Introduction

The Company was formed on 16 April 2018 for the purpose of acquiring NC TopCo A/S (the ultimate parent holding company of the Group prior to the effectiveness of the IPO Reorganisation) in connection with the IPO Reorganisation, pursuant to which the Existing Group Shareholders will become shareholders in the Company, through a series of share exchanges. The Company does not have any material assets or liabilities and will not conduct any operating activities prior to the effectiveness of the IPO Reorganisation and have a financial history.

NC TopCo A/S was formed on 14 December 2015 and prepared stand-alone financial statements for the period 14 – 31 December 2015 without any activities. On 1 February 2016, NC TopCo A/S acquired the entire share capital of Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) (through the intermediary holding company; NC NewCo A/S), hence the published consolidated financial statements for 2016 for NC TopCo A/S and subsidiaries, cover operations for the period 1 February – 31 December 2016. In addition, NC TopCo A/S has published consolidated financial statements for 2017. Also NC TopCo A/S is as such not able to present a meaningful full three-year financial history.

Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) has existed for a number of years and a full three-year financial history exist for Netcompany A/S and its subsidiaries.

Combined financial statements

To present a full meaningful three-year financial history, the Group presents the financial information set out on pages F-20-F-49 as combined financial statements of NC TopCo A/S and Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) as of and for the years ended 31 December 2017, 2016 and 2015, prepared as follows:

2015

The audited consolidated financial statements for 2015 for Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) and subsidiaries was prepared in accordance with the Danish Financial Statements Act and approved by the executive management and board of directors of Netcompany A/S on 29 January 2016. The consolidated figures for Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) used in the combined financial statements derive from the consolidated financial statements for 2016 where Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) prepared its consolidated financial statements in accordance with IFRS as adopted by the EU including restated figures for 2015. The audited consolidated financial statements for Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) for 2016 was approved by the executive management and board of directors of Netcompany A/S on 23 February 2017.

In the income statement for Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) and subsidiaries for 2015, cost items were presented based on their nature. In the combined financial statements, cost item are presented based on their function. Comparative figures have been changed accordingly.

2016

In the statement of comprehensive income and in the cash flow statement for 2016, the financial figures for January 2016 have been derived from the audited consolidated financial statements for Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) and subsidiaries, whereas for the period 1 February to 31 December 2016 the financial figures have been derived from the audited consolidated financial statements for NC TopCo A/S. The consolidated balance sheet as of 31 December 2016 is identical with the audited consolidated balance sheet for NC TopCo A/S. The Statement of Changes in Equity for 2016 has been derived from the audited consolidated financial statements for Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) and subsidiaries and combined with NC TopCo A/S as of 1 February 2016. The consolidated financial statements of NC TopCo A/S for 2016 was prepared and approved by the executive management and board of directors of NC TopCo A/S on 23 February 2017, and the consolidated financial statements of Netcompany A/S was prepared and approved by the executive management and board of directors of Netcompany A/S on 23 February 2017.

The compilation of the statement of comprehensive income and the cash flow statement for 2016 can be summarized as follows:

Statement of Comprehensive income	2016		
	Netcompany A/S January	NC TopCo A/S Feb.-Dec.	Combined Full year
		DKK million	
Revenue	71.1	828.5	899.6
Cost of services	(34.6)	(492.4)	(527.0)
Gross profit	**36.5**	**336.1**	**372.6**
Sales and marketing costs	(0.4)	(3.3)	(3.7)
Administrative costs	(19.7)	(101.2)	(120.9)
Special items	0.0	(35.1)	(35.1)
Earnings before interest, taxes and amortisation (EBITA) (non-IFRS)	**16.4**	**196.5**	**212.9**
Amortisation	0.0	(73.8)	(73.8)
Operating profit (EBIT)	**16.4**	**122.7**	**139.1**
Financial income	0.1	1.3	1.4
Financial expenses	(0.4)	(63.7)	(64.1)
Profit before tax	**16.1**	**60.3**	**76.4**
Tax on profit for the year	(0.1)	(43.6)	(43.6)
Profit for the year	**16.0**	**16.7**	**32.8**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Cash flow hedging, net fair value gain / (loss)	0.0	(51.0)	(51.0)
Foreign currency translation subsidiaries	0.0	(0.1)	(0.1)
Change in deferred cost of hedging	0.0	23.1	23.1
Tax on other comprehensive income	0.0	6.2	6.2
Other comprehensive income / (loss)	**0.0**	**(21.9)**	**(21.9)**
Comprehensive income for the year / (loss)	**16.0**	**(5.1)**	**10.8**

Cash flow statement	2016		
	Netcompany A/S January	NC TopCo A/S Feb.-Dec.	Combined Full year
		DKK million	
Operating profit (EBIT)	16.4	122.7	139.1
Depreciation and amortisation	0.0	94.2	94.2
Working capital changes	32.9	(52.6)	(19.6)
Free cash flow	**49.3**	**164.3**	**213.6**
Financial income received	0	1.3	1.3
Financial expenses paid	(0.4)	(63.7)	(64.1)
Income taxes paid	(0.1)	(33.9)	(34.0)
Cash flows from operating activities	**48.8**	**68.1**	**116.9**
Net cash outflow on acquisition of subsidiaries	0.0	(2,516.1)	(2,516.1)
Acquisition of property, plant and equipment	0.6	(13.5)	(13.0)
Acquisition of intangible assets	(0.9)	(8.3)	(9.2)
Other receivables (deposits)	0.0	(1.5)	(1.5)
Cash flows from investing activities	**(0.3)**	**(2,539.4)**	**(2,539.7)**
Cash proceeds from issue of share capital	0.0	1,265.1	1,265.1
Cash proceeds from borrowings	0.0	1,178.0	1,178.0
Repayment of borrowings	0.6	(11.6)	(11.0)
Dividend paid to previous shareholder of Netcompany A/S	(116.4)	0.0	(116.4)
Cash flows from financing activities	**(115.8)**	**2,431.5**	**2,315.7**
Increase/(decrease) in cash and cash equivalents	**(67.3)**	**(39.7)**	**(107.0)**
Cash and cash equivalents at 1 January	111.5	0.0	111.5
Cash and cash equivalents balances acquired	0.0	27.6	27.6
Effect of exchange rate changes on the balance of cash held in foreign currencies	0.0	(0.1)	(0.1)
Cash and cash equivalents at 31 December	**44.2**	**(12.2)**	**32.0**

2017

The financial information for 2017 represents the audited consolidated figures for NC TopCo A/S and subsidiaries, which was prepared and approved by the executive management and board of directors of NC TopCo A/S on 5 March 2018.

Basis of preparation of combined financial statements

The combined financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements.

The combined financial statements have been prepared in the same format as the consolidated financial statements for 2017 for NC TopCo A/S.

The combined financial statements was prepared and approved by the Executive Management and the Board of Directors on 23 May 2018.

Deloitte Statsautoriseret Revisionspartnerselskab has audited all underlying financial statements forming basis for the combined financial statements and provided them all with unmodified opinions dated 29 January 2016 for the consolidated financial statements of Netcompany A/S for 2015, dated 23 February 2017 for the consolidated financial statements for 2016 for NC TopCo A/S and dated 23 February 2017 for the consolidated financial statements for 2016 for Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) and dated 5 March 2018 for the consolidated financial statements for 2017 for NC TopCo A/S, respectively. In addition, Deloitte Statsautoriseret Revisionspartnerselskab has provided the combined financial statements with an unmodified opinion dated 23 May 2018.

The combined financial statements in 2016 reflect a change in accounting entity from Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) to NC TopCo A/S in connection with NC TopCo A/S acquiring Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) as of 1 February 2016. The acquisition has been accounted for in accordance with IFRS 3 “Business combinations”, which among other things resulted in the recognition of intangible assets, which are subject to annual amortization beginning from 1 February 2016. In addition, part of the purchase price was financed with bank borrowings, whereby the income statement is also impacted by increased financing costs from 1 February 2016. These matters should be noted when comparing the 2015 figures with 2016 and 2017.

Statement by the Board of Directors and Executive Management on the Combined Financial Statements

The Executive Management and the Board of Directors have today reviewed and approved the Combined Financial Statements of NC TopCo A/S and Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) ("the Group") for 2017, 2016 and 2015 prepared solely for the purposes of this Offering Circular as further outlined in the introduction to "Financial Information" on page F-14 and Note 1 on page F-25, which describes the background and basis for preparing Combined Financial Statements.

The Combined Financial Statements comprise statement of comprehensive income, balance sheet, statements of changes in equity and cash flows and notes, prepared in accordance with International Financial Reporting Standards as adopted by the EU.

In our opinion, the accounting policies applied are appropriate and the Combined Financial Statements give a true and fair view of the Group's financial position at 31 December 2017, 2016 and 2015 and of the results of their operations and cash flows for 2017, 2016 and 2015 in accordance with International Financial Reporting Standards as adopted by the EU.

Copenhagen, 23 May 2018

NC TopCo A/S

Board of Directors

Pekka Ala-Pietilä
Chairman

Thomas Broe-Andersen
Deputy Chairman

Pernille Fabricius
Board Member

Juha Christensen
Board Member

Bo Rygaard
Board Member

Carsten Gomard
Board Member

Executive Management

André Rogaczewski
CEO

Claus Jørgensen
COO

Thomas Johansen
CFO

Independent Auditors' Report on the Combined Financial Statements

To shareholders and prospective investors

We have audited the Combined Financial Statements of NC TopCo A/S and Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) ("the Group") as outlined in Note 1, which describes the background and basis for preparing Combined Financial Statements. The Combined Financial Statements of the Group comprise the combined balance sheets as at 31 December 2017, 2016 and 2015, the combined statements of comprehensive income, changes in cash flows and equity for the years then ended, and notes, comprising a summary of significant accounting policies and disclosure notes. The Combined Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the Combined Financial Statements give a true and fair view of the Group's financial position at 31 December 2017, 2016 and 2015 and of the results of the Group's operations and cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

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

Basis of preparation

Without modifying our opinion, we draw attention to note 1, which describe the basis for preparing the Combined Financial Statements in connection with an initial public offering. As a result, the Combined Financial Statements may not be suitable for another purpose.

