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Annual report for 2019

(2 April – 31 December 2019)

Camelot Holdco ApS
Tuborg Boulevard 1
2900 Hellerup

Company reg. (CVR) no. 40 40 60 93

This Annual Report was presented and approved by the shareholders at the Company's Annual General Meeting held on 22 May 2020.

Henrik Hansen

Henrik Hansen

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CONTENTS

Let's go further

MANAGEMENT REVIEW

About Camelot Holdco ApS

Camelot Holco ApS is a holding company owned by the private equity fund Francisco Partners. Camelot Holdco ApS' principal activity is investment in the EG Group. EG is a leading software company in Scandinavia, EG was founded in Herning in 1977, and more than 9,500 customers are currently being served by some 1,200 employees from 15 locations in Denmark, Norway, Sweden and Poland. EG develop and sell subscription-based and industry-specific cloud solutions in the form of Software as a Service (SaaS) to private companies, regional and local authorities.

Industry-specific focus

EG has a focus on a number of carefully selected industries which provides us with in-depth knowledge of our customers' work processes and special conditions. This lowers the risk involved in our customers' projects and results in industry-specific solutions of high quality and relevance to the individual customer.

Financial highlights and ratios

DKK million	2019 9 mth.
Income statement	
Revenue	851.1
EBITDA before special items	227.3
Special items	115.7
EBITDA	111.6
Depreciation	37.3
Amortisation	232.4
EBIT before special items	-42.4
EBIT	-158.1
Net financials	-156.1
Tax on profit/loss for the year	-25.0
Profit/loss for the year	-289.2

As this is Camelot Holdco ApS' first annual report the Financial Highlight and ratios holds no comparative figures.

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DKK million	2019
Balance sheet	
Total assets	5,362.1
Share capital	0.1
Equity	1,432.1
Net working capital	163.7
Net interest-bearing debt	2,544.1
Cash flow	
Cash flow from operating activities	9.3
Cash flow from investing activities	-2,491.1
Cash flow from financing activities	2,624.6
Cash flow for the year	142.9
Investments	
Property, plant and equipment	6.1
Group financial ratios	
EBITDA before special items as a percentage of revenue	26.7%
EBITDA as a percentage of revenue	13.1%
Equity ratio	26.7%
Number of employees	1,206

Looking back at 2019

2019 – refocusing on vertical software

Camelot Holdco ApS' was founded in 2019 with purpose of investing in the EG Group. The EG Group was acquired from the previous owner Axcel in early April with closing on 3 June. Shortly before Camelot Holdco ApS' acquisition of the EG Group, the EG Group divested its service business to DXC. Consequently 2019 was about refocusing on vertical software.

The singular focus on own software solutions has strengthened and prepared EG for growth. EG's vision is to enable the customers to become industry leaders. EG wants to provide the best solution in each of the markets it is active in and wants the customers to become the leaders within their industries. This is done by investing in the different solutions, by strengthening the software capabilities and by acquiring companies that complement the palette of offerings.

Camelot Holdco ApS is owned by Francisco Partners which is an American private equity company focusing on investments in technology companies. The new owners have brought strong expertise that support EG's development as a software company and have added significant momentum to the groups acquisition strategy.

Strategy On 3 June 2019 EG acquired Lindbak Retail Systems which is a leading supplier of retail solutions in both Norway and Sweden. EG has integrated its existing Fackta solution into Lindbak Retail Systems creating a new division in EG called EG Retail. This division is managed by the previous CEO of Lindbak Retail System, Erik Tomren, who is now part of the corporate management team in EG.

Three acquisitions were made in 2019 after acquiring the EG Group. Altogether adding more than DKK 255 million and 21% revenue growth to EG on a full year basis. All of these acquisitions have strengthened EG's offerings in our existing vertical markets.

EG also strengthened Its presence within the utility sector with the acquisition of the Danish software company Sonlinc in September 2019. The Sonlinc acquisition doubled the turnover in the Danish utility market and makes EG the leader within billings solutions for the utility markets in Denmark and Sweden. Sonlinc is now an integrated part of the EG Utility business unit which also includes the business units Zynergy and Xellent. EG has approx. 130 employees deeply competent in the specifics of the utility market. The EG Utility business unit now has the size and the broad product range required to meet the increasing need for easy-to-use and scalable customer experience and billing modules within the utility market.

EG also see a potential for digitilization within the complex processes and vast amounts of data within the construction sector across Scandinavia. EG has consequently complemented the existing focus on this market with two acquisitions which ensure that EG has the best solution in both Denmark and Norway. In October 2019 EG acquired the Danish software company Calwin, which has a strong presence within the installation market with a large customer base and a group of highly skilled employees. The two founders of Calwin, Carsten Rasmussen and Kenneth Dreymann remain part of EG with Carsten taking the lead for all of EG's construction business in Denmark.

The four acquisitions EG has completed since June 2019 are good examples of how EG strengthens its market positions with acquisitions and how EG allow the acquired companies' executives lead the way going forward. EGs openness to learning from the acquired companies and its model of providing operational independence to its business units makes EG an attractive home for the companies EG acquires. We see an increasing opportunity to acquire strong software companies both because EG can strengthens its offerings to the customers but also because it makes sense for smaller software companies to join a larger group like EG at a time when customers require broader solutions and when the technological and regulatory complexity is increasing.

EG has progressed to strengthen its software capabilities and its operating model in EG during 2019. EGs capability development programme includes reorganization into larger business units, a next-generation agile initiative and the implementation of new processes and tools to support the main internal processes.
As a consequence, EG is now organized into fewer and larger business units with an increased scale within each business unit. This reorganization enables specialization into clearer roles.

EG has launched a next-generation agile transformation where all development work will take place in an agile setup based on Devops tools and processes. This programme was kick started in mid-2019 and will continue throughout 2020. The objective is to increase the speed of development and ensure that the right new solutions are delivered to EGs customers faster. This initiative is supported by a central software delivery center in Warsaw where a new location was established in mid 2019.

An initiative to strengthen internal tools and processes was started in the mid-2019 and will run in 2020 with a focus on upgrading ERP, CRM and support tools. EG are making significant investments to ensure a strong enterprise architecture is put in place which is secure, compliant and effective.

In 2019 EG also strengthened its focus on Corporate Social Responsibility. EG reconfirmed its commitment to the ten principles within the UN Global Compact and EG also made a commitment to becoming carbon neutral by 2030. EG has launched a number of specific initiatives to achieve our CSR objectives. Going forward EG will use only carbon neutral electricity generated from wind in Denmark. EG has decided that all company cars need to be hybrid or fully electric cars going forward and EG has donated to three UN Climate projects. EG has launched the EG Volunteer Programme where all EG employees can get paid time off for volunteer work. In addition, a number of other smaller initiatives are in motion which will have a real impact and ensure that social impact is an integrated part of EGs decision-making criteria. We are proud of the steps we are taking, and we are committed to pushing our CSR initiatives forward.

In conclusion, 2019 was a transformative year for the group where refocus on own vertical solutions, got the right new owner on board and started an ambitious growth strategy to make EG the leader within vertical software in Scandinavia.

Financial review

Camelot Holdco ApS' was founded in 2019 with purpose of investing in the EG Group. The EG Group was acquired from the previous owner Axcel in early April with closing on 3 June.

The profit/loss for the period 2 April 2019 to 31 December 2019 with activity from 3 June, balance sheet total and cash flows from total activities for the period were primarily characterised by the following:

- Consolidated EBITDA before special items of DKK 227.3 million, which is a result of the refocus on own vertical solutions within the EG Group.
- Acquisition of Lindbak Retail Systems and establishment of the new EG Retail division.
- Investment in EG Silkeborg Data's new payroll and roster planning system in relation to the implementation of the new platform at customers was continued in 2019.

EG is continuously working to simplify the group structure to create synergies and improve efficiency within the administrative functions. The subsidiary EG A/S was in 2019 merged with the fully owned subsidiaries EG Notaplan ApS and L5 Public Payroll Software ApS. Furthermore, the subsidiaries Kommuneinformation A/S and EG Team Online A/S were merged in 2019. In connection with the merger the continuing company was named Digital Welfare ApS.

Revenue

Consolidated revenue amounted to DKK 851.1 million from which DKK 124.7 million can be attributed to acquisitions after 3 June 2019.

The EG Software Private division recorded a revenue of DKK 319.6 million.

The EG Software Public division recorded a revenue of DKK 347.9 million.

The EG Software Retail division recorded a revenue of DKK 103.2 million.

Other revenue amounted to DKK 80.4 million.

Earnings performance, EBITDA

The Group's reported EBITDA before special items for 2019 was DKK 227.3 million.

EBITDA before special items constitutes 26.7 % of revenue.

Earnings performance, EBIT

In 2019, the Group realised an EBIT loss of DKK -158.1 million.

Tax on profit/loss for the year

Tax on profit for the year was DKK -25.0 million and comprises current tax of DKK 18.5 million, adjustment of tax for previous years in group entities of a negative DKK 2.0 million and changes in deferred tax of DKK -41.5 million. The effective tax rate ended at -8.0%.

Profit/loss for the year

Consolidated loss for the year amounted to DKK 289.2 million. The result is impacted by special items and amortisations on acquisitions.

Cash flows

Cash flow from operating activities before net financials amounted to DKK 80.6 million. Adjusted for special items cash flow from operating activities before net financials amounted to DKK 196.3 million. Special items amounted to DKK 115.7

million and included costs related to acquisition of EG and costs supporting the ongoing transformation.

The net working capital (as defined in note 34) amounted to DKK 163.7 million. In the event that other receivables and other payables are included in the working capital, it amounts to a negative DKK 200.3 million.

Cash flows from operating activities amounted to DKK 9.3 million, comprising cash flows from operating activities before net financials of DKK 80.6 million less net interest paid in the amount of DKK 78.1 million and received corporation tax in the amount of DKK 6.8 million.

Cash flows from investing activities totalled an outflow of DKK 2,491.1 million. Investments are from the initial investment in EG and subsequent acquisitions and intangible assets (see Research and development activity below).

Cash flows from financing activities totalled an inflow of DKK 2,624.6 million. The inflow related to group contributions, debt proceeds and financing from the parent company.

Total cash flows were an inflow of DKK 142.9 million.

Balance sheet

At 31 December 2019, total assets amounted to DKK 5,362.1 million.

Equity

At 31 December 2019, equity stood at DKK 1,432.1 million. In connection with the founding of the company a capital increase of DKK 1,707.1 million was made.

Total profit/loss for the year

The financial results for 2019 are characterised by earnings driven by growth from acquisitions and the transformation of EG by refocusing on own vertical solutions.
Management is satisfied that the transformation and refocus of EG in combination with acquisitions and maintaining the high productivity had the intended financial effect.

Research and development activity

As part of the Group strategy to strengthen the product portfolio and internal systems, investments in intangible assets came to DKK 33.9 million. The Company's investments in intangible assets included mainly proprietary software and solutions that will contribute to increasing the Groups's future recurring revenue and earnings.

Outlook

The improvement that was experienced in the software business during 2019 and based on the continued investment in the software operating model in the coming years, management has positive expectations for 2020. We are continuing to increase our productivity and expect to maintain the current margin levels.

