Gross profit		**(232)**	**(186)**
Other operating expenses		0	0
Operating profit		**(232)**	**(186)**
Finance income	3	10.440	8.717
Finance costs	4	(9.398)	(8.332)
Profit before tax		**810**	**199**
Income tax expense	5	1	13
Profit for the period		**811**	**212**
Distribution of profit			
Retained earnings		811	212
		811	**212**

Balance Sheet (Parent company) 31 December

Assets	**Notes**	**2020 TDKK**	**2019 TDKK**
Investments in subsidiaries		1.599	1.609
Receivables from group enterprises		85.734	76.135
Fixed asset investments		**87.333**	**77.744**
Fixed assets		**87.333**	**77.744**
Receivables from group enterprises		425	0
Corporation tax receivable from group enterprises		883	12
Receivables		**1.308**	**12**
Cash at bank and in hand		207	208
Currents assets		**1.515**	**220**
Assets		**88.848**	**77.964**
Liabilities and equity			
Share capital		1.618	1.618
Retained earnings		896	85
Equity		**2.514**	**1.703**
Payables to owners and Management		84.848	75.532
Long-term debt	6	**84.848**	**75.532**
Payables to group enterprises		1.333	606
Other payables		153	123
Short-term debt		**1.486**	**729**
Debt		**86.334**	**76.261**
Liabilities and equity		**88.848**	**77.964**
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	85	1.703
Net profit/loss for the year	0	811	811
Equity at 31 December	**1.618**	**896**	**2.514**

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 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020 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.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

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 measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

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.

	2020 TDKK	2019 TDKK
3. Financial income		
Interest received from group enterprises	10.440	8.717
	10.440	**8.717**
4. Financial expenses		
Other financial expenses	9.398	8.332
	9.398	**8.332**
5. Tax on profit/loss for the year		
Current tax for the year	(1)	(13)
	(1)	**(13)**

	2020 TDKK	2019 TDKK
6. Long-term debt		
Debt falling due after 5 years	84.848	75.532
	84.848	**75.532**

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 2.648. 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.