Management's Responsibility

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

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

Auditor's responsibilities for the audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the Combined 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 Combined Financial Statements.

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

- Identify and assess the risks of material misstatement of the Combined 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 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 Combined 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 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 Combined 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Combined Financial Statements, including the disclosures in the notes, and whether the Combined 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 Combined 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.

Copenhagen, 23 May 2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Kim Takata Mücke
State-Authorised Public Accountant
mne10944

Brian Schmit Jensen
State-Authorised Public Accountant
mne40050

STATEMENT OF COMPREHENSIVE INCOME

	Notes	31 December 2017	2016	2015
		DKK million		
Revenue		1,416.1	899.6	758.1
Cost of services	5	(803.4)	(527.0)	(446.8)
Gross profit		**612.7**	**372.6**	**311.3**
Sales and marketing costs	6	(9.7)	(3.7)	(3.8)
Administrative costs	7	(201.0)	(120.9)	(100.1)
Special items	9	(32.9)	(35.1)	0.0
Earnings before interest, tax and amortisation (EBITA) (non-IFRS)		**369.0**	**212.9**	**207.4**
Amortisation	10	(95.9)	(73.8)	0.0
Operating profit (EBIT)		**273.2**	**139.1**	**207.4**
Financial income	11	10.2	1.4	3.4
Financial expenses	11	(82.3)	(64.1)	(3.2)
Profit before tax		**201.0**	**76.4**	**207.6**
Tax on profit for the year	12	(59.4)	(43.6)	(19.8)
Profit for the year		**141.6**	**32.8**	**187.8**
Basic earnings per share (DKK)*		**2.03**	**0.25**	
Diluted earnings per share (DKK)*		**2.03**	**0.25**	
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Cash flow hedging, net fair value gain / (loss)		12.5	(51.0)	0.0
Foreign currency translation subsidiaries		(2.9)	(0.1)	0.0
Change in deferred cost of hedging		(9.7)	23.1	0.0
Tax on other comprehensive income		(0.6)	6.2	0.0
Other comprehensive income / (loss)		**(0.7)**	**(21.9)**	**0.0**
Comprehensive income for the year		**141.0**	**10.8**	**187.8**

* Basic and diluted earnings per share have been presented only for the periods where NC TopCo A/S has been the majority shareholder of Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) starting from 1 February 2016. Hence the calculation for 2016 only includes the period 1 February – 31 December. The share capital structure of Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) was substantially different from the share capital structure of NC TopCo A/S and basic and diluted earnings per share for the periods prior to 1 February 2016 are not comparable to the basic and diluted earnings per share for the periods starting from 1 February 2016.

BALANCE SHEET

	Notes	31 December 2017	2016	2015
		DKK million		
Goodwill	14	2,108.7	1,883.9	0.0
Other intangible assets	14	495.2	488.7	4.1
Intangible assets		**2,603.9**	**2,372.5**	**4.1**
Leasehold improvements	15	3.9	2.2	2.1
Equipment	15	20.0	14.0	6.4
Right of use assets	15	30.5	25.2	11.9
Property, plant and equipment		**54.5**	**41.5**	**20.4**
Other receivables		8.8	5.4	4.0
Deferred tax assets	12	0.0	0.2	11.0
Financial assets		**8.8**	**5.6**	**15.0**
Non-current assets		**2,667.2**	**2,419.6**	**39.5**
Trade receivables	16	445.4	258.2	180.3
Contract work in progress	17	139.2	110.5	80.9
Receivables from group enterprises		0.0	0.0	97.7
Other receivables		11.0	6.8	1.0
Prepayments		12.3	5.3	5.2
Receivables		**607.8**	**380.8**	**365.1**
Cash	18	**194.5**	**60.0**	**111.5**
Current assets		**802.3**	**440.8**	**476.6**
Assets		**3,469.5**	**2,860.4**	**516.1**

BALANCE SHEET

	Notes	31 December 2017	2016	2015
		DKK million		
Share capital	19	71.6	69.3	0.6
Cash flow hedging reserve		(30.0)	(39.8)	0.0
Foreign currency translation reserve		(2.9)	(0.1)	0.0
Deferred cost of hedging reserve		10.4	18.0	0.0
Retained earnings		1,594.8	1,213.1	299.8
Equity		**1,643.9**	**1,260.5**	**300.4**
Borrowings	20	1,264.9	1,178.0	0.0
Leasing	20	17.6	13.6	6.1
Deferred tax liability	12	112.4	111.2	0.0
Non-current liabilities		**1,394.9**	**1,302.8**	**6.1**
Borrowings	20	0.0	28.0	0.0
Leasing	20	13.6	11.7	5.8
Prepayments received from customers	17	36.2	27.5	27.2
Trade payables		50.6	26.8	18.6
Payables to group enterprises		0.0	0.0	52.1
Other payables	21	223.1	163.3	80.0
Provisions	22	30.4	8.9	5.0
Income tax payable	12	76.8	31.0	20.9
Current liabilities		**430.7**	**297.1**	**209.6**
Liabilities		**1,825.6**	**1,599.9**	**215.7**
Equity and liabilities		**3,469.5**	**2,860.4**	**516.1**

STATEMENT OF CHANGES IN EQUITY

	Share capital	Fair value adjustment of interest rate swap	Exchange differences on translating foreign subsidiaries	Deferred cost of hedging reserve	Retained earnings	Total
			DKK million			
Equity at 1 January 2015	0.6	0.0	0.0	0.0	212.0	**212.6**
Profit for the year	0.0	0.0	0.0	0.0	187.8	**187.8**
Other comprehensive income for the year	0.0	0.0	0.0	0.0	0.0	**0.0**
Dividend paid	0.0	0.0	0.0	0.0	(100.0)	**(100.0)**
Equity at 31 December 2015	**0.6**	**0.0**	**0.0**	**0.0**	**299.8**	**300.4**
Equity at 1 January 2016	0.6	0.0	0.0	0.0	299.8	**300.4**
Effect of combining Netcompany A/S and NC TopCo A/S equities as of 1 February 2016 (see explanation in note 1)	(0.1)	0.0	0.0	0.0	(315.8)	**(315.8)**
Capital increase	68.8	0,0	0,0	0,0	1,196.3	**1,265.1**
Profit for the year	0.0	0.0	0.0	0.0	32.8	**32.8**
Other comprehensive income for the year / (loss)	0.0	(39.8)	(0.1)	18.0	0.0	**(21.9)**
Equity at 31 December 2016	**69.3**	**(39.8)**	**(0.1)**	**18.0**	**1,213.1**	**1,260.5**
Equity at 1 January 2017	69.3	(39.8)	(0.1)	18.0	1,213.1	**1,260.5**
Capital increase	2.3	0.0	0.0	0.0	240.0	**242.4**
Profit for the year	0.0	0.0	0.0	0.0	141.7	**141.7**
Other comprehensive income for the year / (loss)	0.0	9.8	(2.8)	(7.6)	0.0	**(0.6)**
Equity at 31 December 2017	**71.6**	**(30.0)**	**(2.9)**	**10.4**	**1,594.8**	**1,643.9**

CASH FLOW STATEMENT

	Notes	31 December 2017	2016	2015
		DKK million		
Operating profit (EBIT)		273.2	139.1	207.4
Depreciation and amortisation	10	129.2	94.2	20.6
Working capital changes	23	(95.0)	(19.6)	9.1
Free cash flow		**307.3**	**213.6**	**257.2**
Income taxes paid	12	(35.4)	(34.0)	(20.6)
Financial income received	11	1.2	1.3	3.4
Financial expenses paid	11	(77.8)	(64.1)	(3.2)
Cash flows from operating activities		**195.3**	**116.9**	**216.8**
Net cash outflow on acquisition of subsidiaries	25	(120.3)	(2,516.1)	0.0
Acquisition of property, plant and equipment	15	(16.7)	(13.0)	(3.0)
Acquisition of intangible assets	14	(11.1)	(9.2)	(5.9)
Other receivables (deposits)		(2.3)	(1.5)	(0.6)
Cash flows from investing activities		**(150.5)**	**(2,539.7)**	**(9.6)**
Cash proceeds from issue of share capital		16.7	1,265.1	0.0
Cash proceeds from borrowings	20	92.0	1,178.0	0.0
Repayment of borrowings	20	(16.6)	(11.0)	(8.6)
Dividend paid to previous shareholder of Netcompany A/S		0.0	(116.4)	(100.0)
Cash flows from financing activities		**92.2**	**2,315.7**	**(108.6)**
Increase in cash and cash equivalents		**137.0**	**(107.0)**	**98.6**
Cash and cash equivalents at 1 January	18	32.0	111.5	12.9
Cash and cash equivalents balances acquired		26.3	27.6	0.0
Effect of exchange rate changes on the balance of cash held in foreign currencies		(0.8)	(0.1)	0.0
Cash and cash equivalents at 31 December	18	**194.5**	**32.0**	**111.5**

NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. Accounting policies

The combined financial statements consist of the activities of Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) and subsidiaries for the period 1 January 2016 to 31 January 2016, and from 1 February 2016, the combined financial statements consist of the activities of NC TopCo A/S and subsidiaries, including Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) and its subsidiaries, with 1 February 2016 being the date where the Significant Shareholders acquired a majority stake in the Group.

2015

The financial information for 2015 represents the audited consolidated figures for Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) and subsidiaries as presented as comparative figures in the 2016 consolidated financial statements prepared in accordance with IFRS as adopted by the EU. In the income statement for Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) and subsidiaries for 2015, cost items were presented based on their nature. In the combined financial statements, cost item are presented based on their function. Comparative figures have been changed accordingly.