For 2020, management expects an increase in revenue for the Group of 10-15% including acquisitions. However, due to COVID-19 the outlook for 2020 is uncertain with regards to the revenue development.

As 2019 turned out as expected and since we are progressing with our transformation activities according to plan, management expects underlying activities to constitute a solid foundation for improved financial results in 2020.

Furthermore, focus will be on ensuring that sufficient cash resources are maintained. This will be supported by the current results of operating activities and continued disciplined cost and working capital management.
Management has estimated the cash flow development for 2020 and considers the current cash resources to be appropriate.

The Group management monitors the COVID-19 development closely and is prepared to implement the relevant measures possible to limit effects on revenues and earnings.

As it is not possible to foresee the duration of the pandemic and to which extent governments must continue taking measures it is still to early to estimate the size of the effects for 2020.

EG's management has performed scenario testing and evaluated the COVID-19 impact on the EG financials in three different scenarios.

It is not possible to determine which of the test scenarios that are most likely to occur. However, the conclusion was that EG will have sufficient liquidity to support the various scenarios. EG's management assess that COVID-19 does not cause going concern challenges in 2020.

Events after the balance sheet date

The consequences of Covid-19, where most govenments globally have decided to close-down many activities in their countries, has great impact on the world economy. Group management consider the consequences from Covid-19 an event after the balance sheet date which shall not affect the 2019 financial statements. This means that valuations and impairment testing as per 31 December 2019 are based on cashflows expected by the management at the balance sheet date. The expectation to future cashflows may be different at the date of approval of the annual report.

As mentioned in the outlook section Group management monitors the development closely and is prepared to implement the relevant measures possible to limit effects on revenues and earnings. At this moment it is still to early to predict the financial effects from the COVID-19 situation

In March 2020 we acquired, Holte, the market leader within IT solutions for the construction industry in Norway. Holte has more than 130 employees and 8000 customers. Holte has digitalized every step of the construction process and have an impressive product portfolio.

No other significant events have occurred after the end of the financial year that affect the 2019 financial statements.

Corporate governance

By virtue of its ownership, the Group is subject to "Guidelines for responsible ownership and corporate governance" issued by the Danish Venture Capital and Private Equity Association. The guidelines are available at DVCA's website, www.dvca.dk.

The organisation of management's duties is, among other things, based on the Danish Companies Act, the Danish Financial Statements Act, the Company's articles of association and good practice from comparable businesses. In addition, the Group's management team is highly focused on corporate governance, ensuring that the Company, internally and externally, is governed in tune with time and in accordance with applicable legislation, thereby safeguarding the interests of all stakeholders.

The Company's owners, Fancisco Partners are represented in the Group holding companies either as part of the Executive Board or in the Board of Directors. In this way Francisco Partners is governing the entire Camelot Holdco ApS Group through the work performed in the management representation and membership of relevant committees in the Group.

The Executive Board of Camelot Holdco ApS has appointed a Board of Directors in EG A/S, which is governing the EG A/S Group.

The work of the EG A/S Board of Directors is governed by rules of procedure, and board committees are used for the discharging of special duties. Accordingly, the EG A/S Group has set up a Chairmanship Committee, an Audit and Risk Committee, a Remuneration Committee and a Mergers & Acquisition Committee.

Board of Directors
The EG A/S Board of Directors consists of nine members in total. Four of the representatives have been appointed by the principal shareholder, two of the representatives are independent, and three of the representatives have been elected by the employees of the Company.

The Company's owners, Francisco Partners, are represented on the Board of Directors by Petri Oksanen (Partner), Deep Shah (Co-President), Quentin Lathuille (Vice President) and Paul Ilse, (Operating Partner).

The EG A/S Board of Directors holds four to six board meetings each year. The EG A/S Board of Directors lays down the Company's strategy and acts as a proactive sounding board for the Company's management team.

Gender composition of management

According to section 99b of the Danish Financial Statements Act, management is required to account for the gender composition of management.

We aim to promote diversity, including to achieve a reasonable representation of women on the Board of Directors within Group entities as well as among Group senior managers, based on a desire to strengthen the Groups versatility, gather competencies and create better decision-making processes.

Francisco Patners has appointed new members to the board in the company EG A/S and status is that there are no female members.

The EG Corporate Management has been strenghtened with a VP for Merger & Acquisitions and a new EVP for the EG Retail division. This means Corporate Management has been extended from eight to ten members, eight men and two women.

We aim the share of women in corporate management and among our senior managers to be at least 30% by 2022.

We will ensure full and effective participation and equal opportunities for leadership at all levels for men and women.

In order to reach that goal, we are looking into whether we can find a way to offer the underrepresented gender a leadership development program and enhance a recruitment process that strengthens diversity.

By 31.12.2019 women accounted for 38 % of the total number of employees - leaders excluded - of the EG Group.

Ownership

Camelot Holdco ApS is wholly owned by Lancelot Finco Ltd and the ultimate parent company is Lancelot Holdco Ltd.

The Group is financed through a combination of equity and debt financing. Equity consists of one share class, all shares of which are held Lancelot Finco Ltd. The debt financing consists of bank loans and the debt is assessed to be adequate relative to the Group's financial flexibility requirements.

CSR

Camelot Holdco ApS supports the ten principles of the United Nations Global Compact in the areas of human rights, labor, environment and anticorruption, and we acknowledge and respect the 17 UN Sustainable Development Goals.

We strive to conduct our activities in a responsible manner and to comply with legislation in the countries and local communities in which we operate.

We have established a set of ethical guidelines describing our responsibility to the environment and the people who help to develop and deliver EG's solutions.

Updated CSR-approach

In 2019 we aligned our CSR-policy with the demands of section 99a of the Danish Financial Statements Act, the commitment to the Global Compact and the 17 UN Sustainable Development Goals.

In that process, we identified 25 actions that we will focus on in 2020 and implemented a systematic approach to following up on actions and progress on a quarterly basis.

The actions are described in more details in our report on UN Global Compact, Communication on Progress 2019.

Human rights

The Group supports and respects the protection of internationally proclaimed human rights, and we make sure that we are not complicit in the violation human rights.

The Group is subject to extended corporate social responsibility to protect the personal data entrusted to us by our business partners, customers and employees.

As a consequence, the Group continuously strives to maintain a high level of data and IT security based on the General Data Protection Regulation (GDPR) of the EU.

All employees have been made aware of EG's data and IT security policies and participate in an ongoing programme to improve employee security awareness and to ensure that we consistently process and protect our own data and customer data as securely as possible.

The Group has assessed the most significant risks in relation to activities pertaining to the company's business relations, products and services.

The Group sees no significant risk that the company or its suppliers have violated UN Global Compact principles 1-2.

Labour rights
The Group supports and respects the protection of internationally proclaimed labour rights, and we make sure that we are not complicit in violations of labour rights.

The Group is therefore strongly focused on employee well-being and development. We recognise the importance of striking a healthy work-life balance.

We have established a health and safety organisation which, among other things, tracks developments in sickness-related absence and occupational injuries.

The Group has an obligation to ensure a healthy and attractive working environment.

In 2019 the Group has implemented a new tool for the quarterly monitoring of employee satisfaction and engagement, EG Pulse.

We also perform a mandatory workplace assessment (WPA) every three years, and our management team receives training in ethical conduct and sustainable workforce development.

During the year all employees are invited to one-on-one interviews with their immediate superior, and employee performance reviews (GROW) form the basis of the annual plan for the development of each individual employee within the Group.

As part of our focus on the 17 UN Sustainable Development Goals, the Group has launched a volunteer programme allowing all employees to spend one working day a year on voluntary work.

The Group has assessed the most significant risks in relation to activities pertaining to the company's business relations, products and services.

The Group sees no significant risk or indications that the company or its suppliers have violated the UN Global Compact principles 3-6.

Environmental protection
The Group supports a precautionary approach to environmental challenges and undertakes initiatives to promote greater environmental responsibility. Also, we encourage the development and diffusion of environmentally friendly technologies.

Consideration for the environment and climate forms an integral part of our way of doing business, and we expect the same of our suppliers.

As part of these efforts, the company EG A/S became a member of the IT Industry Association's Committee for Sustainable Development in 2019, and we assess our activities relating to the UN's 17 Sustainable Development Goals on an ongoing basis.

We carry out all of our activities with the utmost care for the environment. In addition to statutory requirements, we seek to minimise the environmental impact of our activities, including through energy optimisation of our properties.

As part of our focus on the 17 UN Sustainable Development Goals the Group has made a special commitment to becoming carbon neutral by 2030.
In February 2020 EG an agreement with our energy provider was signed, meaning that from now on we are running on 100 percent CO_2-neutral, renewable energy from windmills in Denmark. To limit the impact on the environment, the Group's company car policy has been changed so all company cars in Scandinavia will be hybrid or electric going forward and made plans to install charging stations for electric cars at all sites in Denmark.

As a software company we do not use chemicals and natural resources, nor create waste on a large scale. Thus, we have mainly focused on our own and our suppliers' energy consumption.

The Group has assessed the most significant risks in activities pertaining to the company's business relations, products and services.

The Group sees no significant risk or indications that the company or its suppliers have violated UN Global Compact principles 7-9.

Anti-corruption
We support the work against corruption in all its forms, including extortion and bribery.

Corruption and bribery are recognized as barriers to sustainable development and free trade.

In 2019 the Scandinavian IT industry has experienced unfortunate cases related to bribery and corruption, so we have revised and re-implemented the Anti-Corruption and Bribery Policy as well as the Whistleblower Policy.

The Group has assessed the most significant risks in relation to activities pertaining to the company's business relations, products and services.

We see no significant risk or signs or indications that the Group or its suppliers have violated UN Global Compact principle 10.

Risk management and reporting

Our focus on selected markets and industries with in-depth knowledge of the work processes and special customer conditions provides us with good insight into the risk environment and enables us to mitigate risks.

Reference is made to the other sections of the management's review for an outline of EG's business model and risk assessment.

The company EG A/S has signed up to the UN Global Compact and each year prepares a progress report to account for its corporate social responsibility efforts. The progress report for 2019 constitutes EG A/S's statutory corporate social responsibility report required under section 99a of the Danish Financial Statements Act and covers the period from October 2018 to October 2019. Going forward the COP will be aligned with the calendar.

The report is posted on the website and the latest version can be found at: https://eg.dk/siteassets/media/files/about-eg/csr/eg-global-compact-2019.pdf

Risk management

A key factor to achieving the Group's objectives and strategy is the ongoing efforts to identify risk factors and mitigating action. Implementation of the adopted strategy, the ongoing activities and exploitation of business opportunities expose the Company to risks, and the Company's handling of such risks is therefore considered a natural and integral part of the day-to-day work and a way of ensuring stable and reliable growth.

The following sections do not provide an exhaustive description of all risks associated with the activities of the Group. The risk factors are divided into commercial and financial risks and are described in random order.

Risk management and internal control procedures

The Group's risk management and internal control procedures in connection with financial reporting were established to ensure that financial reporting gives a fair presentation without material misstatements and in accordance with current legislation, standards, other regulations and the company's standard processes.