2016

In the statement of comprehensive income and in the cash flow statement for 2016, the financial figures for January 2016 have been derived from the audited consolidated financial statements for Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) and subsidiaries, whereas for the period 1 February to 31 December 2016 the financial figures have been derived from the audited consolidated financial statements for NC TopCo A/S. The balance sheet as of 31 December 2016 is identical with the audited consolidated balance sheet for NC TopCo A/S. The Statement of Changes in Equity for 2016 has been derived from the audited consolidated financial statements for Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) and subsidiaries and combined with NC TopCo A/S as of 1 February 2016. In order to avoid double counting of equities as of 1 February 2016 where the Significant Shareholders acquired a majority stake in the Group, an elimination adjustment have been included in the Statement of Changes in Equity as of 1 February 2016.

2017

The financial information for 2017 represents the audited consolidated figures for NC TopCo A/S and subsidiaries.

The combined financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements.

The combined financial statements are presented in DKK, which is considered the functional currency of the Group’s activities.

The figures are prepared in accordance with IFRS standards and interpretations applicable to the 2017 financial year. Please refer to note 3 for a discussion of the impact from implementing IFRS 9, 15 and 16 with effect for the 2017 financial year.

Combination principles

The combined financial statements are prepared by adding together financial statement items of a uniform nature. The financial statements used for combination purposes have been prepared applying the Group’s accounting policies.

Upon combining the financial information for NC TopCo A/S and Netcompany A/S (subsequently renamed to Netcompany Holding I A/S), respectively, for the periods described above, with their respective subsidiaries, intra-group income and expenses, intragroup accounts and dividends as well as profits and losses on transactions between the combined entities are eliminated.

Foreign currency translation

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

When subsidiaries, which present their financial statements in a functional currency different from DKK are included in the combined financial statements, the items of the income statement are translated at the average exchange rates.

Exchange differences arising out of the translation of foreign subsidiaries' balance sheet items at the beginning of the year using the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised in other comprehensive income.

Statement of comprehensive income

Revenue

The Group's primary service offerings include information technology consulting services and operations solutions. Consulting services are generally provided on either a time-and-material basis or as fixed-price contract basis. Revenue from time-and-material contracts is recognised as hours are delivered and direct expenses are incurred. Revenue from fixed-price contracts is recognised under the percentage-of-completion method. whereby revenue is recognised based on hours incurred to date as a percentage of the total estimated costs of hours to fulfil the contract.

Revenue from operations solutions is recognised in the period the solutions are provided, which will either be based on output measures or using the straight-line method over the term of the contracts.

Special items

Special items are non-recurring costs or income recorded in the income statement which cannot directly be attributed to Groups ordinary activities.

Such costs and income comprises expenses for restructuring, fundamental structural changes in the business, M&A and strategic considerations regarding the future of the group. They are therefore presented separately to provide a more comparable basis for assessing the underlying performance.

Key assumptions involve judgment from Management in identifying and separating special income or expense items from other items in the income statement. These items are carefully considered in order to ensure correct presentation. See note 9.

Cash flow statement

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

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

Cash flows from investing activities comprise payments in connection with acquisition of subsidiaries, activities and fixed asset investments and proceeds from sale of property, plant and equipment.

Cash flows from financing activities comprise cash changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, installments on interest-bearing debt payment relating to leasing obligations and dividend payments to shareholders.

Cash and cash equivalents comprise cash.

2. Significant accounting estimates, assumptions and uncertainties

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

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

In the financial statements for 2017, it is particularly important to note the following assumptions and uncertainties:

A. Contract work in progress

Contract work in progress for fixed-priced-contracts is measured at the selling price of work completed at the balance sheet date, and the selling price is calculated on the basis of contracted income and the determined stage of completion. Stage of completion is determined making estimates of future hours and other project costs. The Group reviews its contract portfolio on a regular basis. If circumstances arise that change the original estimates of the selling price of the contracts or costs, revisions to estimates are made. These revisions may result in increases or decreases in estimated revenues or costs, and such revisions are reflected in the income statement in the period in which the circumstances giving rise to the revisions become known by the Group. See note 17.

B. Provisions for onerous contracts and warranty obligations

As part of its regular review of the contract portfolio, the Group may identify contracts where the completion of a contract most likely will result in a negative contribution. In these circumstances, the Group will record a provision to cover the unavoidable loss. Provision for warranty obligations are based on past history and provisions for specific customer cases. The estimates of the provision may be subject to significant management judgement and uncertainty depending on project complexity and on whether there are any disputes with customers in relation to project performance, claims and counter claims, contract interpretation and alike. See note 22.

C. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The cost of an acquisition is measured as the consideration transferred for assets acquired and liabilities assumed in the business combination measured at fair value on acquisition date.

2017

On the 25 October 2017, the Group acquired the entire share capital of Hunter Macdonald Ltd at a price of DKK 345.9m, of which DKK 120.3m was paid in cash and DKK 225.6m was settled by the issue of share capital in NC Topco A/S.

Accounting for a business combination requires Management to estimate the fair value of the assets, such as goodwill, customer relationships and order backlog. Key assumptions for the methods applied in determining the fair value are based on the present value of future cash flows, churn rates or the expected cash flows related to the specific asset. Estimates and methodologies used, can have a material impact on the respective values and ultimately the amount of the fair values recognised.

IFRS 3 “Business Combinations” requires that the Group recognize, separately from goodwill, the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values.

The recognised goodwill amount is allocated to the activities of the Group generating separate payments (cash generating units). Determination of cash generating units complies with the management structure and management accounting and reporting of the Group. Goodwill is not amortised, but tested at least once a year for impairment.

The Group has performed a review of the balance sheet of Hunter Macdonald Ltd at the acquisition date 25 October 2017, for the purposes of identifying non-recognised assets and liabilities, and for identifying any fair value adjustments to the assets and liabilities already recognised in the balance sheet of Hunter Macdonald Ltd at the acquisition date.

As part of this process the following unrecognised assets and liabilities were identified in connection with the acquisition in 2017:

- ***Order back-log, DKK 31.5m***

Fair value of order back-log has been determined on basis of Net Operating Profit Less Adjusted Taxes (NOPLAT) from the order back-log at the acquisition date, adjusted for amounts already included in the recognition of fair value of other identified intangible assets, and discounted with the internal required rate of return of 13.2% p.a. The calculated fair value has been increased with a tax amortisation benefit factor of 1.15.

- ***Customer relationships, DKK 75.9m***

Fair value of customer relationships has been determined on basis of forecasted NOPLAT from acquisition date in October 2017 to 2024 adjusted for expected churn-rate and discounted with the internal required rate of return of 13.2% p.a. The calculated fair value has been increased with a tax amortisation benefit factor of 1.15.

- ***Deferred tax liability, DKK 20.4m***

Deferred tax on the remeasurement of order back-log and customer relationships reflects and is equal to the total increase in the fair value of the order back-log and customer relationships as a result of increasing the fair values with the tax amortisation benefit factor.

- ***Goodwill arising on acquisition, DKK 214.7m***

Based on the measurement of identifiable assets and liabilities at their fair values, the difference between the cash consideration and the fair value of the identified net assets equals DKK 214.7m, which amount represents the goodwill from the acquisition of Hunter Macdonald Ltd In addition, the consideration paid for the business combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Hunter Macdonald Ltd These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. Goodwill is also not deductible for tax purposes.

For all other identified assets and liabilities Management determined that the book values in the balance sheet of Hunter Macdonald Ltd at 25 October 2017 were equal to their fair values.

- ***Summary of acquired balance sheet of Hunter Macdonald at the take-over date:***

		2017 Hunter Macdonald
	Book value on acquisition date	**Opening balance sheet**
	DKK million	**DKK million**
Cash and cash equivalents	26.3	26.3
Trade and other receivables	51.7	51.7
Work in progress	3.3	3.3
Right of use assets	1.0	1.0
Plant and equipment	0.6	0.6
Goodwill	0.0	214.7
Customer Relationships	0.0	75.9
Order back-log	0.0	31.5
Deferred tax of the transaction	0.0	(20.4)
Trade and other payables	(38.7)	(38.7)
Consideration transferred		**345.9**

- ***Revenue and profit contribution:***

The acquisition of Hunter Macdonald Ltd contributed revenues of DKK 61.9m and net profit of DKK 12.4m to the Group for the period from 25 October to 31 December 2017.

Had the acquisition occurred on 1 January 2017 consolidated pro-forma revenue and profit for the year ended 31 December 2017 would have been increased by DKK 286.3m and DKK 21.0m, respectively.

These amounts have been calculated using the subsidiary's results and adjusting them for:

- differences in the accounting policies between the Group and the subsidiary and
- the additional depreciation that would have been charged assuming the fair value adjustments to identifiable intangible assets had applied from 1 January 2017 together with the consequential tax effects.

2016

On 1 February 2016, the Group acquired the entire share capital of Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) and its subsidiaries at a price of DKK 2,320.4m in cash.

Furthermore, on 22 November 2016, the Group acquired the entire share capital of Mesan AS (subsequently renamed to Netcompany AS) which is located in Norway. The consideration amounted to DKK 195.6m in cash. After the acquisition Mesan AS has changed its name to Netcompany AS. Assets acquired and liabilities recognised at the dates of acquisition are summarised above.

The acquisitions have strengthened the Group's position on the European market and added a strong partner for Group. Goodwill represents the value of the current workforce and potential synergies expected from integration within the Group.

		2016 Netcompany A/S* (Denmark)		**2016 Netcompany AS (Norway)**
	Book value on acquisition date	**Opening balance sheet**	**Book value on acquisition date**	**Opening balance sheet**
	DKK million	**DKK million**	**DKK million**	**DKK million**
Cash and cash equivalents	44.4	44.4	27.4	27.4
Software	4.5	4.5	0.0	0.0
Trade and other receivables	182.8	182.8	26.8	26.8
Work in progress	78.7	78.7	0.0	0.0
Deferred tax asset	0.9	0.9	0.1	0.1
Plant and equipment	12.3	12.3	0.5	0.5
Goodwill	0.0	1,765.2	0.0	118.7
Customer Relationships	0.0	205.5	0.0	63.0
Order back-log	0.0	57.5	0.0	7.0
Technology	0.0	52.9	0.0	0.0
Brand	0.0	167.8	0.0	0.0
Corporate tax	(20.8)	(20.8)	(4.1)	(4.1)
Deferred tax of the transaction	0.0	(106.4)	0.0	(17.5)
Prepayments from costumers	(25.2)	(25.2)	0.0	0.0
Trade and other payables	(99.7)	(99.7)	(26.2)	(26.1)
Consideration transferred		**2,320.4**		**195.6**

* subsequently renamed to Netcompany Holding I A/S

In 2017, the Group has made an additional payment of DKK 10.1m, which has been added to goodwill for Netcompany A/S (subsequently renamed to Netcompany Holding I A/S).

- ***Revenue and profit contribution***

The acquisition of Mesan AS (subsequently renamed to Netcompany AS) contributed revenues of DKK 11.7m and net profit of DKK (2.6)m to the Group for the period from 22 November to 31 December 2016.

Had the acquisition occurred on 1 January 2016 consolidated pro-forma revenue and profit for the year ended 31 December 2016 would have been increased by DKK 106.6m and DKK 20.9m respectively.

These amounts have been calculated using the subsidiary's results and adjusting them for:

- differences in the accounting policies between the Group and the subsidiary and
- the additional depreciation that would have been charged assuming the fair value adjustments to identifiable intangible assets had applied from 1 January 2016 together with the consequential tax effects.

D. Impairment assessment of goodwill and other intangible assets relating to business acquisitions

The Group has recognised goodwill and certain other intangible assets from the acquisitions of Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) (1 February 2016), Netcompany AS (22 November 2016) and Hunter Macdonald Ltd (25 October 2017), as further outlined in Notes 14 and 25.

Since the acquisition of Hunter Macdonald Ltd (subsequently renamed to Netcompany UK Ltd) took place in the last quarter of 2017, Management has determined that the carrying value of goodwill and the other identified intangible assets is at least equal to their fair values. Management has therefore concluded that goodwill and related intangible assets are not impaired, and no detailed impairment test has been deemed necessary at 31 December 2017 for Hunter Macdonald Ltd In 2018 the goodwill and the other identified intangibles assets will be tested at least once a year.

For impairment test of Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) and Netcompany AS, see note 14.

E. Share based payment

A number of key employees of the Group hold shares directly or indirectly in NC TopCo A/S. The key employees participate as shareholders on the same terms and at the same price as the other shareholders of NC TopCo A/S. On this basis Management has concluded that NC TopCo A/S is not subject to the requirements of IFRS 2 "Share-based Payment" and since the key employees have acquired shares at the same price as other shareholders, there are no deemed service cost to be recognized relating to the key employees holding shares in NC TopCo A/S.

3. Effect of the change in accounting policies

In 2017 certain new standards or amendments and revised accounting standards and interpretations issued by IASB have been early adopted by the Group. The following standards have been fully implemented in 2017 and comparative figures for 2016 and 2015 have been adjusted accordingly.

- ***IFRS 9 "Financial instruments"***

The date of initial application (i.e. the date on which the Group has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 January 2015.

Accordingly, the Group has applied the requirements of IFRS 9. The implementation of IFRS 9 has not affected the classification and measurement of the Group's financial instruments compared to classification and measurement applied in the past financial statements.

Financial assets and liabilities classified as held-to-maturity and loans and receivables under IAS 39 that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

The Group has entered into a currency swap and an interest swap to hedge currency and interest rate risks, respectively. Both swap contracts are measured at fair value. For the currency swap, the fair value of the difference between EUR and DKK has been reflected in financial income, whereas the fair value relating to the time value has been reflected in other comprehensive income and are shown as "Deferred cost of hedging reserve" in equity. The interest swap has been valued at fair value with fair value changes reflected in other comprehensive income and as "Cash flow hedging reserve" in equity. The application of IFRS 9 has not changed the measurement or classification of swaps.

The effect of the change from the 'incurred loss' model in IAS 39 to the 'expected credit loss' model in IFRS 9 is immaterial due to the low credit risk in the Group. Therefore, the implementation of IFRS 9 has not had material impact on the financial position or performance of Group.

Credit risk is described in note 24 as well.

- ***IFRS 15 "Revenue from Contracts with Customers"***

IASB has issued IFRS 15 "Revenue from Contracts with Customers". This standard replaces IAS 11 and IAS 18 and sets out the principles for recognition, measurement, presentation and disclosure of revenue from contracts with customers.

The Group has decided to early adopt IFRS 15 from 1 January 2017 with change of comparative figures for 2016 and 2015. The transition to IFRS 15 have not had any significant impact on revenue, cash-flows or equity for 2017, 2016 or 2015, since under the past practice the Group recognised revenue in accordance with the same principles as set out by IFRS 15.

IFRS 15 introduces a single model to deal with revenue from contracts with customers. Its core principle is that an entity should recognise revenue based on the transfer of promised goods or services to customers with an amount that reflects the consideration to which the entity expects to be entitled to for those goods or services provided to customers.

Only when it comes to subscriptions, which is considered to be an insignificant type of revenue, the implementation of IFRS 15 has changed the recognition of income. Subscriptions were previously recognised on the date of invoicing. They are now recognized over the subscription period. The effect of this is a total of DKK 1.7m of revenue now being recognised in 2018 instead of 2017. There was no effect in 2016 or 2015, and therefore no recognition of revenue in 2017 related to 2016 and in 2016 related to 2015, respectively.

- ***IFRS 16 "Leases"***

This standard replaces IAS 17 and sets out the principles for recognition, measurement, presentation and disclosure of leases. IFRS 16 uses a single lessee accounting model and requires recognition of assets and liabilities for almost all leases which results in an increase of fixed assets and total financial debt. The Group decided to implement IFRS 16 in 2017 applying the "full retrospective" approach, which means restating opening retained earnings as if IFRS 16 had always been applied and preparing comparative figures according to IFRS 16.

The Lease liability is determined as present value of the remaining payments using the borrowing rate of the entities. The right of use assets are recognised with an amount equal to the initial amount of the lease liability less depreciation.

Accounting for leases is further described in note 15.

4. Segment information

Strategic business areas	Description	Operating segments	Geographic segments
Public	Public companies or companies acting as a public company seen from a business aspect.	Denmark, Norway & United Kingdom	Denmark, Norway, United Kingdom, Poland & Vietnam
Private	All other companies	Denmark, Norway & United Kingdom	Denmark, Norway, United Kingdom, Poland & Vietnam

Strategic business area	Public 2017	Private 2017	Total 2017
	DKK million		
Development Revenue	440.4	206.5	646.9
Maintenance Revenue	289.8	479.4	769.2
Total Revenue	**730.2**	**685.9**	**1,416.1**
EBITA (non-IFRS)	**137.2**	**231.9**	**369.0**

Strategic business area	Public 2016	Private 2016	Total 2016
		DKK million	
Development Revenue	166.7	271.8	438.4
Maintenance Revenue	201.7	259.5	461.2
Total Revenue	**368.3**	**531.3**	**899.6**
EBITA (non-IFRS)	**65.5**	**147.4**	**212.9**

Strategic business area	Public 2015	Private 2015	Total 2015
		DKK million	
Development Revenue	136.8	210.2	347.0
Maintenance Revenue	174.7	236.4	411.1
Total Revenue	**311.5**	**446.6**	**758.1**
EBITA (non-IFRS)	**80.7**	**126.7**	**207.4**

Segment information related to operating entities	Denmark 2017	Norway 2017	United Kingdom 2017	Other 2017	Total 2017
			DKK million		
Revenue from external customers	1,220.3	133.9	61.9	0.0	1,416.1
EBITA, operating entities (non-IFRS)	**329.0**	**27.8**	**12.4**	**0.0**	**369.0**
Allocated cost	3.7	3.2	0.0	(6.9)	0.0
EBITA, reported in legal entities (non-IFRS)	**332.6**	**31.0**	**12.4**	**(6.9)**	**369.0**

Segment information related to operating entities	Denmark 2016	Norway 2016	United Kingdom 2016	Other 2016	Total 2016
			DKK million		
Revenue from external customers	887.9	11.7	0.0	0.0	899.6
EBITA, operating entities (non-IFRS)	**210.9**	**2.0**	**0.0**	**0.0**	**212.9**
Allocated cost	(25.5)	0.0	0.0	25.5	0.0
EBITA, reported in legal entities (non-IFRS)	**185.5**	**2.0**	**0.0**	**25.5**	**212.9**

Segment information related to operating entities	Denmark 2015	Norway 2015	United Kingdom 2015	Other 2015	Total 2015
			DKK million		
Revenue from external customers	758.1	0.0	0.0	0.0	758.1
EBITA, operating entities (non-IFRS)	**207.4**	**0.0**	**0.0**	**0.0**	**207.4**
Allocated cost	(22.7)	0.0	0.0	22.7	0.0
EBITA, reported in legal entities (non-IFRS)	**184.7**	**0.0**	**0.0**	**22.7**	**207.4**

Segment information related to geographical areas	Denmark 2017	Norway 2017	Poland 2017	United Kingdom 2017	Vietnam 2017	Total 2017
			DKK million			
Revenue from external customers	1,220.3	133.9	0.0	61.9	0.0	1,416.1
Revenue from internal sales	15.6	0.0	114.2	0.0	3.1	132.9
Revenue, geographical areas (non-IFRS)	**1,235.9**	**133.9**	**114.2**	**61.9**	**3.1**	**1,564.0**
EBITA, geographical areas (non-IFRS)	**278.7**	**30.9**	**47.1**	**12.1**	**0.3**	**369.0**
Allocated cost	50.3	(3.2)	(47.1)	0.3	(0.3)	0.0
EBITA, geographical areas (non-IFRS)	**329.0**	**27.7**	**0.0**	**12.4**	**0.0**	**369.0**