The Group has defined a process in which the strength of major key controls is evaluated and reported to the audit committee, providing enhanced transparency and consistency in the internal control environment. In a few entities, not all key controls have been implemented as those entities have not yet adopted the Group's standard processes. Compensatory controls have been established or are in the process of being established to the extent possible.

Commercial risks

A prerequisite for continuing growth is ongoing development of new solutions that require appropriate professional skills. In the IT industry, competition with respect to attracting the right skills and a lack of qualified applicants represent a risk factor. In order to attract and retain employees, EG remains focused on employee well-being and satisfaction, which is supported by regular performance interviews and an annual employee survey. In order to overcome a shortage of resources, the Group collaborates with Danish and international consultants.

A significant part of the business involves participating in tenders for major contracts, which requires extensive work involving calculations and estimates. Inadequate quality or incorrect pricing levels could have adverse consequences in the form of lost contracts or non-profitable contracts. The Group uses project reviews and preliminary analyses to ensure that correct pricing is applied when entering into fixed-price contracts. The Group has established a PMO (project management office), which serves to improve project execution, provide a consistent governance structure and standardise project management policies, processes and methods across the Group.

The ability to provide quality solutions and adhere to delivery deadlines are key parameters for the Group. The Group has a large share of public-sector customers, and given the general attention to public-sector IT solutions, non-compliance in terms of quality and deadlines is a special risk factor. A priority area for the PMO is project risk factors and how best to mitigate these risks for entities within the Group and for our customers. The risk factors are evaluated during the sales phase when the project is signed off for handover and in relation to milestones for monitoring project progress.

The Group's single largest expense category is salaries. As the majority of the staff are salaried employees, reducing the bulk of the Group's expenses is not possible in the near term. The

Groups seeks to mitigate this uncertainty by transforming a greater share of the Group's income to fixed contracts with commitment periods and notice of termination.

IT risk

The Group makes extensive use of IT tools and is vulnerable to business disruptions and security breaches. The Group constantly seeks to improve its IT security to ensure that a high level of security is maintained at all times.

The GDPR legislation represents a potential risk if the Group fails to meet all of its requirements, which could lead to fines and have an adverse impact on our image. To mitigate this risk, we established a GDPR function and extensively informed and trained our employees over the course of the year.

Financial risk

The Group's financial risks are managed centrally by Group finance according to policies committed in writing and approved by Francisco Partners and the EG A/S Board of Directors. The primary objectives for the Group's financial risk management are to ensure sufficient liquidity to uphold business operations and meet commitments stipulated in the funding and mitigate risks for any covenant or other breaches due to interest and exchange rate changes.

Interest rate risk

The Group has variable interest expenses and is financed with a floating CIBOR rate combined with a fixed margin depending on the credit facility. Interest expenses are settled in DKK and NOK.

Currency risk

The Group's revenue is primarily denominated in DKK, but acquisitions in Norway and Sweden have resulted in growing exposure to NOK and SEK. The Group is exposed to currency risk at three levels.

The first level includes exchange rate fluctuations related to the translation of the results of foreign subsidiaries at the balance sheet date. The Company does not hedge this type of risk. Consequently, the Group may be affected by short-term fluctuations when translating the results of subsidiaries into DKK.

The next level includes risk associated with current cash flows. The Company does not hedge currency risks associated with cash flows.

Lastly, currency risk attaches to the translation of intra-group balances in foreign currency at the balance sheet date. This translation includes a value adjustment which is not hedged.

For additional information on financial risks, see the note to the annual report.

Insurance risk

The Group has taken out mandatory insurance policies and any insurance considered relevant. The insurance policies are reviewed regularly with an insurance broker to ensure adequate coverage on commercially favourable terms.

Investments and acquisitions

In accordance with its strategy, the Group regularly assesses potential acquisitions and new software investments. Major acquisitions and investments in software development involve a number of risks related to the investment process and the subsequent integration into the organisation. Such risks are assessed and hedged by applying in-house professional skills and external advisers.

Other risks

Unforeseen risks such as natural disasters, pandemics and other force majeure events are difficult to cover as the nature of the risk varies. The Group can mitigate such risks once they occur and can quickly adapt to the new situation as employees from day to day can work from other locations.

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ENDORSEMENTS

Management's statement

The Executive Board has today considered and adopted the Annual Report of Camelot Holdco ApS for the financial period 2 April – 31 December 2019.

The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in 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 2019 of the Group and the Parent Company and of the results of the Group and Parent Company operations and cash flows for 2019.
In our opinion, the Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

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

Hellerup, 22 May 2020

Executive Board

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Petri Oksanen
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Petri Oksanen

DocuSigned by:
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Deep Shah

Independent auditor's report

To the Shareholders of Camelot HoldCo ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2019 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 2 April to 31 December 2019 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Camelot Holdco-Group for the financial year 2 April - 31 December 2019, which comprise statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for both the Group and the Parent Company ("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 Financial 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 and Parent Company 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 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.

Aarhus, 22 May 2020

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No. 33 77 12 31

DocuSigned by:
Claus Lindholm Jacobsen
C5D5612AAC314F0...
Claus Lindholm Jacobsen
State Authorised Public Accountant
mne23328

DocuSigned by:
23B4218A39954E9...
Henrik Berring Rasmussen
State Authorised Public Accountant
mne34157

CONSOLIDATED FINANCIAL STATEMENTS

Statement of comprehensive income

Note	DKK million	Group 2019 9 mth.	Parent Company 2019 9 mth.
5	Revenue	851.1	0.0
	Cost of sales	155.6	0.0
6	Staff costs	386.3	0.0
	Other external expenses	112.5	0.1
	Other operating income	30.6	0.0
	EBITDA, before special items	227.3	-0.1
7	Special items	115.7	0.0
	EBITDA	111.6	-0.1
8	Depreciation, amortisation and impairment	269.7	0.0
	EBIT	-158.1	-0.1
9	Share of profit/loss and tax on investments in subsidiaries	0.0	-289.4
10	Other financial income	4.3	0.0
10	Other financial expenses	160.4	0.0
	Profit/loss before tax	-314.2	-289.4
11	Tax on profit/loss for the year	-25.0	-0.2
	Profit/loss for the year	-289.2	-289.2
	Other comprehensive income		
	Recirculation on realisation		
	Foreign exchange adjustment, foreign subsidiaries	-0.5	-0.5
12	**Comprehensive income for the year**	-289.7	-289.7

Let's go further

Balance sheet – assets

Note	DKK million	Group 2019	Parent Company 2019
	ASSETS		
	Goodwill	2,844.0	0.0
	Other intangible assets	1,166.6	0.0
	Licensing rights	417.0	0.0
	Completed development projects	89.4	0.0
	Development projects in progress	119.1	0.0
13	**Intangible assets**	4,636.1	0.0
	Land and buildings, etc.	152.0	0.0
	Leasehold improvements	4.3	0.0
	Tools and equipment, etc.	24.4	0.0
14	**Tangible assets**	180.7	0.0
9	Investments in subsidiaries	0.0	1,431.9
15	Investments in associates	0.2	0.0
	Financial assets	0.2	1,431.9
	Non-current assets	4,817.0	1,431.9
16	**Goods for resale**	4.2	0.0
17	Trade receivables	223.2	0.0
18	Contract assets	47.5	0.0
	Income tax	0.0	0.2
19	Other receivables	80.7	0.0
	Prepayments	46.6	0.0
	Receivables	398.0	0.2
27	**Cash**	142.9	0.0
	Current assets	545.1	0.2
	Assets	5,362.1	1,432.1

Let's go further

Balance sheet – equity and liabilities

Note	DKK million	Group 2019	Parent Company 2019
	EQUITY AND LIABILITIES		
	Share capital	0.1	0.1
	Translation reserve	-0.5	-0.5
	Retained earnings	1,432.6	1,432.6
	Total equity	1,432.1	1,432.1
11	Deferred tax liabilities	372.9	0.0
20	Debt to banks	2,687.0	0.0
20	Lease liabilities	128.2	0.0
	Non-current liabilities	3,188.1	0.0
20	Lease liabilities	42.5	0.0
	Interest-bearing current liabilities	42.5	0.0
18	Contract liabilities	30.1	0.0
	Trade payables	81.1	0.0
	Amounts owed to parent/group companies	75.4	0.0
	Income tax	21.5	0.0
21	Other payables	412.5	0.0
22	Deferred income	78.8	0.0
	Non-interest-bearing current liabilities	699.4	0.0
	Current liabilities	741.9	0.0
	Liabilities	3,930.0	0.0
	Equity and liabilities	5,362.1	1,432.1

Statement of changes in equity

Accounting policy

Dividends
Dividends are recognised as a liability at the time of adoption by the annual general meeting (the declaration date). Proposed but not yet paid dividends for the financial year are recognised in equity until adopted by the shareholders at the general meeting.

Translation reserve
Foreign exchange adjustments relating to subsidiaries with functional currencies other than the presentation currency of Camelot Holdco ApS are recognised directly in equity under a separate translation reserve. On full or partial realisation of the net investment, foreign exchange adjustments are recognised in the income statement.

Group DKK million	Share capital	Trans. reserve	Retained earnings	Total equity
Equity at 2 April 2019	0.0	0.0	0.0	0.0
Comprehensive income for the year	0.0	-0.5	-289.2	-289.7
Cash payments concerning founding of company	0.1		0.0	0.1
Capital increase	0.0		1,707.1	1,707.1
Warrants			14.7	14.7
Equity at 31 December 2019	0.1	-0.5	1,432.6	1,432.1

Parent Company DKK million	Share capital	Trans. reserve	Retained earnings	Total equity
Equity at 2 April 2019	0.0	0.0	0.0	0.0
Comprehensive income for the year	0.0	-0.5	-289.2	-289.7
Cash payments concerning founding of company	0.1		0.0	0.1
Capital increase	0.0		1,707.1	1,707.1
Warrants			14.7	14.7
Equity at 31 December 2019	0.1	-0.5	1,432.6	1,432.1

DKK million	Number of shares	a DKK	Share capital
The share capital consists of	51	1,000	0.1

Statement of cash flows

Accounting policy

The consolidated cash flow statement is presented according to the indirect method and shows the cash flows for the year, broken down by operating, investing and financing activities, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from acquisitions and divestments of businesses are shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired businesses from the date of acquisition and cash flows from divested businesses until the time of divestment.

Cash flows in currencies other than the functional currency are recognised in the cash flow statement using average monthly exchange rates, unless they deviate significantly from the actual exchange rates at the transaction dates. In the latter case, the actual daily exchange rates are used.

The statement of cash flows cannot be derived solely from the published financial information.

Cash flows from operating activities
Cash flows from operating activities are calculated as EBIT, operating profit or loss adjusted for non-cash operating items, changes in working capital, interest etc. received and paid and income taxes paid.

Cash flows from investing activities
Cash flows from investing activities comprise payments made in connection with the acquisition and disposal of intangible assets, property, plant and equipment and non-current financial assets.

Cash flows from financing activities
Cash flows from financing activities comprise changes in the size or composition of share capital, (purchase and sale of treasury shares), the raising and repayment of long-term debt and dividends distributed to shareholders.