Segment information related to geographical areas	Denmark 2016	Norway 2016	Poland 2016	United Kingdom 2016	Vietnam 2016	Total 2016
			DKK million			
Revenue from external customers	887.9	11.7	0.0	0.0	0.0	899.6
Revenue from internal sales	0.1	0.0	59.0	0.0	0.0	59.1
Revenue, geographical areas (non-IFRS)	**888.0**	**11.7**	**59.0**	**0.0**	**0.0**	**958.7**
EBITA, geographical areas (non-IFRS)	**178.8**	**2.0**	**32.2**	**0.0**	**0.0**	**212.9**
Allocated cost	32.2	0.0	(32.2)	0.0	0.0	0.0
EBITA, geographical areas (non-IFRS)	**210.9**	**2.0**	**0.0**	**0.0**	**0.0**	**212.9**

Segment information related to geographical areas	Denmark 2015	Norway 2015	Poland 2015	United Kingdom 2015	Vietnam 2015	Total 2015
			DKK million			
Revenue from external customers	758.1	0.0	0.0	0.0	0.0	758.1
Revenue from internal sales	0.3	0.0	33.4	0.0	0.0	33.7
Revenue, geographical areas	**758.4**	**0.0**	**33.4**	**0.0**	**0.0**	**791.8**
EBITA, geographical areas (non-IFRS)	**184.4**	**0.0**	**23.0**	**0.0**	**0.0**	**207.4**
Allocated cost	23.0	0.0	(23.0)	0.0	0.0	0.0
EBITA, geographical areas (non-IFRS)	**207.4**	**0.0**	**0.0**	**0.0**	**0.0**	**207.4**

5. Costs of services

	1 January – 31 December		
	2017	2016	2015
	DKK million		
Project costs	166.9	80.0	60.8
Staff costs, see note 8	624.1	438.5	376.5
Depreciation, see note 10	10.7	7.5	9.3
Guarantee fees	1.7	1.0	0.1
Total costs of services	**803.4**	**527.0**	**446.8**

Accounting principles

Project costs comprise external consultants, subscriptions etc. Staff costs comprise wages and salaries for consultants incurred to achieve revenue. Depreciation comprise depreciation and impairment losses relating to Property, plant and equipment used for projects of the Group that are directly incurred to achieve revenue for the year. Costs of services are recognized income as the projects progresses.

6. Sales and marketing costs

	1 January – 31 December		
	2017	2016	2015
	DKK million		
Sales and marketing costs	7.1	2.9	3.2
Staff costs, see note 8	2.6	0.8	0.6
Total sales and marketing costs	**9.7**	**3.7**	**3.8**

Accounting principles

Sales and marketing costs comprise expenses incurred for sale of the Group's projects. Staff costs comprise wages and salaries for sales staff. In addition, sales and marketing costs comprise advertising costs, travelling and entertainment expenses, etc. as well as depreciation and impairment losses relating to property, plant and equipment attached to the sales and marketing function.

7. Administrative costs

	1 January – 31 December		
	2017	2016	2015
	DKK million		
Administrative costs	113.4	77.7	65.4
Staff costs, see note 8	65.0	30.4	23.4
Depreciation, see note 10	22.6	12.8	11.3
Total administrative costs excl. amortisation	**201.0**	**120.9**	**100.1**

8. Staff costs and remuneration

	1 January – 31 December		
	2017	2016	2015
	DKK million		
Salary and wages	664.6	456.1	390.8
Pension contributions	10.1	2.1	2.2
Other social security costs	14.3	5.9	3.9
Other staff costs	2.7	5.6	3.6
Total staff costs	**691.7**	**469.7**	**400.5**
Staff costs presented under following Income Statement items:			
Costs of services	624.1	438.5	376.5
Sales and marketing costs	2.6	0.8	0.6
Administrative costs	65.0	30.4	23.4
Total staff costs	**691.7**	**469.7**	**400.5**
Average number of employees	**1,256**	**876**	**598**
Remuneration to the Executive Management			
Salaries	7.3	9.1	9.1
Total	**7.3**	**9.1**	**9.1**
Remuneration to the Board of Directors			
Board fees	1.7	0.0	0.0
Total	**1.7**	**0.0**	**0.0**
Remuneration to Key Personnel			
Salaries	4.1	2.5	0.0
Total	**4.1**	**2.5**	**0.0**

For the years ended 31 December 2017, 2016 and 2015, the Group does not have post-employment benefits or share-based payments.

Accounting principles

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

9. Special items

	1 January – 31 December		
	2017	2016	2015
	DKK million		
Acquisition related costs	15.4	35.1	0.0
Offer-related costs	17.5	0.0	0.0
Total special items	**32.9**	**35.1**	**0.0**

10. Amortisation and depreciation

	1 January – 31 December		
	2017	2016	2015
	DKK million		
Amortisation			
Technology and software	10.6	9.7	0.0
Trademark	8.4	7.7	0.0
Order back-log	23.4	17.8	0.0
Customer relationships	53.5	38.6	0.0
Total amortisation	**95.9**	**73.8**	**0.0**
Depreciation			
Technology and software*	4.9	3.8	2.9
Leasehold improvements	1.2	0.8	0.8
Equipment	8.5	5.4	8.3
Right of use assets	19.0	10.3	8.6
Total depreciation	**33.6**	**20.3**	**20.6**

* Amortisation of technology and software derives from amortisation of assets identified in business acquisitions, whereas depreciation of technology and software derives from purchases of assets as part of the ongoing business

Depreciation and amortisation have been presented as follows in the income statement:

	1 January – 31 December		
	2017	2016	2015
	DKK million		
Costs of services	10.7	7.5	9.3
Administrative costs	22.6	12.8	11.3
Amortisation	95.9	73.8	0.0
Total depreciation and amortisation	**129.2**	**94.2**	**20.6**

Accounting principles

Please refer to notes 14 & 15.

11. Financial income and expenses

	1 January – 31 December		
	2017	2016	2015
	DKK million		
Financial income			
Interest on corporate income tax	0.2	0.0	0.8
Exchange rate adjustments	8.8	0.0	2.5
Other interest income	1.2	1.4	0.1
Total financial income	**10.2**	**1.4**	**3.4**
Financial expenses			
Income tax surcharge	2.4	1.3	0.8
Interest expense, bank loan	62.4	53.1	0.0
Interest expense, leasing	0.8	0.7	0.3
Exchange rate adjustments	7.7	1.3	0.0
Other financial costs	9.0	7.7	2.1
Total financial costs	**82.3**	**64.1**	**3.2**

Accounting principles

These items comprise interest income and expenses, currency gains and losses and tax surcharge and tax relief under the Danish Tax Prepayment Scheme.

12. Tax

	1 January – 31 December		
	2017	2016	2015
	DKK million		
Current tax	78.4	45.3	20.6
Adjustment regarding previous years	0.0	0.0	(0.8)
Change in deferred tax	(19.0)	(1.6)	0.0
	59.4	**43.6**	**19.8**
Profit/loss before tax	**201.0**	**76.4**	**207.6**
Tax at a rate of 22% (2016: 22%, 2015: 23.5%)	44.2	16.8	48.8
Tax-based value of non-deductible expenses	16.0	27.8	1.1
Adjustment regarding previous years	0.0	0.0	(0.8)
Tax-based value of utilization of non-capitalised tax loss and unrecognized temporary differences	0.0	0.0	(26.6)
Effect of different tax rates of subsidiaries	(0.8)	(0.9)	(2.7)
	59.4	**43.6**	**19.8**
Effective tax rate	**29.6%**	**57.2%**	**9.6%**
Deferred tax has been presented as follows in the balance sheet:			
Deferred tax asset	0.0	0.2	11.0
Deferred tax liability	(112.4)	(111.2)	0.0
	(112.4)	**(111.0)**	**11.0**
Deferred tax:			
Non-current assets	(102.2)	(102.7)	8.1
Work in progress	(10.8)	(8.4)	(3.4)
Other payables	0.6	0.1	0.0
Tax losses	0.0	0.0	6.3
	(112.4)	**(111.0)**	**11.0**

Tax payable and tax receivable	31 December		
	2017	2016	2015
	DKK million		
Tax payable at January 1, net	31.0	20.9	22.7
Foreign exchange adjustments	(0.6)	(0.5)	0.0
Addition, acquisition of subsidiaries	0.7	4.1	0.0
Payment relating to prior years	(4.4)	(20.8)	(22.7)
Current tax for the year	78.4	45.3	20.6
Current tax interest for the year	2.0	1.3	0.3
Current tax for the year recognised in other comprehensive income for the year	0.7	(6.2)	0.0
Payments relating to the current year	(31.0)	(13.1)	0.0
Tax payable at December 31, net	**76.8**	**31.0**	**20.9**
Current tax is recognised as follows in the balance sheet:			
Tax receivable (assets)	0.0	0.0	0.0
Tax payable (liabilities)	76.8	31.0	20.9
Tax payable at December 31, net	**76.8**	**31.0**	**20.9**

2017

Deferred tax (liabilities)/assets in relation to:	Property, plant & equipment	Intangible assets	Work in progress	Other payables	Tax losses	Total
			DKK million			
Opening balance 1 January 2017	4.1	(106.8)	(8.4)	0.1	0.0	**(111.0)**
Recognised in income	(0.9)	21.7	(2.3)	0.5	0.0	**19.0**
Acquisitions	0.0	(20.4)	0.0	0.0	0.0	**(20.4)**
Exchange difference	0.0	0.0	0.0	0.0	0.0	**0.0**
Closing balance 31 December 2017	**3.2**	**(105.5)**	**(10.7)**	**0.6**	**0.0**	**(112.4)**

2016

Deferred tax (liabilities)/assets in relation to:	Property, plant & equipment	Intangible assets	Work in progress	Other payables	Tax losses	Total
			DKK million			
Opening balance 1 January 2016	5.2	2.9	(3.4)	0.0	6.3	**11.0**
Recognised in income	(1.3)	14.2	(5.0)	0.0	(6.3)	**(1.6)**
Acquisitions	0.2	(123.9)	0.0	0.1	0.0	**(123.6)**
Closing balance 31 December 2016	**4.1**	**(106.8)**	**(8.4)**	**0.1**	**0.0**	**(111.0)**

2015

Deferred tax (liabilities)/assets in relation to:	Property, plant & equipment	Intangible assets	Work in progress	Other payables	Tax losses	Total
			DKK million			
Opening balance 1 January 2015	5.2	2.9	(3.4)	0.0	6.3	**11.0**
Recognised in income	0.0	0.0	0.0	0.0	0.0	**0.0**
Acquisitions	0.0	0.0	0.0	0.0	0.0	**0.0**
Closing balance 31 December 2015	**5.2**	**2.9**	**(3.4)**	**0.0**	**6.3**	**11.0**

Accounting principles

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

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

On calculation of current tax, the tax rates and rules applicable at the balance sheet date are used. Deferred tax is recognised on all temporary differences between the carrying amounts and tax-based values of assets and liabilities using the balance sheet liability method. Deferred tax is calculated on the basis of the planned use of each asset and the settlement of each liability, respectively. Deferred tax is measured using the tax rates and tax rules which — based on acts in force or acts actually in force at the balance sheet date — are expected to apply when the deferred tax is expected to crystallise as current tax. Changes in deferred tax resulting from changed tax rates or tax rules are recognised in profit/loss unless the deferred tax is attributable to transactions previously recognised directly in equity or other comprehensive income. In the latter case, such changes are also recognised directly in equity or other comprehensive income.

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

13. Income Statement classified by function

	1 January – 31 December		
	2017	2016	2015
		DKK million	
Revenue	1,416.1	899.6	758.1
Cost of services, including amortisation	(803.4)	(527.0)	(446.8)
Gross profit	**612.7**	**372.6**	**311.3**
Sales and marketing costs, including amortisation	(9.7)	(3.7)	(3.8)
Administrative costs, including amortisation	(329.8)	(229.8)	(100.1)
Operating profit (EBIT)	**273.2**	**139.1**	**207.4**
Financial income	10.2	1.4	3.4
Financial expenses	(82.3)	(64.1)	(3.2)
Profit before tax	**201.0**	**76.4**	**207.6**
Tax on profit for the year	(59.4)	(43.6)	(19.8)
Profit for the year	**141.6**	**32.8**	**187.8**

Depreciation and amortisation have been presented as follows in the income statement:

Costs of services	10.7	7.5	9.3
Sales and marketing costs	0.0	0.0	0.0
Administrative costs	118.5	86.6	11.3
Depreciation and amortisation	**129.2**	**94.2**	**20.6**

14. Intangible assets

	31 December		
	2017	2016	2015
	DKK million		
Goodwill			
Cost at 1 January	1,883.9	0.0	0.0
Additional payment	10.1	0.0	0.0
Additions, acquisition of subsidiaries	214.7	1,883.9	0.0
Cost at 31 December	**2,108.7**	**1,883.9**	**0.0**
Carrying amount at 31 December	**2,108.7**	**1,883.9**	**0.0**

Other intangible assets	Technology and software 2017	Trademark 2017	Order back-log 2017	Customer relationships 2017
	DKK million			
Other intangible assets				
Cost at 1 January	65.7	167.8	64.4	268.4
Addition	0.0	0.0	0.0	0.0
Addition, acquisition of subsidiaries	0.0	0.0	31.5	75.9
Cost at 31 December	**65.7**	**167.8**	**95.9**	**344.3**
Amortisation at 1 January	(13.5)	(7.7)	(17.8)	(38.7)
Amortisation for the year	(15.5)	(8.4)	(23.4)	(53.5)
Amortisation at 31 December	**(29.0)**	**(16.1)**	**(41.2)**	**(92.2)**
Carrying amount at 31 December	**36.7**	**151.7**	**54.7**	**252.1**

Other intangible assets	Technology and software 2016	Trademark 2016	Order back-log 2016	Customer relationships 2016
	DKK million			
Cost at 1 January	14.2	0.0	0.0	0.0
Addition	9.2	0.0	0.0	0.0
Addition, acquisition of subsidiaries	56.5	167.8	64.4	268.4
Elimination upon acquisition of subsidiaries	(14.2)	0.0	0.0	0.0
Cost at 31 December	**65.7**	**167.8**	**64.4**	**268.4**
Amortisation at 1 January	(10.1)	0.0	0.0	0.0
Amortisation for the year	(13.5)	(7.7)	(17.8)	(38.6)
Elimination upon acquisition of subsidiaries	10.1	0.0	0.0	0.0
Amortisation at 31 December	**(13.5)**	**(7.7)**	**(17.8)**	**(38.6)**
Carrying amount at 31 December	**52.2**	**160.1**	**46.6**	**229.8**

Other intangible assets	Technology and software 2015	Trademark 2015	Order back-log 2015	Customer relationships 2015
		DKK million		
Cost at 1 January	8.3	0.0	0.0	0.0
Addition	5.9	0.0	0.0	0.0
Addition, acquisition of subsidiaries	0.0	0.0	0.0	0.0
Cost at 31 December	**14.2**	**0.0**	**0.0**	**0.0**
Amortisation at 1 January	(7.2)	0.0	0.0	0.0
Amortisation for the year	(2.9)	0.0	0.0	0.0
Amortisation at 31 December	**(10.1)**	**0.0**	**0.0**	**0.0**
Carrying amount at 31 December	**4.1**	**0.0**	**0.0**	**0.0**

Accounting principles

- ***Goodwill***

On initial recognition, goodwill is recognised and measured as the difference between, on one hand, the cost of the acquired subsidiary and, on the other hand, the fair value of the acquired identifiable assets, liabilities and contingent liabilities.

The recognised goodwill amount is allocated to the activities of the Group generating separate payments (cash generating units). Determination of cash generating units complies with the management structure and management accounting and reporting of the Group. Goodwill is not amortised, but tested at least once a year for impairment.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination consists of technology, order back-log, customer relationships and trademark. Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Amortisation is recognised on a straight-line basis over their estimated useful lives:

- Technology: 5 years
- Order back-log: 3 years
- Customer relationships: 5 - 7 years
- Trademark: 20 years

- ***Intangible assets acquired separately***

Intangible assets acquired separately with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. The cost of developed software comprises costs such as salaries and amortisation that are directly attributable to the development projects and are needed to complete the project, recognised from the time at which the development project first qualifies for recognition as an asset. Amortisation is recognised on a straight-line basis over their estimated useful lives:

- Software: 3-5 years

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

- ***Impairment testing***

Goodwill and other intangibles which are acquired through business combinations are annually tested for impairment. The tests are performed at the end of each reporting period.

Goodwill is allocated to each of the Group's cash generating unit, and impairment test was performed at the lowest level of the cash generating units representing different business acquisitions.

Goodwill specified by cash generating unit appears from note 2 and note 25.

The tests shows that the recoverable amounts were estimated to be higher than the carrying amounts and therefore no impairment loss has been recognised. In the event that the recoverable amount of the cash generating unit is lower than the carrying amount, the carrying amount is written down to the recoverable amount. For cash generating units, the write-down for impairment is allocated so that any goodwill is written down first, and then any remaining impairment loss is allocated on the other assets of the unit. However, the individual asset may not be written down to an amount below its fair value net of any expected selling costs.

The determination of the recoverable amount of a cash generating unit to which goodwill is allocated requires significant Management judgement in determining the various assumptions, such as cash-flow projections, discount rate and terminal growth rates. The sensitivity of the estimated measurement to these assumptions, combined or individually, can be significant. Furthermore, the use of different estimates or assumptions when determining the fair value of such assets may result in different values and could result in impairment changes in future periods.

For the purposes of determining the recoverable amount of a terminal growth rate of 2% has been used and a discount rate based on the weighted average cost of capital (WACC) between 13.7% to 15.4%.

15. Property, plant and equipment

	Leasehold improve-ments 2017	Equipment 2017	Right of use assets 2017
		DKK million	
Cost 1 January	3.1	19.3	36.3
Additions	2.2	14.5	23.4
Correction to prior years	0.7	(0.6)	0.0
Additions, acquisitions of subsidiaries	0.0	0.6	1.0
Disposals	0.0	(0.6)	0.0
Cost at 31 December	**5.9**	**33.3**	**60.7**
Depreciation 1 January	(0.8)	(5.4)	(11.1)
Depreciation for the year	(1.2)	(8.5)	(19.1)
Disposals	0.0	0.6	0.0
Depreciation at 31 December	**(2.0)**	**(13.3)**	**(30.2)**
Carrying amount at 31 December	**3.9**	**20.0**	**30.5**

	Leasehold Improve-ments 2016	Equipment 2016	Right of use assets 2016
		DKK million	
Cost 1 January	4.5	38.6	12.7
Additions	0.9	12.1	14.9
Additions, acquisitions of subsidiaries	0.0	0.5	8.7
Correction, prior years	0.0	0.9	0.0
Elimination upon acquisition of subsidiaries	(2.3)	(32.8)	0.0
Cost at 31 December	**3.1**	**19.3**	**36.3**
Depreciation 1 January	(2.3)	(32.3)	(0.8)
Depreciation for the year	(0.8)	(5.4)	(10.3)
Elimination upon acquisition of subsidiaries	2.3	32.3	0.0
Depreciation at 31 December	**(0.8)**	**(5.4)**	**(11.1)**
Carrying amount at 31 December	**2.2**	**14.0**	**25.2**

	Leasehold Improve-ments 2015	Equipment 2015	Right of use assets 2015
		DKK million	
Cost 1 January	4.2	35.9	5,0
Additions	0.3	2.7	15.8
Disposals	0,0	0,0	(8.1)
Cost at 31 December	**4.5**	**38.6**	**12.7**
Depreciation 1 January	(1.5)	(24.0)	(0.3)
Depreciation for the year	(0.8)	(8.3)	(8.6)
Disposals	0,0	0.0	8.1
Depreciation at 31 December	**(2.3)**	**(32.3)**	**(0.8)**
Carrying amount at 31 December	**2.1**	**6.4**	**11.9**

Accounting principles

- ***Equipment and leasehold improvements:***

Equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Depreciation is calculated on a straight-line basis over their estimated useful lives:

- Leasehold improvements: 3-5 years
- Equipment: 3-5 years

Depreciation methods, useful lives and residual values are reviewed annually.