Cash and cash equivalents
Cash and cash equivalents comprise cash, securities with a term to maturity of less than three months at the time of acquisition which can readily be converted into cash and are only subject to an insignificant risk of value changes as well as amounts owed to financial institutions.

Let's go further

Note	I millioner DKK	Group 2019	Parent Company 2019
	Cash flow from operating activities		
	EBIT	-158.1	-0.1
24	Adjustments	306.7	0.0
25	Change in working capital	-98.2	0.0
	Change in other receivables and other payables	30.1	0.1
	Cash flow from operating activities before net financials	80.6	0.0
	Interest received	4.3	0.0
	Interest paid	-82.4	0.0
	Cash flow from ordinary activities	2.5	0.0
	Income tax paid	6.8	0.0
	Cash flow from operating activities	9.3	0.0
	Cash flow from investing activities		
	Investment in intangible assets	-33.9	0.0
	Investment in property, plant and equipment	-6.1	0.0
26	Acquisition of activities and equity investments	-2,451.0	0.0
	Investments in associates etc.	-0.1	0.0
	Cash flow from investing activities	-2,491.1	0.0
	Cash flow from financing activities		
	Repayment of non-current debt	-1,800.0	0.0
	Proceeds of non-current debt	2,686.7	0.0
	Repayment on lease liabilities	-24.9	0.0
	Group contributions	1,687.3	0.0
	Movements in the balance with parent company	75.4	0.0
	Cash flow from financing activities	2,624.6	0.0
	Change in cash flow for the year	142.9	0.0
27	Cash 31 December, net	142.9	0.0

Let's go further

NOTES

Note 1 – General accounting policies

This section provides a summary of significant accounting policies, new IFRS requirements and other general accounting policies.

A detailed description of the specific accounting policy applied is provided in the relevant notes so that all information about an accounting item is stated together.

General

The annual report of Camelot Holdco ApS, comprising parent company financial statements and consolidated financial statements, is presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and the Danish Executive Order on Adoption of IFRSs issued pursuant to the Danish Financial Statements Act.

The annual report is presented in Danish kroner (DKK), which is considered to be the primary currency of the Group's activities and the functional currency of the parent company.

The accounting policies have been applied consistently throughout the financial year 2 April – 31 December 2019. The EG business activity was included from 3 June 2019.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the parent company, Camelot Holdco ApS, and subsidiaries in which Camelot Holdco ApS directly or indirectly holds more than 50% of the voting rights or can or does exercise control in any other way. An assessment of whether Camelot Holdco ApS exercises control or significant influence takes potential voting rights into account.

The consolidated financial statements have been prepared by including the financial statements of the Parent company and the subsidiaries, which have all been prepared in accordance with the Group's accounting policies.
On consolidation, intra-group income and expenses, shareholdings, balances and dividends as well as realised and unrealised gains and losses on transactions between the consolidated entities are eliminated.

Entities that are not Group entities, but in which the Group holds 20% or more of the voting rights exercises significant influence in any other way are considered to be associates. The financial statements of associates are prepared in accordance with the Group's accounting policies, eliminating unrealised gains and losses on transactions between the Group and its associates in proportion to the shareholding in the associate.

Translation of amounts in foreign currencies

For each of the reporting entities in the Group, a functional currency is determined. The functional currency is the currency used in the primary economic environment in which the reporting entity in question operates. Transactions in currencies other than the functional currency are transactions in foreign currency. On initial recognition, transactions in foreign currency are translated into the functional currency at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and at the date of payment are recognised in the income statement under net financials.

Receivables, payables and other monetary items in foreign currency are translated to the functional currency at the exchange rate valid on the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date when the receivable or payable arose is recognised in the income statement under net financials.

On consolidation of foreign entities with functional currencies other than the Group's presentation currency, income statement items are translated at the exchange rate at the transaction date, and balance sheet items are translated at the exchange rate valid on the balance sheet date. The average exchange rate for the year is used as the exchange rate at the transaction date unless it deviates significantly from actual exchange rates. In that case, the actual exchange rates are used. Goodwill is considered to belong to the acquired entity in question and is translated at the exchange rate valid on the balance sheet date. Foreign exchange differences arising on translation of the opening equity of entities with functional currencies other than that of Camelot Holdco ApS at the exchange rate valid on the balance sheet date and on translation of income statements from the exchange rate on the transaction date to the exchange rate valid on the balance sheet date are recognised directly in equity as a separate translation reserve.

Foreign exchange adjustments relating to non-current receivables from subsidiaries which are considered to be an addition to the net assets of the subsidiaries are recognised directly in equity as a separate translation reserve.

Cost of sales

Cost of sales comprises costs incurred to generate the revenue for the year.

Other external expenses
Other external expenses comprise expenses for distribution, sale, advertising, administration, etc. as well as write-downs for anticipated losses on trade receivables.

Other operating income and expenses
Other operating income and expenses comprise items secondary to the primary activities of the Group.

Receivables
Other receivables, which comprise receivables from group entities, are measured at amortised cost, which usually corresponds to nominal value.

Prepayments and deferred income
Prepayments comprise costs incurred relating to subsequent financial years.

Advance payments
Advance payments are measured at amortised cost.

Financial liabilities
Other liabilities, which comprise trade payables and payables to Group entities, are measured at amortised cost, which usually corresponds to nominal value.

Note 2 – Amended standards and accounting policies

Implementation of new and amended standards and interpretations

The Group has not amended or implemented new financial reporting standards in 2019.

Note 3 - Use of estimates, assumptions and judgements in determining accounting policies

The preparation of Camelot Holdco ApS's financial statements in accordance with IFRS requires the use of estimates, assumptions and judgements that affect the reported values of assets and liabilities and income and expenses at the balance sheet date. While these estimates are based on management's best knowledge of current events and actions, the actual results may differ from those estimates.

Management considers estimates, assumptions and judgements under the following items to be of material importance to the annual report:

Determining the stage of completion of implementation projects recognised over time
The stage of completion is determined based on estimates and assumptions regarding future costs – mainly remaining time to complete the project. Such estimates are subject to uncertainty because management considers hours spent and estimates of hours to be spent to provide the best basis for determining stages of completion. Management's estimates and assumptions are based on individual assessments of specific projects and regular follow-up on projects for purposes of identifying any deviations from known estimates and assumptions. The results of the individual assessments and regular follow-up are also used to make provisions for losses on projects.

Determining performance obligations in connection with sales of EG licences
EG's proprietary ERP systems, which are sold as on-premise licenses, comprise configuration and integration services. In management's opinion, these systems are so unique that only EG A/S can perform this work in practice and buying the license alone will therefore not entail any benefits for the customer. Accordingly, the license and integration/ configuration services are considered to be a single performance obligation

Deferred tax
A management estimate is required to determine the recognition of deferred tax assets. Deferred tax assets are recognised when it is likely that there will be sufficient future taxable income to utilise the temporary differences. Based on factors such as historical profits and approved budgets, management has taken future taxable income into account in assessing whether deferred tax assets should be recognised.

Intangible assets
The value of intangible assets depends on future business developments in a number of areas and to circumstances that Camelot Holdco ApS can influence, the future business structure, economic developments and technological developments are important.

Note 4 – Subsequent events

The Group is in the moment of writing limited affected by the COVID-19 pandemic and the measures taken by the governments in the Scandinavian countries.

Camelot Holdco's management monitors the development closely and is prepared to implement the relevant measures possible to limit effects on revenues and earnings.

As it is not possible to foresee the duration of the pandemic and to which extent governments must continue taking measures it is still too early to estimate the size of the effects for 2020.

EG's management has performed scenario testing and evaluated the COVID-19 impact on the EG financials in three different scenarios. It is not possible to determine which of the test scenarios that are most likely to occur. However, the conclusion was that EG will have sufficient liquidity to support the various scenarios. EG's management assess that COVID-19 does not cause going concern challenges in 2020.

Note 5 – Revenue

Accounting policy

Revenue derives from sales of licences for the Group's own software and related configuration and installation services, external software, subscription income and sales of hardware and consultancy services.

Revenue is recognised when control of the software or the service has passed to the customer.

The terms of payment are typically the current month. The Group does not enter into sales agreements with a credit period of more than 12 months and therefore does not adjust the agreed contract price by a financing component.

License sale of proprietary software

Sales of licenses for proprietary software comprise sales of licenses and configuration and installation services. This is considered to constitute a single performance obligation. Income from contracts primarily concerning configuration and installation services is recognised over time based on a stage of completion. If the license component constitutes the main part of the deliverable, the income is recognised when the customer is able to use the system.

The stage of completion for deliverables recognised over time is determined either as the number of hours spent relative to the estimated total number of hours in the project or in relation to predefined milestones and stages of completion for the projects. The total number of hours expected to be spent on each project and activity is re-estimated on a regular basis. If the stage of completion declines compared to the latest estimate, revenue is reversed so that revenue for the period always corresponds to the stage of completion at the end of the period.

Sales of external software

External software sales comprise sales of licenses for standard software solutions with added EG functionalities and related configuration and installation services. Software and configuration/installation services are considered to be separate performance obligations.

Income from software licenses is recognised when the customer has been given access to use the license. Income from configuration and installation services is recognised over time as the work is performed. If the customer's acceptance of the delivered functionalities is required, income is recognised at the time of acceptance.

Subscription income

Subscription income derives from industry software supplied as a Software as a Service (SaaS) solution, maintenance and hotline subscriptions and payroll services. Unspecified future upgrades, maintenance and helpline support are considered as one performance obligation. Such income is recognised over the term of the contract. Payments from customers for work required to commence delivery to the customer under a payroll administration agreement are considered a part of the total payment and are recognised over the period during which the payroll administration services are provided. Furthermore, costs incurred for such activities are capitalised and amortised over the contract term.

Sales of hardware

Income from the sale of hardware is recognised when control of the goods has passed to the buyer, which is usually at the time of delivery.

Sales of consultancy and development services

Income from the sale of consultancy and development services is recognised as the services are provided, usually on a straight-line basis over the term of the contract. Revenue is measured at the fair value of the agreed consideration net of VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

	Revenue
Segment information	2019 9 mth.
Private	319.6
Public	347.9
Retail	103.2
Other	80.4
	851.1

Outstanding performance obligations

Future cashflow is positively affected by a number of multi-year contracts the Group has entered into, for which outstanding performance obligations at 31 December 2019 amounted to DKK 602.6 million. The average contract performance period is estimated at 4.0 years, and the maximum remaining term is 11 years.

Note 6 – Staff costs

Accounting policy

Staff costs consist of salaries, bonuses, pensions and social security costs, share-based payments, holiday pay, and other benefits. Staff costs are recognised in the financial year during which the employees performed the related work.

Members of the Executive Board and other executives are remunerated through a combination of salaries, performance-based bonus plans and warrants.

Members of the Executive Board have an extended term of notice of six months and are entitled to severance pay for six months. The Group only operates defined contribution pension plans. The Board of Directors and the Executive Board constitute Key Management Personnel.