Gains and losses from the sale of property, plant and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Gains or losses are recognised in the income statement in the functions to which the assets relate.

- ***Right of use assets:***

Right of use assets are measured at cost less accumulated depreciation and impairment losses adjusted for any remeasurements of the lease liability where initial cost is equal to the initial amount of the related lease liability.

Depreciation is straight-line on basis of the underlying contracts, which are 1-7 years.

The Group has entered into leasing contracts regarded as low-value and short-term, all expiring within 6 months. Total commitments relating to the non-canceling period is DKK 0.1m.

All other lease contracts are recognised on the balance sheet according to IFRS 16.

16. Trade receivables

	31 December		
	2017	2016	2015
	DKK million		
Trade receivables	445.4	258.2	180.3

The carrying amount of trade receivables is assumed to be equal to the fair value:

	31 December		
	2017	2016	2015
	DKK million		
Aging of receivables that are not impaired			
Not due	314.9	193.3	123.8
Until 30 days	75.0	53.1	40.8
Between 30 and 90 days	34.7	10.4	11.6
More than 90 days	20.8	1.4	4.1
Total trade receivables	**445.4**	**258.2**	**180.3**

At 31 December 2017, the Group has recognised bad debt provisions of DKK 0m (2016: DKK 0m, 2015: DKK 0m), and no bad debt losses have been incurred during the year.

Accounting principles

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

17. Contact work in progress

	31 December		
	2017	2016	2015
	DKK million		
Selling price of work performed	409.3	315.2	224.2
Prepayments received from customers	(306.4)	(232.2)	(170.5)
Total contract work in progress	**102.9**	**83.0**	**53.7**

Net value – stated on a contract-per-contract basis – is presented in the balance sheet as follows:

	31 December		
	2017	2016	2015
	DKK million		
Contract work in progress	139.2	110.5	80.9
Prepayments received from customers	(36.2)	(27.5)	(27.2)
Total contract work in progress	**102.9**	**83.0**	**53.7**

Accounting principles

Contract work in progress is measured at the selling price of the work carried out less prepayments received at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources. For some projects where the consumption of resources cannot be applied as a basis, the ratio between completed and total sub-activities of the individual projects has been applied.

If the selling price of a project cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

If prepayments received exceed the selling price on a contract by contract basis, the excess amount is recognised as a liability in "Prepayments received from customers".

18. Cash and cash equivalents

	31 December		
	2017	2016	2015
	DKK million		
Deposits at bank	194.5	60.0	111.5
Bank overdraft	0.0	(28.0)	0.0
Total cash and cash equivalents	**194.5**	**32.0**	**111.5**

Accounting principles

The carrying amounts for cash and cash equivalents assumed to equal the fair value. The Group's cash and cash equivalents consist of deposits in well-reputed banks. Therefore, cash and cash equivalents are not subject to credit risk.

19. Share capital

The share capital equals DKK 71,607,330 divided into shares of DKK 1 each or multiples hereof.

The shares have been divided into the following classes:

	No. of shares	Votes
A shares	250,000	—
A2-shares	50,001	—
B-shares	19,525,772	35,620,736
C-shares	10,156,043	—
C1-shares	130,724	—
D Shares	7,314,288	6,671,703
E Shares	7,314,288	6,671,703
F Shares	7,314,288	3,335,852
G Shares	6,769,456	6,174,737
H Shares	11,047,803	10,077,217
I Shares	380,842	—
J-Shares	1,353,825	13,534
Sum	**71,607,330**	**68,565,482**

	2017	2016*
Profit for the year (DKK million)	141.6	16.7
Weighted average number of shares ('000)	69,780	67,155
Basic earnings per share (DKK)*	**2.03**	**0.25**
Diluted earnings per share (DKK)*	**2.03**	**0.25**

* Basic and diluted earnings per share have been presented only for the periods where NC TopCo A/S has been the majority shareholder of Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) starting from 1 February 2016. Hence the calculation for 2016 only includes the period 1 February – 31 December. The share capital structure of Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) was substantially different from the share capital structure of NC TopCo A/S and basic and diluted earnings per share for the periods prior to 1 February 2016 are not comparable to the basic and diluted earnings per share for the periods starting from 1 February 2016.

Earnings per share are calculated in accordance with IAS 33. Earnings per share are calculated by dividing profit by the weighted average number of shares.

No share options or loans with conversion rights or other financial instruments have been issued that would have a potential dilutive impact on earnings per share, which is why basic and diluted earnings per share are identical for the periods disclosed.

20. Borrowings

Borrowings has been presented as follows in the balance sheet:

	31 December 2017	2016	2015
	DKK million		
Non-current liability	1,264.9	1,178.0	0.0
Current liability	0.0	28.0	0.0
Total borrowings	**1,264.9**	**1,206.0**	**0.0**

	Currency	Maturity	Fixed or floating interest	Loan costs	Nominal value	Fair value
				DKK million		
Bank loan	EUR	2023	Floating	27.6	1,105.1	1,077.5
Bank loan	NOK	2023	Floating	5.2	105.2	100.0
Bank loan	DKK	2023	Floating	4.6	92.0	87.4
Total borrowings				**37.4**	**1,302.3**	**1,264.9**

	2017 Borrowings	Leasing	Interest rate and currency swaps fair value	Total
	DKK million			
Opening balance 1 January 2017	1,178.0	25.4	28.0	1,231.4
Financing obtained	92.0	0.0	0.0	92.0
Repayment	0.0	(16.6)	0.0	(16.6)
Fair value adjustments (non-cash)	0.0	0.0	0.0	0.0
Leasing (non-cash)	0.0	21.4	0.0	21.4
Amortisation loan costs (non-cash)	6.6	0.0	0.0	6.6
Acquired entities (non-cash)	0.0	1.0	0.0	1.0
Exchange rate adjustments (non-cash)	(11.7)	0.0	0.0	(11.7)
Closing balance 31 December 2017	**1,264.9**	**31.2**	**28.0**	**1,324.1**

The fair value of bank loans is deemed to approximate the nominal value of the loans. The carrying value of the loans is based on the amortised cost method and upon initial recognition recognised at the loan proceeds received less cost to obtain the loans. The loan costs are amortised over the life of the loans based on the effective interest rate method.

The repayment profile for the bank debt is conditional on the Group complying with certain financial ratios (covenants). In 2017, the Group complied with the covenants defined.

According to the loan agreement, all distribution of dividends has to be approved by the lender.

Accounting principles

Financial liabilities are measured at amortised cost.

21. Other payables

	31 December 2017	2016	2015
	DKK million		
Interest and currency rate swaps stated at fair value	28.0	28.0	0.0
Wages and salaries, payroll taxes, social, security costs, etc. payable	39.3	31.2	11.2
Holiday pay obligation	70.6	55.8	45.4
VAT and duties	57.6	28.5	17.9
Other costs payable	27.6	19.9	5.5
Total other payables	**223.1**	**163.3**	**80.0**

Accounting principles

The carrying amount of the above-mentioned other payables is assumed to equal their fair value. Holiday pay obligation represents the Group's obligations for payment of wages and salaries during holiday periods, corresponding to the employees' right vested at the balance sheet date to be used in subsequent financial years. The liability is presented under current liabilities.

22. Provisions

	31 December		
	2017	2016	2015
	DKK million		
Onerous contracts and warranty obligations at 1 January	8.9	5.0	5.9
Additions, acquisition of subsidiaries	0.0	0.0	0.0
Used in the year	(6.4)	(3.0)	(0.9)
Provisions for the year	27.9	6.9	0.0
Onerous contracts and warranty obligations at 31 December	**30.4**	**8.9**	**5.0**

Accounting principles

Provisions represent commitments for onerous contracts and warranty obligations. An onerous contract is considered to exist when the Group has a contract under which the unavoidable costs of meeting the obligation under the contract exceed the economic benefits to be received from the contract. Hence the recognised provision represents the Group's best estimate of the unavoidable loss to complete its contract obligations for the related contracts. Provisions for warranty obligations are based on past history and provisions for specific customer cases.

23. Working capital changes

	31 December		
	2017	2016	2015
	DKK million		
Change in receivables	(170.4)	(165.1)	(59.4)
Change in trade payables etc.	75.3	145.5	68.6
Working capital changes	**(95.0)**	**(19.6)**	**9.1**

24. Financial Risks And Financial Instruments

	31 December		
	2017	2016	2015
	DKK million		
Categories of financial instruments			
Trade receivables	445.4	258.2	180.3
Contract work in progress	139.2	110.5	80.9
Receivables from group enterprises	0.0	0.0	97.7
Other receivables	11.0	6.8	1.0
Cash	194.5	60.0	111.5
Loans and receivables measured at amortised cost	**790.1**	**435.5**	**471.4**
Trade payables	50.6	26.8	18.6
Payables to group enterprises	0.0	0.0	52.1
Other payables	223.1	163.3	80.0
Financial liabilities measured at amortised cost	**273.7**	**190.1**	**150.7**
Fair value, Interest swap	(38.5)	(51.0)	0.0
Fair value, Currency swap	10.5	23.1	0.0
Financial assets and liabilities measured at fair value	**(28.0)**	**(28.0)**	**0.0**

- ***Policy for management of financial risks***

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

The Group manages the financial risks and coordinates cash management and management of interest rate and currency risks based on financial risk policies agreed with the board of directors and its majority shareholder.