DKK million	Group 2019 9 mth.	Parent Company 2019 9 mth.
Average number of employees	1,206	0
Total staff costs		
Wages and salaries	375.7	0.0
Pensions	24.6	0.0
Other social security costs	19.0	0.0
	419.3	0.0
Work carried out for own account and capitalised	-33.0	0.0
Staff costs	386.3	0.0
Remuneration of the Board of Directors and the Executive Board		
Wages and salaries	0.0	0.0
Board of Directors and the Executive Board	0.0	0.0

Note 7 – Special items

Accounting policy

Special items include significant non-recurring costs or income which are recognized in the statement of comprehensive income and which are not directly attributable to the Group's ordinary activities. Such items include restructuring costs, basic structural changes, and strategic considerations regarding the future of the business. Special items also include gains and losses on the disposal of companies, as well as transaction costs and adjustments to purchase prices of acquired companies. Special items are presented separately in the income statement to provide a more comparable basis for the company's operations. Management assesses which items are to be identified as special items and shown separately, in order to give a correct presentation of the comprehensive income statement.

DKK million	Group 9 mth.	Parent Company 9 mth.
Outsourcing of datacenters	1.0	0.0
Strategic initiatives	48.3	0.0
Purchase of EG	66.4	0.0
	115.7	0.0

Let's go further

Note 8 - Depreciation, amortisation and impairment

Accounting policy

Reference is made to notes 13 and 14.

As a result of reduced revenue and earnings, intangibles related to goodwill, other intangibles and licensing rights concerning the Notaplan activity within the EG Private division was impaired in 2019.

A part of development projects in progress in Silkeborg Data within the EG Public division was impaired in 2019. The development project has been evaluated during 2019 and due to adjustments of the platform some capitalized developments from previous years have been impaired.

	Group	Parent Company
DKK million	9 mth.	9 mth.
Land and buildings, etc.	26.1	0.0
Leasehold improvements	1.5	0.0
Plant, machinery, IT equipment, etc.	5.6	0.0
Tools and equipment, etc.	1.6	0.0
Vehicles	2.1	0.0
Other	0.4	0.0
Depreciation	37.3	0.0
Amortisation	171.6	0.0
Impairment	60.8	0.0
Depreciation, amortisation and impairment	269.7	0.0

Note 9 – Investments in subsidiaries

Accounting policy

Investments in subsidiaries are recognised and measured under the equity method. The proportionate ownership interest of the equity value of the subsidiaries is recognised in the balance sheet under the item "Investments in subsidiaries" based on the fair value of the identifiable net assets at the date of acquisition less or with the addition of unrealised intra-group gains or losses, with the addition of the remaining positive balance (goodwill) and less the remaining negative balance (negative goodwill).

The total net revaluation of investments in subsidiaries and associates is transferred from distribution of profit to "Reserve for net revaluation according to the equity method" under equity. The reserve is reduced by distributions of dividend to the parent company and adjusted for other changes in the equity of the subsidiaries.

Subsidiaries with negative equity value are recognised at DKK 0. If the parent company has a legal or constructive obligation to *cover the subsidiary's negative balance, a provision for that obligation is recognised.*

The proportionate share of the profit for the year less impairment of goodwill is recognised in the income statement item "Income from investments in subsidiaries".

DKK million	Parent Company 2019
Cost at 2 April	0.0
Additions at cost	1,707.1
Cost at 31 December	1,707.1
Corrected revaluation and impairment at 2 April	0.0
Distributed result incl. amortization and write-downs of goodwill and tax	-289.4
Market value adjustments	-0.5
Warrants	14.7
Revaluation and impairment at 31 December	-275.2
Carrying amount at 31 December 2019	1,431.9

DKK million	Parent Company 2019
Camelot Midco ApS	-289.4
Profit/loss for the year	-289.4
Camelot Midco ApS	1,431.9
Equity at 31 December	1,431.9

Local annual reports may differ from the statement prepared under IFRS.

Note 10 - Net financials

Accounting policy

Financial income and expenses comprise interest income and expenses, realised and unrealised foreign exchange gains refunds and surcharges under the Danish tax prepayment scheme and losses on transactions in foreign currencies, interest on lease liabilities, amortisation of financial assets and liabilities, and surcharges and allowances under the tax prepayment scheme.

DKK million	Group 2019 9 mth.	Parent Company 2019 9 mth.
Other financial income		
Interest received from banks	0.3	0.0
Market value adjustments	3.6	0.0
Other interest income	0.4	0.0
Other financial income	4.3	0.0
Other financial expenses		
Interest paid to group entities	1.4	0.0
Interest paid to banks	111.1	0.0
Market value adjustments	4.6	0.0
Other interest expenses	43.3	0.0
Other financial expenses	160.4	0.0

Capitalised borrowing costs for the year were DKK 58,8 million.

Note 11 – Tax

Accounting policy

Current tax payable and receivable is recognised in the balance sheet as the tax charge on the taxable income for the year adjusted for tax paid on account. Tax for the year is calculated using the tax rates and regulations applicable at the balance sheet date. Deferred tax is recognised under the balance sheet liability method on the basis of temporary differences between the carrying amount of assets and liabilities and their tax base.

Deferred tax assets, including the tax base of tax loss carryforwards, are measured at the expected realisation value of the asset, either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity.

Deferred tax is measured on the basis of the tax regulations and rates that, according to the rules in force at the balance sheet date, are applicable in the relevant countries at the time the deferred tax is expected to crystallise as current tax.

Changes in deferred tax due to changes in tax rates are recognised in the income statement.
Tax for the year consists of current tax for the year and changes in deferred tax for the year and is recognised in the income statement at the share that can be attributed to the result for the year and directly in equity at the share attributable to equity transactions.

Camelot Holdco ApS is taxed jointly with all Danish subsidiaries. The current Danish income tax is allocated to the jointly taxed entities in proportion to their taxable income. Entities utilising tax losses in other entities pay a joint taxation contribution to the parent company equal to the tax base of the losses used, while entities whose tax losses are utilised by other entities receive a joint taxation contribution from the parent company equal to the tax base of the losses used (full allocation). The jointly taxed entities are taxed under the Danish tax prepayment scheme.

Deferred tax assets are assessed annually and are recognised only if it is highly probable that they will be utilised.

DKK million	Group 2019 9 mth.	Parent Company 2019 9 mth.
Tax on profit for the year		
Tax on taxable profit for the year	18.5	-0.2
Prior-year tax adjustment	-2.0	0.0
Adjustment of deferred tax	-41.6	0.0
Tax on profit for the year	-25.0	-0.2
Effective tax rate for the year		
Income tax rate in Denmark	22.0	22.0
Permanent items	-29.9	-22.1
Difference between Danish and foreign tax rates	-0.5	0.0
Adjustment of tax and deferred tax relating to prior years	0.4	0.0
Effective tax rate for the year	-8.0	-0.1
Deferred tax regarding		
Intangible assets	395.6	0.0
Property, plant and equipment	23.0	0.0
Current assets	-7.8	0.0
Deferred income, liabilities	-37.9	0.0
Provision for deferred tax	372.9	0.0

Note 12 – Distribution of profit or loss

The Board of Directors proposes that the comprehensive income for the year be distributed as follows:

	Group	Parent Company
	2019	2019
DKK million	9 mth.	9 mth.
As proposed, distributed as follows:		
Foreign exchange adjustments, foreign subsidiaries	-0.5	-0.5
Retained earnings	-289.2	-289.2
Distributed comprehensive income	-289.7	-289.7

Note 13 – Intangible assets

Accounting policy

Goodwill

On initial recognition, goodwill is measured and recognised as the excess of the cost of the acquired business over the fair value of the acquired assets, liabilities and contingent liabilities, as described under "Business combinations".

The carrying amount of goodwill is tested for impairment annually, see the description under "Impairment testing". Impairment losses are recognised on a separate line item in the income statement under "Depreciation, amortisation and impairment".

Licensing rights

Licensing rights consist of rights to various industry and standard solutions which have been acquired in connection with acquisitions.

Licensing rights are measured at cost less accumulated amortisation and impairment losses. Licensing rights are amortised on a straight-line basis over the shorter of remaining contract period and useful life. The amortisation period is generally 3-12 years.

Development projects

Minor development projects and development projects that are clearly defined and identifiable and for which the technical rate of utilisation, sufficiency of resources and a potential future market or applicability can be demonstrated are capitalised, provided that the Group intends to manufacture, market or use the project. Furthermore, it is a prerequisite that the cost can be reliably determined and that there is sufficient certainty of future positive earnings after amortisation.

Only the share of the development costs that relates to new products, new tools and new technology is capitalised. Costs of maintaining and updating existing products and programmes are recognised in the income statement as incurred. Minor development projects and parts of development projects that are funded directly or indirectly by customers are not capitalised.

On initial recognition, development costs are measured at cost, which mainly includes wages and salaries that are directly attributable to the Company's development activities.

Completed development projects are amortised on a straight-line basis over the estimated useful life, which is normally 2-5 years, from the time when the asset is ready for use. If the annual impairment test shows that a development project is impaired, its carrying amount is reduced, see the description under "Business combinations".

Other intangible assets

Other intangible assets, including customer relationships, trademarks and other intangible assets, are measured at cost less accumulated amortisation and impairment losses. Other intangible assets acquired in connection with business combinations comprise order books, trademarks and rights, including software and licensing rights, and are recognised at fair value. Amortisation is provided over the expected useful life, which is 2-20 years. If the annual impairment test shows that an intangible asset is impaired, its carrying amount is reduced, see below.

Business combinations

In connection with business combinations, acquired customer relationships are assessed. The measurement is based on future cash flows from the customer relationships with the most important assumptions being the development in operating profit before amortisation and tax, customer loyalty and theoretically calculated tax and contributions to other assets. Customer relationships are measured at cost less accumulated amortisation and impairment losses. Customer relationships are amortised on a straight-line basis over the expected useful life, which is 7-25 years. If the annual impairment test shows that a customer relationship is impaired, its carrying amount is reduced, see below.

Impairment testing

The EG Group was acquired this year wherefore an impairment test has not been performed in the financial year.

Intangible assets and other non-current assets are tested for impairment on an annual basis. Non-current assets that are not subject to amortisation or depreciation are also tested for impairment if there is an indication of impairment. Impairment testing is performed for each of the Group's cash-generating units (CGUs). The determination of cash-generating units is based on the management structure and the internal financial management.

The value of intangible assets is tested based on the expected performance of the relevant CGU in future years. If the value of a CGU significantly exceeds the carrying amount of the assets, the values are maintained. Alternatively, detailed budgets and business plans for the following years are reviewed, and the value of the CGU is calculated based on the present value of future cash flows.

The carrying amount of other non-current assets is assessed annually to determine whether there is an indication of impairment. If such indication is identified, the recoverable amount of the assets is determined. The recoverable amount is the higher of the fair value of the assets less expected costs to sell and its value in use. An impairment loss is recognised where the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount of the asset or cash-generating unit. Impairment losses are recognised in the income statement under "Depreciation, amortisation and impairment". However, impairment of goodwill is recognised on a separate line item in the income statement.

Group, DKK million	Goodwill	Order backlog	Customer relationships	Trademark	Other intangible assets	Licensing rights	Completed development projects	Development projects in progress	Total
Cost at 2 April 2019	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additions regarding business combinations	640.8	133.8	442.8	17.5	18.8	460.0	372.2	152.0	2,237.9
Adjustments regarding reclassifications	0.0	0.0	-1.5	0.0	0.0	7.4	0.0	-3.8	2.1
Additions at cost	2,379.4	41.6	752.8	163.3	0.8	295.0	22.3	33.1	3,688.2
Transfers	0.0	0.0	0.0	0.0	0.0	0.0	31.3	-31.3	0.0
Disposals at cost	0.0	0.0	0.0	0.0	0.0	-37.1	0.0	0.0	-37.1
Cost at 31 December 2019	3,020.2	175.4	1,194.1	180.8	19.6	725.3	425.8	150.0	5,891.1
Amortisation and impairment at 2 April 2019	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additions regarding business combinations	-167.9	-132.9	-156.6	-16.4	-18.6	-277.3	-297.9	-3.2	-1,070.8
Adjustments regarding reclassifications	0.0	0.0	0.0	0.0	0.0	5.4	0.0	0.0	5.4
Amortisation and impairment for the year	-8.3	-9.7	-50.3	-19.6	0.0	-78.4	-38.5	-27.7	-232.5
Amortisation and impairment for the year, sold assets	0.0	0.0	0.8	0.0	0.0	42.0	0.0	0.0	42.8
Amortisation and impairment at 31 December 2019	-176.2	-142.6	-206.1	-36.0	-18.6	-308.3	-336.4	-30.9	-1,255.1
Carrying amount at 31 December 2019	2,844.0	32.8	988.0	144.8	1.0	417.0	89.4	119.1	4,636.1

Goodwill

Goodwill is the only intangible asset with an indefinite useful life. Goodwill is tested for impairment at least once annually. The impairment test is performed on the basis of the segment(s) representing the lowest level of cash-generating unit in which goodwill is monitored. For acquired activities and entities that are integrated into one or more EG divisions, impairment testing of each acquisition is not possible.

The EG Group was acquired this year and the impairment test is based on fair value less cost to sell. Fair value is based on a discounted cash flow model with a discount rate of 10 %.

The Group has the following cash-generating units:

- **EG Software Private**

  This business unit sells standardised systems and implements proprietary ERP systems with related financial management and administration systems within a number of sectors.

  The systems are provided as standard solutions requiring no or very little customisation.

  Revenue is primarily derived from the sale of subscription services such as SaaS (Software as a Service) services and hotline and support agreements and is primarily based on the Group's proprietary systems. Sales of consultancy services in connection with implementation projects and related software and hardware sales also contribute to revenue.

  The main operating assumptions applied in determining expected cash flows are the number of subscriptions and, to a lesser extent, the number of hours sold relative to the total number of hours available.

- **EG Software Public**

  This business unit sells various systems and services primarily for the public and utility sectors.

  Revenue is primarily derived from the sale of subscription services such as SaaS (Software as a Service) services and hotline and support agreements and is primarily based on the Group's proprietary systems.

  The main operating assumption applied in determining the cash flows is the number of subscriptions.

- **EG Software Retail**

  The Retail division provides business critical IT solution to large retail chains within the Nordics. The solution portfolio consists of a full omni-channel platform, loyalty solution and administration system for ambitious retail chains. Revenue is primarily derived from software licenses, support, SaaS (Software as a Service), Haas (Hardware as a Service), consultancy and Hardware sales.

The Group's total goodwill is specified by CGUs as shown below.

Development projects

Recognised development projects completed or in progress primarily include the development of the Group's proprietary software solutions and various industry solutions.

Management has tested recognised development costs for impairment and estimates that the recoverable amount exceeds the carrying amount at 31 December 2019. Cash flows have been estimated based on a 12-month budget period and a projection for the next 48 months.

Other intangible assets

Other intangible assets primarily comprise customer relationships. Management has in 2019 not identified any factors indicating a need to test other intangible assets for impairment.

Goodwill

DKK million	Group 2019	Parent Company 2019
Retail	221.9	0.0
Private	1,426.8	0.0
Public	1,083.0	0.0
Other	112.3	0.0
	2,844.0	0.0

Customer relationships

DKK million	Group 2019	Parent Company 2019
Retail	101.7	0.0
Private	650.9	0.0
Public	222.3	0.0
Other	13.1	0.0
	988.0	0.0

Licensing rights

DKK million	Group 2019	Parent Company 2019
Retail	61.0	0.0
Private	169.0	0.0
Public	187.0	0.0
	417.0	0.0

Let's go further

Note 14 – Property plant and equipment and lease assets

Accounting policy

Land and buildings, technical plant and machinery and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Subsequent costs, e.g. in connection with the replacement of components of property, plant and equipment, are recognised in the carrying amount of the asset if it is probable that the costs will lead to future economic benefits. All other costs incurred in connection with ordinary repairs and maintenance are recognised in the income statement as incurred.

The basis of depreciation is cost less residual value at the end of the useful life. Residual value is calculated as the amount at which the asset can be sold at the balance sheet date if the age and state of the asset are as expected at the end of its useful life less costs of disposal.

Depreciation is provided on a straight-line basis on the assets' estimated useful lives and residual values as follows:

Assets	***Depreciation period***
Buildings	*Up to 10 years*
Leasehold improvements	*5 years/commitment period*
Technical plant, computers, etc.	*3-5 years*
Tools and equipment, etc.	*5 years*
Vehicles	*5 years*
Land and art	*No depreciation*

The item Leasehold improvements comprises costs invested in leased premises to customise them for the Group's purposes.

Property, plant and equipment are written down to the lower of the recoverable amount and carrying amount, see the description of the annual impairment test below.

Lease assets
Lease assets are assets to which a right of use is attached under a lease. Lease assets are measured at cost, equivalent to the original lease liability adjusted for payments made to the lessor before the commencement date of the lease.

Lease assets are included in the following asset classes:

- *Buildings*
- *Fixtures and fittings*
- *Equipment (vehicles)*

Lease assets are depreciated on a straight-line basis over the term of the lease.
The expected lease term is assessed as the non-cancellable lease term plus periods comprised by an extension option, which management with reasonable probability expects to exercise.

Lease assets with a term of less than 12 months and leases of low-value assets are not included in the item.

Group, DKK million	Land and buildings, etc.	Lease-hold improve-ments	Plant, machinery, IT equip-ment, etc.	Total
Cost at 2 April 2019	0.0	0.0	0.0	0.0
Additions regarding business combinations	256.8	19.4	142.6	418.8
Adjustments regarding reclassifications	4.2	0.0	8.5	12.7
Additions at cost	40.1	0.2	5.3	45.6
Disposals at cost	0.0	0.0	0.0	0.0
Market value adjustments	0.0	0.0	-0.6	-0.6
Cost at 31 December 2019	301.1	19.6	155.8	476.5
Depreciation and impairment at 2 April 2019	0.0	0.0	0.0	0.0
Additions regarding business combinations	-122.7	-13.8	-122.2	-258.7
Depreciation for the year	-26.1	-1.5	-9.7	-37.3
Depreciation and impairment of assets sold	0.0	0.0	0.4	0.4
Market value adjustments	-0.3	0.0	0.1	-0.2
Depreciation and impairment at 31 December 2019	-149.1	-15.3	-131.4	-295.8
Carrying amount at 31 December 2019	152.0	4.3	24.4	180.7

The following amounts is included in the annual report where the group acts as a lessee under finance leases:

Group 2019, DKK million	Land and buildings, etc.	Lease-hold improve-ments	Plant, machinery, IT equip-ment, etc.	Total
Additions at cost for the year	40.1	0.0	0.3	40.4
Carrying amount at 31 December	151.0	0.0	8.7	159.7
Depreciation for the year	26.1	0.0	3.3	29.4
Financial expenses	3.9	0.0	0.2	4.1
Total cash outflow for the year	25.7	0.0	3.3	29.0

Let's go further

Note 15 – Investments in associates

Accounting policy

Investments in associates are measured at cost on initial recognition and subsequently under the equity method, i.e. at the proportionate share of the equity value of the enterprises determined in accordance with the Group's accounting policies, minus or plus the proportionate share of intra-group profits and losses and plus goodwill.

The proportionate share of the profit for the year less amortisation of goodwill is recognised in the income statement item "Income from investments in associates".

DKK million	Group 2019	Parent Company 2019
Cost at 2 April	0.0	0.0
Additions on corporate aquisition	0.1	0.0
Additions at cost	0.1	0.0
Cost at 31 December	0.2	0.0
Revaluation and impairment at 2 April	0.0	0.0
Revaluation and impairment at 31 December	0.0	0.0
Carrying amount at 31 December	0.2	0.0

The Group's investments are in the company: Florainfo ApS, Odense, Denmark. Voting share and ownership interest: 14.18%.

Note 16 – Goods for resale

Accounting policy

The inventory of these primarily consist of purchased goods for resale and spare parts and is measured according to the FIFO principle. The cost of goods for resale is calculated as purchase price plus delivery costs.

Where the net realisable value is lower than the cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as selling price less costs incurred to make the sale and costs and with due consideration for marketability, obsolescence and developments in expected selling price.

DKK million	Group 2019	Parent Company 2019
Goods for sale	4.2	0.0
Write-down of goods for resale	0.3	0.0

Note 17 – Trade receivables

Accounting policy

On initial recognition, receivables are measured at fair value and subsequently at amortised cost, usually corresponding to the nominal value less loss allowance.

The loss allowance is determined by applying the expected loss rate determined on the basis of past experience of the receivable's lifetime expected credit loss.

Group 31 December 2019	Not due	0-30 days	31-90 days	> 90 days	Total
Trade receivables	165.8	53.6	6.3	2.7	228.4
Provision for losses					-5.2
Net value					223.2

DKK million	Group 2019	Parent Company 2019
Provision for loss April 2	0.0	0.0
Additions on corporate aquisition	-4.8	0.0
Reversed provisions	2.5	0.0
Additional provisions	-2.9	0.0
Provision for losses 31 December	-5.2	0.0

Provisions for the completion of projects are not included in trade receivables, but are provided for separately and deducted from work in progress.

None of the total receivables fall due more than 12 months after the balance sheet date.

Note 18 – Contract assets and liabilities

Accounting policy

Contract assets and liabilities comprise amortised contract costs and the selling price of work performed for which the Group does not yet have an unconditional right to payment, because the work performed has not been approved by the customer.

Contract liabilities comprise agreed-upon unconditional advance invoicing of work not yet performed on construction projects and other prepayments received.

	Group	Parent Company
DKK million	2019	2019
Contracts recognised over time	31.0	0.0
Costs to fullfill contracts	16.5	0.0
Contract Assets	47.5	0.0
Prepayments from customers	-9.0	0.0
Deferred revenue	-21.1	0.0
Contract liabilities	-30.1	0.0

Group: The selling price of contract work in progress comprises costs in the amount of DKK 46.3 million.

Note 19 – Other receivables

Accounting policy

Other receivables are measured at amortised cost, usually corresponding to nominal value. The value is reduced by loss allowances.