- ***Liquidity risks***

The Group attempts to maximise flexibility and minimise risks. At 31 December 2017, the Group has unutilised credit facilities of a total of DKK 212.5m (2016: DKK 84.8m, 2015: DKK 40.0m).

- ***Credit risks***

In 2017, the Group has not had any bad debt losses. At 31 December 2017, the credit risk is assessed to be limited and at 31 December 2017, the Group has made a provision of DKK 0.0m (2016: DKK 0.0m, 2015: DKK 0.0m) for potential bad debts.

- ***Currency risks***

The Group is to a limited extent exposed to foreign currency risks. The main part of the Group's transactions is in Danish kroner. Late 2017, the Group acquired a subsidiary in the United Kingdom. With respect to subsidiaries situated in Poland, Norway and Vietnam there are transactions with these subsidiaries, however, their extent and risk are not significant. The Group may repatriate dividends from the foreign subsidiaries, which then may be subject to currency risk.

Furthermore the Group has entered into loan agreements in different currencies, see note 20. To hedge currency risk, the Group has entered into a currency swap covering the loan in EUR.

The fair value of the currency swap outstanding at the balance sheet date is positive by DKK 10.5m (2016: DKK 23.1m, 2015: N/A).

- ***Interest rate risks***

The interest-bearing liabilities in the Group relate to the loans obtained to finance the purchases of Netcompany A/S (subsequently renamed to Netcompany Holding I A/S), Mesan AS (subsequently renamed to Netcompany AS) and Hunter Macdonald Ltd (subsequently renamed to Netcompany UK Ltd), which bears interest according to OTC Rate Floor Transaction agreement made. In 2017 the floating rate averaged 4.3% (2016: 5.0 %, 2015: N/A), excluding the impact from amortisation of loan costs.

Approximately 80% of the bank loans have been converted to fixed interest rate of 4.0% p.a. through the use of interest rate swaps. The fair value of the interest rate swaps outstanding at the balance sheet date is negative by DKK 38.5m (2016: DKK 51.0m, 2015: N/A).

The Group is to a limited extent also exposed to interest rate risks relating to the cash balances, which currently bear negative interest due to the current low interest environment.

- ***Optimisation of the capital structure***

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

25. Acquisition of subsidiaries

2017

On 25 October 2017, the Group acquired the entire share capital of Hunter Macdonald Ltd (subsequently renamed to Netcompany UK Ltd) and its subsidiary at a price of DKK 345.9m of which DKK 120.3m was paid in cash and DKK 225.6m was settled by the issue of share capital in NC Topco A/S.

2016

On 1 February 2016, the Group acquired the entire share capital of Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) and subsidiaries at a price of DKK 2,320.4m in cash. On 22 November 2016, the Group acquired the entire share capital of Mesan AS (subsequently renamed to Netcompany AS), Norway at a price of DKK 195.6m in cash.

Assets acquired and liabilities recognised at the dates of acquisition can be summarised as follows:

	2017 Hunter Macdonald Ltd	2016 Netcompany A/S* (Denmark)	2016 Netcompany AS (Norway)
		DKK million	
Non-current assets			
Technology	0.0	52.9	0.0
Software	0.0	4.5	0.0
Trademarks	0.0	167.8	0.0
Order back-log	31.5	57.5	7.0
Customer relationships	75.9	205.5	63.0
Property, plant and equipment	0.6	8.4	0.5
Right of use assets	1.0	18.0	8.6
Deferred tax assets	0.0	0.9	0.1
Other receivables	14.0	4.0	0.0
Current assets			
Trade receivables	37.7	172.5	17.5
Contract work in progress	3.3	78.7	0.0
Other receivables	0.0	10.3	9.2
Cash	26.3	44.4	27.4
Current liabilities			
Leasing	(0.9)	(18.0)	(8.6)
Deferred tax on remeasurement of certain identifiable assets	(20.4)	(106.4)	(17.5)
Prepayments received from customers	(1.9)	(25.2)	0.0
Trade payables	(29.9)	(12.2)	(1.5)
Tax payable	(0.7)	(20.8)	(4.0)
Other payables	(5.2)	(87.4)	(24.7)
Net assets taken over	**131.2**	**555.2**	**77.0**
Goodwill	214.7	1,765.2	118.7
Total consideration	**345.9**	**2,320.4**	**195.6**
Less cash acquired	(26.3)	(44.4)	(27.4)
Total net consideration	**319.6**	**2,276.0**	**168.3**

* subsequently renamed to Netcompany Holding I A/S

For description of the assets and liabilities identified in the acquisitions in 2017 and 2016 see note 2.

The Group has incurred acquisition costs totalling DKK 13.8m (2016: DKK 35.1m, 2015: DKK 0.0m), which are included in special items.

Impact on revenue and profit/loss from acquired business in 2017:

	Revenue	Profit
	DKK million	
Hunter Macdonald Ltd	61.9	12.4
Total	**61.9**	**12.4**

Pro-forma figures if Hunter Macdonald Ltd. had been a subsidiary in whole 2017:

	Revenue	Profit
	DKK million	
Hunter Macdonald Ltd	286.3	21.0
Total	**286.3**	**21.0**

Impact on revenue and profit/loss from acquired business in 2016:

(excluding Netcompany A/S (subsequently renamed to Netcompany Holding I A/S) which is included the combined financial statements for the whole year 2016)

	Revenue	Profit
	DKK million	
Netcompany AS	11.7	(2.6)
Total	**11.7**	**(2.6)**

Pro-forma figures if Netcompany AS had been subsidiary in whole 2016:

	Revenue	Profit
	DKK million	
Netcompany AS	106.6	20.9
Total	**106.6**	**20.9**

Accounting principles

Acquired or newly established subsidiaries are recognised in the consolidated financial statements from the time of acquiring or establishing such subsidiaries. Time of acquisition is the date on which control over the subsidiary is actually acquired. Divested or wound-up subsidiaries are recognised in the consolidated income statement up to the time of their divestment or winding-up. Time of divestment is the date on which control of the subsidiary actually passes to a third party.

When acquiring new subsidiaries, over which the Group obtains control, the acquisition method is applied under which identifiable assets, liabilities and contingent liabilities of these subsidiaries are measured at fair value at the acquisition date. Allowance is made for the tax effect of the restatements made.

The purchase consideration for a subsidiary consists of the fair value of the consideration paid for the acquired subsidiary. Costs which are directly attributable to the acquisition of the subsidiary are recognised directly in income when incurred. Positive differences (goodwill) between, the purchase consideration for the subsidiary acquired and, the fair value of the net assets acquired are recognised as an intangible asset and tested for impairment at least once a year.

26. Fee for the group's auditor appointed by the shareholders

	31 December		
	2017	2016	2015
	DKK million		
Statutory audit	1.2	0.4	0.4
Other assurance agreements	0.6	0.2	0.0
Tax and VAT advisory services	1.0	0.1	0.1
Other services	4.7	8.4	0.5
Total audit fee	**7.5**	**9.1**	**1.0**

Other services includes pre-IPO services and services relating to mergers and acquisitions and various consultancy services.

27. Related parties

- ***Related parties with a controlling interest***

FSN Capital GP IV Limited acting in its capacity as general partner for and on behalf of each of FSN Capital IV L.P., FSN Capital IV (B) L.P., FSN Capital IV Invest L.P. and FSN Capital IV Netcompany Co-Investment LP (jointly referred to as the "Significant Shareholders").

- ***Related parties with significant influence***

Related parties with significant influence also comprises the Company's Executive Management, Board of Directors and their related parties.

Furthermore, related parties are companies in which the above persons have significant interests.

- ***Transactions with related parties***

The Group has had the following transactions with other companies controlled by the Significant Shareholders:

	31 December		
	2017	2016	2015
	DKK million		
Revenue	**2.8**	**0.7**	**0.0**

Remuneration and fees to the Executive Management and fees to the Board of Directors are disclosed in note 8.

- ***Companies in the Group***

The Group's subsidiaries at 31 December 2017 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group. The country of incorporation or registration is also their principal place of business.

	Location	Currency	Ownership	Function
NC TopCo A/S	Denmark	DKK		Parent
NC NewCo A/S	Denmark	DKK	100%	Subsidiary
Netcompany Holding I A/S (formerly Netcompany A/S)	Denmark	DKK	100%	Subsidiary
Netcompany A/S (formerly Netcompany IT and Business Consulting A/S)	Denmark	DKK	100%	Subsidiary
Netcompany Poland sp. Z o.o. (formerly Netcompany Solutions sp. Z o.o.)	Poland	PLN	100%	Subsidiary
Netcompany Norway AS (formerly Mesan AS)	Norway	NOK	100%	Subsidiary
Netcompany UK Holding Ltd	United Kingdom	GBP	100%	Subsidiary
Netcompany UK Ltd (formerly Hunter Macdonald Ltd)	United Kingdom	GBP	100%	Subsidiary
Netcompany Vietnam Ltd (formerly Hunter Macdonald Viet Nam Ltd)	Vietnam	VND	100%	Subsidiary

28. Collateral provided and contingent liabilities

As part of its contract commitments with customers, the Group has through its banks provided performance guarantees of DKK 139.9m (2016: DKK 51.6m, 2015: DKK 0.0m)

29. Adoption of the combined financial statements

At a meeting held on 23 May 2018, the Board of Directors adopted the combined financial statements to be included in the Offering Circular.

30. Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of the combined financial statements.