	Group	Parent Company
DKK million	2019	2019
Deposits	10.0	0.0
Other receivables	70.7	0.0
Other receivables	80.7	0.0

Note 20 – Bank debt

Accounting policy

Bank debt
Debt to banks etc. is recognised at the at the date of borrowing value of proceeds received less transaction costs. Subsequently, financial liabilities are recognised at amortised cost, equivalent to the capitalised value using the effective interest rate. The difference between the proceeds and the nominal value is thus recognised in the income statement over the term of the loan.

DKK million	Group 2019	Parent Company 2019
Debt to banks		
Non-current debt	2,687.0	0.0
	2,687.0	0.0
Lease liabilities		
Current debt	42.5	0.0
Non-current debt	128.2	0.0
	170.7	0.0

The Group's debt to banks is shown as a net amount as a result of cash pooling.

Debt arising from financing obligations are distributed as follows:

For the long-term debt, the interest rate sensitivity in the Group amounts to about DKK 27 million when the interest rate changes by 1 percentage point.

Group, 2019	Beginning of year	Change in accounting policies	Cash flows	Acquisi-tions	Year end
Non-current debt	0.0	0.0	0.0	2,815.2	2,815.2
Current debt	0.0	0.0	0.0	42.5	42.5
Total liabilities from financing activities	0.0	0.0	0.0	2,857.7	2,857.7
Parent Company, 2019					
Non-current debt	0.0	0.0	0.0	0.0	0.0
Current debt	0.0	0.0	0.0	0.0	0.0
Total liabilities from financing activities	0.0	0.0	0.0	0.0	0.0

Let's go further

Note 21 – Other payables

Accounting policy

Other payables are measured at amortised cost.

The Group has entered into defined contribution plans with the majority of its employees. Obligations relating to defined contribution plans are recognised in the income statement over the period in which they are accumulated, and contributions payable are recognised in the balance sheet under other payables.

	Group	Parent Company
DKK million	2019	2019
Accrued holiday pay	98.4	0.0
VAT payable	52.2	0.0
Payroll tax etc. payable	4.6	0.0
Accrued interest	78.1	0.0
Other accrued expenses	179.1	0.0
Other payables	412.4	0.0

Note 22 - Deferred income and accruals

Accounting policy

Deferred income comprises payments received concerning income for subsequent financial years.

Deferred income is measured at cost.

	Group	Parent Company
DKK million	2019	2019
Accrued customer payments	56.2	0.0
Other accruals	22.6	0.0
Deferred income	78.8	0.0

Let's go further

Note 23 - Contingent liabilities and other financial liabilities

DKK million	Group 2019	Parent Company 2019
EG's rental obligations during the period of non-terminability fall due:		
Within 1 year	0.4	0.0
Between 1 and 5 years	0.0	0.0
After 5 years	0.0	0.0
Rental obligations	0.4	0.0
Bank guarantees and other guarantees	1.7	0.0
	2.1	0.0

The Group is subject to the normal obligations resulting from the Company's terms of sale and delivery. There are no material risks connected to the terms of sale and delivery.

Subject to customary legal provisions, the Company and subsidiaries acts as guarantor of loans for the Group Company Camelot Bidco ApS.
Subject to common law, assets in subsidiaries are pledged as security for non-current debt to banks amounting to DKK 2,687.0 million.

The Group's Danish companies are jointly and severally liable for tax on the Group's jointly taxed income etc. The total amount of payable income tax is disclosed in the annual report of Camelot Holdco ApS, a management company in respect of the tax pool. The Group's Danish companies are also jointly and severally liable for Danish withholding taxes on dividends, royalties and interest. Any subsequent adjustments of income tax and withholding tax may result in an increase to the Company's liability.

As part of the settlement in 2017 regarding the KY project, a potential penalty of DKK 20.0 million may be payable if the project is delayed.

Note 24 – Adjustments

DKK million	Group 2019	Parent Company 2019
Depreciations and amortisations	269.7	0.0
Profit/loss from sale of assets	-0.1	0.0
Currency adjustments etc.	2.6	0.0
Adjustment regarding fundsflow	19.8	0.0
Warrant adjustments	14.7	0.0
Total adjustments	306.7	0.0

Let's go further

Note 25 – Changes in working capital

DKK million	Group 2019	Parent Company 2019
Change in inventories	1.5	0.0
Change in receivables	-76.6	0.0
Change in current debt	-23.1	0.0
Total changes in working capital	-98.2	0.0

Note 26 – Acquisition of activities

Accounting policy

Business combinations
Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the date of acquisition or establishment, as appropriate. The date of acquisition is the date when control of the enterprise is actually obtained. Enterprises disposed of or wound up are recognised in the consolidated income statement until the date of disposal or winding up, as appropriate. The date of disposal is the date when control of the company actually passes to a third party. Comparative figures are not restated for newly acquired enterprises. Discontinued operations are presented separately (see below).

Acquisitions are accounted for by applying the purchase method, under which the identifiable assets, liabilities and contingent liabilities of the acquired enterprise are measured at fair value on the date of acquisition. Identifiable intangible assets are recognised if they can be separated or if they arise from a contractual right and the fair value can be reliably measured.

In connection with business combinations, any excess of the cost of acquisition over the fair value of the acquired identifiable assets, liabilities and contingent liabilities is recognised as goodwill under intangible assets. Goodwill is not amortised, but is tested for impairment annually. On acquisition, goodwill is allocated to the cash-generating units that will subsequently form the basis for impairment testing. Any negative difference is recognised in the income statement on the date of acquisition.

The purchase consideration for an enterprise consists of the fair value of the agreed consideration in the form of assets transferred, liabilities asumed and equity instruments issued. If part of the consideration is contingent on future events occurring or on agreed conditions being met, that part of the consideration is recognised at fair value on the acquisition date. Expenses incurred during the year in connection with an acquisition are recognised in other external expenses.

Acquisition of operations and equity investments
The Group's vision is to enable our customers to become industry leaders. In each of the markets we are active in, we want to provide the best solution and we want our customers to become the leaders within their industries. We do this by investing in our solutions, strengthening our software capabilities and acquiring companies or business activities that complement our offerings.

Four equity investments were completed by subsidiaries to Camelot Holdco ApS during the financial year. All of these acquisitions have strengthened Camelot Holdco Group's offerings in our existing vertical markets.

AX EG INV 1 ApS
The AX EG INV 1 ApS Group was acquired as of 3 June 2019. AX EG INV 1 ApS is the owner of the EG Group, a leading software company in Scandinavia. The EG Group develop and sell subscription-based and industry-specific cloud solutions in the form of Software as a Service (SaaS) to private companies, the Danish state and regional and local authorities.

The amounts of revenue and profit or loss of the company AX EG INV 1 ApS acquired in 2019 since the acquisition date are included in the consolidated income statements for the reporting period with a revenue of DKK 851.1 million and profit after tax of DKK -98.8 million. Full year pro forma revenue was DKK 1,360.3 million and profit after tax was DKK -137.3 million. The amounts include the following acquisitions after the takeover of the EG Group:

Lindbak AS
As of 3 June 2019 we acquired Lindbak Retail Systems, which is a leading supplier of retail solutions in both Norway and Sweden. The amounts of revenue and profit or loss of the company Lindbak Retail Systems acquired in 2019 since the acquisition date are included in the consolidated income statements for the reporting period with a revenue of DKK 102 million and profit after tax of DKK 11.9 million. Full year pro forma revenue was DKK 173.6 million and profit after tax was DKK 33.9 million.

Sonlinc A/S
We also strengthened our presence within the utility sector with the acquisition of the Danish software company Sonlinc as of 1 September 2019. The amounts of revenue and profit or loss of the company Sonlinc acquired in 2019 since the acquisition date are included in the consolidated income statements for the reporting period with a revenue of DKK 17.0 million and profit after tax of DKK -9.0 million. Full year pro forma revenue was DKK 51.0 million and a negative profit after tax of DKK 14.3 million.

Calwin A/S
The Danish software company Calwin A/S has a strong presence within the installation market. Calwin A/S was acquired on 1 October 2019. The amounts of revenue and profit or loss of the company Calwin acquired in 2019 since the acquisition date are included in the consolidated income statements for the reporting period with a revenue of DKK 4.9 million and profit after tax of DKK 0.5 million. Full year pro forma revenue was DKK 20.9 million and profit after tax was DKK 3.0 million.

As no active market exists for the assets and liabilities acquired, especially in regard to intangible assets, management has estimated the fair value. The methods applied are based on present value of future cash flows calculated based on client contracts and other expected cash flows related to the assets.

Goodwill is attributable to a well-positioned software business and consist of know-how, skilled assembled workforces and buyer synergies which will add commercial and technical expertise and features when upgrading EG's product offerings, which do not qualify for recognition as separate assets.

	Group	Parent Company
DKK million	2019	2019
Purchase of activity and share capital		
Share capital in subsidiaries	2,688.2	0.0
Purchase of activity and share capital	2,688.2	0.0
Cash	-237.2	0.0
Net cashflow from acquisitions	2,451.0	0.0

Details on the purchase considerations, the net assets acquired and goodwill are as follows:

DKK million	AX IV EG INV 1 ApS	Other acqusi-tions	Total
Goodwill	472.9	0.0	472.9
Other intangible assets	288.4	0.0	288.4
Licensing rights	182.7	0.0	182.7
Completed development projects	74.3	0.0	74.3
Development projects in progress	148.8	0.0	148.8
Land and buildings, etc.	134.1	0.0	134.1
Leasehold improvements	5.6	0.0	5.6
Tools and equipment, etc.	20.4	0.0	20.4
Investments in associates	0.1	0.0	0.1
Goods for resale	3.6	0.0	3.6
Trade receivables	161.4	0.0	161.4
Contract assets	16.5	0.0	16.5
Other receivables	109.5	0.0	109.5
Prepayments	28.8	0.0	28.8
Cash	205.7	0.0	205.7
Deferred tax liabilities	-124.5	0.0	-124.5
Debt to banks	-1,800.3	0.0	-1,800.3
Lease liabilities	-151.4	0.0	-151.4
Trade payables	-52.8	0.0	-52.8
Amounts owed to parent/group companies	-0.2	0.0	-0.2
Income tax	-8.3	0.0	-8.3
Other payables	-253.5	0.0	-253.5
Deferred income	-175.8	0.0	-175.8
Net identifiable assets acquired	-713.8	34.6	-679.2
Goodwill	2,143.3	234.6	2,377.9
Customer relationships	577.0	0.0	751.3
Licensing rigths	206.4	0.0	295.0
Other intangible assets	204.9	262.9	204.9
Development projects	22.3	0.0	22.3
Other payables etc.	-4.7	0.0	-4.7
Deferred tax	-221.5	-57.7	-279.2
Net assets acquired	2,213.8	474.4	2,688.2

Acquisition-related costs are included in special items in the statement of profit or loss and in operating cash flows in the statement of cash flows.

During 2019 the EG Group purchased the following acquisitions. Details on the purchase consideration, the net assets acquired and goodwill are as follows:

DKK million	Purchase price
Goodwill	234.6
Other intangible assets	262.9
Other net assets	-23.1
Purchase of activity and share capital	474.4

The acquisition of Lindbak is the most material of the three companies Lindbak AS, Sonlinc A/S and CalWin A/S acquired by the EG Group. Acquisition-related costs are included in special items in the statement of profit or loss and in operating cash flows in the statement of cash flows. Goodwill is not amortised in the financial statements, while other intangible assets are amortised over 5-15 years.

Note 27 – Cash

Accounting policy

Cash, recognised under current assets, comprises bank deposits and is measured at fair value.

DKK million	Group 2019	Parent Company 2019
Debt to banks, cf. the balance sheet (current)	0.0	0.0
Cash, cf. the balance sheet	142.9	0.0
Cash 31. december, net	142.9	0.0

Note 28 – Related parties

DKK million	Group 2019	Parent Company 2019
Related party transactions		
Related party debt, parent companies	75.4	0.0
Related party debt	75.4	0.0
Shareholders over 5% of the total share capital		
Lancelot UK Finco Limited	100.0 %	100.0 %

Camelot Holdco ApS has the following related party exercising control:

- Lancelot UK Finco Limited, London.

Other related parties

The Group's related parties include subsidiaries and associates as well as their boards of directors, executive boards and executives and the family members of these persons. Related parties also include companies in which the above-mentioned persons have significant interests.

The ultimate parent company is Lancelot Holdco Ltd., London. Transactions have been carried out on an arm's-length basis.

No other transactions were carried out during the year with members of the Board of Directors, the Executive Board, executives, major shareholders or any other related parties, with the exception of intra-group transactions eliminated in the consolidated financial statements and normal remuneration of management.

Transactions have been carried out on an arm's-length basis.

Note 29 – Fees to statutory auditors

DKK million	Group 2019 9 mth.	Parent Company 2019 9 mth.
Total fees to statutory auditors:		
PwC		
Statutory audit	1.5	0.1
Other assurance engagements	0.8	0.0
Tax advice	1.5	0.0
Non-audit services	2.9	0.0
Total	6.7	0.1

Note 30 – Financial instruments

Accounting policy

Derivative financial instruments are recognised at the trade date and measured at fair value in the balance sheet. Positive and negative fair values are recognised in the balance sheet under other receivables and other payables respectively.

Changes in the portion of the fair value of derivative financial instruments designated as and qualifying as a hedge of future cash flows and effectively hedging changes in future cash flows are recognised in other comprehensive income and presented in a separate hedging reserve in equity until the hedged cash flows affect profit/loss. At this time, gains or losses regarding such hedging transactions are reclassified from other comprehensive income and recognised in the same item as the hedged item.

Credit risk
The Group is exposed to credit risk in connection with receivables and bank deposits. Cash and cash equivalents are not considered to be subject to significant credit risk, as the Group's bankers all have good credit ratings. The maximum credit risk corresponds to the carrying amount.

The company's receivables are from public customers and private companies that pose no greater risk than that normally associated with the granting of credit. Credit assessments are carried out for new customers and customers that have had difficulty settling their payment obligations. The Group regularly follows up on all receivables. The Group does not have significant risk exposure to any individual customer or business partner.

The Group's loss allowances at 31 December 2019 related solely to financial assets classified as trade receivables.

Liquidity risk
The Group's financial resources consist of cash and committed credit facilities. The credit committed credit facilities will mature in 2026.

Group treasury monitors the available liquidity on the basis of expected cash flows with the aim to maintain sufficient cash and the availability of funding through an adequate amount of committed credit facilities. For the optimization and centralisation of cash management the Group uses cash pools.

Currency risk
Invoicing by Danish Group companies to customers in and outside Denmark is generally denominated in DKK. Invoicing by Swedish and Norwegian Group companies is generally denominated in SEK and NOK respectively. Currency risk in relation to receivables is considered to be immaterial.

Purchases of services outside Denmark are denominated in foreign currency, primarily EUR. Currency risk in relation to purchases of goods and services is considered immaterial.

The Group's currency risk furthermore comprises receivables/payables, cash and cash equivalents and net investments in foreign subsidiaries, amounting to NOK 40 million, SEK 35 million and USD 3 million respectively. EG does not use financial contracts to hedge currency risks.

Interest rate risk
Interest rate risk mainly relates to interest-bearing debt and cash. To minimise both interest and related risks, the Group has entered into cash pooling and interest netting agreements with its bankers. The Group has variable interest expenses and is financed with a floating CIBOR rate combined with a fixed margin depending on the credit facility.

Capital management
On an ongoing basis, the Group assesses the need for adjustment of the capital structure to balance the higher required rate of return on equity against the increased uncertainty related to loan capital.

Dividends are determined based on EG's wish to maintain sufficient liquidity at all times to meet potential demands and with due consideration for optimising the returns of EG and its parent company.

Fair value equals book value, with the exception of debtors for which fair value is the gross value less loss allowances.

Maturity overview, Group, DKK million

31 December 2019	0-1 year	1-2 years	2-5 years	> 5 years	Total
Debt to banks excl. borrowing costs and incl. Interest	156.5	156.5	469.6	2,929.5	3,712.1
Lease liabilities	48.4	34.6	76.5	30.5	190.0
Payables to group entities	75.4	0.0	0.0	0.0	75.4
Trade payables	81.1	0.0	0.0	0.0	81.1
Contract liabilities	30.1	0.0	0.0	0.0	30.1
Other payables	412.4	0.0	0.0	0.0	412.4
Financial liabilities	804.0	191.1	546.1	2,960.0	4,501.2
Cash	142.9	0.0	0.0	0.0	142.9
Trade receivables before provisions	228.4	0.0	0.0	0.0	228.4
Contract work in progress	47.5	0.0	0.0	0.0	47.5
Other receivables	80.7	0.0	0.0	0.0	80.7
Financial assets	499.6	0.0	0.0	0.0	499.6
Net	304.4	191.1	546.1	2,960.0	4,001.6

Maturity and interest rate risk

Group	0-1 year	1-5 years	> 5 years	Nominal interest rate, pct.
Cash	142.9	0.0	0.0	0-2
Debt to banks excl. borrowing costs and incl. Interest	-156.5	-626.1	-2,929.5	3-7
Lease liabilities	-48.4	-111.1	-30.5	3-4
Total interest-bearing assets and liabilities, net	-62.0	-737.2	-2,960.0	

Let's go further

Note 31 – Current and non-current liabilities

DKK million				Group 2019	Parent Company 2019
Bank debt				2,687.0	0.0
Leasing liabilities				170.7	0.0
				2,857.7	0.0
Carrying amount:					
Type	Loan	Maturity	Eff. interest		
Bank debt, fixed	DKK	2026	6.5%	2,687.0	0.0
Bank debt, floating (Cash pool)	DKK	-	-	0.0	0.0
Leasing, floating	DKK	2020-28	3-4%	170.7	0.0
				2,857.7	0.0
Of the total debt are due:					
0-1 year				42.5	0.0
1-5 years				99.1	0.0
> 5 years				2,716.1	0.0
				2,857.7	0.0

Note 32 – Incentive programmes

To attract and retain Executive Board members and other executives, these persons have been offered compensation based on their competences, job functions and value creation, as is the case in peer companies. A group of executives has been given the opportunity to participate in a share investment programme in the ultimate parent company Lancelot Holdco Ltd aimed at aligning the Executive Board's and shareholders' short- and long-term interests. Moreover, a group of executives has joined a warrant programme.

The warrant programme is an equity-based scheme established in 2019. The vesting period is up to 48 months. The vesting period is 31 May 2019 – 31 May 2023. The program comprises 9,504,584 time vesting warrants and 8,393,376 performance vesting warrants. The time vesting program will vest if the employee remains with the company. The performance vesting program is subject to vesting based on value achieved by Investor at exit.

In respect of time vesting a black scholes valuation has been performed and in respect of performance vesting a monte carlo simulation has been performed.

The total fair value of warrants granted in 2019 was DKK 55 million.

The valuation is based on the following assumptions:

- Expected volatility: 48.0% (based on a peer group analysis)
- Risk-free interest rate: -0.56%
- Market value at issue date: DKK 8.92
- Exercise price: DKK 8.92
- Term to expiry at issue date: 4 years

- 25% of the time share program vest on first anniversary, and 2.083% monthly thereafter.

Number of outstanding/granted warrants:	Warrants
2 April 2019	0
Granted in 2019	17,897,960
Exercised in 2019	0
31 December 2019	17,897,960

Let's go further

Note 33 – Group structure

Company	CVR no.	Country	Group ownership	Ownership percentage	Voting percentage
Lancelot UK Finco Limited	12 02 53 83	UK			
Camelot Holdco ApS	40 40 60 93	DK	Lancelot UK Finco Limited	100%	100%
Camelot Midco ApS	40 40 62 98	DK	Camelot Holdco ApS	100%	100%
Camelot Bidco ApS	40 40 63 60	DK	Camelot Midco ApS	100%	100%
AX IV EG INV 1 ApS	35 46 58 71	DK	Camelot Bidco ApS	100%	100%
AX IV EG Holding ApS	35 37 77 86	DK	AX IV EG INV 1 ApS	100%	100%
AX IV EG Holding III ApS	35 38 11 39	DK	AX IV EG Holding ApS	100%	100%
EG A/S	84 66 78 11	DK	AX IV EG Holding III ApS	100%	100%
EG Norge AS	983 781 233	NO	EG A/S	100%	100%
Lindbak Retail Systems AS	968 992 600	NO	EG Norge AS	100%	100%
Lindbak Retail Systems AB	556 484-9965	SE	Lindbak Retail Systems AS	100%	100%
EG Sverige AB	556 164-5648	SE	EG A/S	100%	100%
Dynaway A/S	25 30 91 03	DK	EG A/S	100%	100%
IT Minds ApS	32 93 96 35	DK	EG A/S	100%	100%
EG Hairtools ApS	26 25 51 93	DK	EG A/S	100%	100%
Digital Welfare ApS	27 72 01 02	DK	EG A/S	100%	100%
AX IV SD Holding ApS	25 45 03 61	DK	EG A/S	100%	100%
AX IV SD Holding II ApS	25 45 53 71	DK	AX IV SD Holding ApS	100%	100%
Silkeborg Data A/S	10 42 53 79	DK	AX IV SD Holding II ApS	100%	100%
Notaplan AS	977 082 404	NO	EG A/S	100%	100%
CodeZoo ApS	36 19 78 89	DK	EG A/S	100%	100%
Xena ApS	34 08 06 31	DK	EG A/S	100%	100%
Sonlinc A/S	14 31 47 09	DK	EG A/S	100%	100%
Calwin A/S	19 44 33 45	SK	EG A/S	100%	100%
FloraInfo ApS	26 03 05 36	DK	EG A/S	14.18%	14.18%

Let's go further

Note 34 – Definitions of financial ratios

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation)	Operating profit/loss before depreciation and amortisation.
EBITA (Earnings Before Interest, Tax and Amortisation)	Operating profit/loss before amortisation (amortisation of intangible assets acquired through company acquisitions or business takeovers).
Net working capital	Goods for resale + trade receivables + contract work in progress - trade payables.
Net interest-bearing debt	Debt to banks + employee bonds - cash.
Equity ratio	Equity as a percentage of total assets.
Number of employees	Average full time equivalent employees during the reporting period.