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EUROTUST A/S
Form 20-F
September 12, 2003

As filed with the Securities and Exchange Commission on September 12, 2003

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES
EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the fiscal year ended December 31, 2002

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No.: 0-30690

EuroTrust A/S
f/k/a
Euro909.com A/S
(Exact name of Company as specified in its charter)

EuroTrust A/S
(Translation of Company's
name into English)

The Kingdom of Denmark
(Jurisdiction of incorporation
or organization)

Poppelgaardvej 11-13
2860 Soeborg Denmark
(Address of principal executive offices)

Securities registered or to be
registered pursuant to Section 12(b)
of the Act:

None

Securities registered or to be
registered pursuant to Section 12(g)
of the Act:

None

Securities for which there is a
reporting obligation pursuant to
Section 15(d) of the Act:

American Depositary Shares, each
representing six ordinary shares,
nominal value DKK 1.25 per ordinary
share.

Indicate the number of outstanding
shares of each of the Company's
classes of capital or common stock as
of close of the period covered by the
annual report (December 31, 2002):

Ordinary shares: 27,204,890
American Depositary Shares: 3,297,888

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Indicate by check mark whether the Company (1) has filed all reports to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Company was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES ☒ NO ☐

Indicate by check mark which financial statement item the Registrant has elected to follow

Item 17 ☐ Item 18 ☒

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EXCHANGE RATE INFORMATION

In this annual report, unless otherwise specified or unless the context otherwise requires, all references to "\$" or "dollars" are to U.S. dollars and all references to "DKK" are to Danish kroner. We have converted DKK amounts as of December 31, 2002 into U.S. dollars at an exchange rate of \$1.00 = DKK 7.0822, which was the noon buying rate on December 31, 2002, the last business day of the year. We do not make any representation that the Danish kroner amounts could have been, or could be, converted into U.S. dollars at that rate on December 31, 2002, or at any other rate.

Unless specifically indicated or the context clearly indicates otherwise all references to our ordinary shares shall include our American Depositary Shares (ADSs) and vice-versa.

We use the terms "we", "our", "us", EuroTrust" and "the Company" to mean EuroTrust A/S and its subsidiaries and their respective predecessors.

As no independent sources of industry data are available, industry data contained herein, including market size data, are based on our estimates which are derived from internal market studies and management calculations.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This report on Form 20-F contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 regarding our plans and objectives and future operations. Forward-looking statements attempt to predict future occurrences and are identified by words like "believe," "may," "intend," "will," "expect," "anticipate," "estimate" or "continue," or other comparable terms. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The forward-looking statements included in this report are based on current expectations that involve numerous risks and uncertainties. Our plans and objectives are based, in part, on assumptions involving judgments about, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that our assumptions underlying the forward-looking statements are reasonable, any of these assumptions could prove inaccurate and, therefore, we cannot assure you that the forward-looking statements included in this report will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included in this report, you should not assume, and we cannot assure you, that we can achieve our objectives or implement our plans. Factors that could cause our actual results to differ materially from those

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expressed or implied by forward-looking statements include, but are not limited to, the factors set forth under the headings "Key Information - Risk Factors" (Item 3.D), "Information on the Company" (Item 4) and "Operating and Financial Review and Prospects" (Item 5).

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ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not required because this Form 20-F is filed as an Annual Report.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not required because this Form 20-F is filed as an Annual Report.

ITEM 3. KEY INFORMATION

A. Selected financial data

The selected consolidated financial data presented below as of December 31, 1998, 1999, 2000, 2001 and 2002, and for the years then ended have been taken or are derived from our audited consolidated financial statements for those periods. The selected consolidated financial data have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP").

Effective October 1, 2000, we changed our method of accounting for revenue recognition of domain name registration revenue in accordance with Staff Accounting Bulletin (SAB) No.101 (SAB 101), Revenue Recognition in Financial Statements. Under SAB 101, which was adopted retroactively to January 1, 2000, we recognized revenues ratably over the period the customer is provided access to the registry through our servers. Before SAB 101 became effective, we recognized revenue from initial registration of domain names when the registration process was complete and annual service fees (registration renewal fees) were recognized when invoiced to the customer. On July 21, 2001, we sold our domain name registration service business, which was a part of our internet services segment, to VeriSign, Inc. In December 2001 we sold our print and online media business; GAAP requires that the results of operations from a discontinued segment be segregated from the results of operations from our continuing business segments. As a result, our Consolidated Statement of Operations and Consolidated Statement of Cash Flows for the fiscal year ended December 31, 2001 and 2002 reflect the fact that the print and online media business is treated as a discontinued operation. In addition, our Consolidated Statement of Operations and Consolidated Statement of Cash Flows for the fiscal years ended December 31, 1999 and 2000 were restated to reflect this fact.

The financial information presented below is only a summary and should be read together with our consolidated financial statements included elsewhere in this report.

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Consolidated Statement of Operations Data:(1)

	1998	1999	2000	2001	2002
Year Ended December 31,					

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	DKK	DKK	DKK	DKK	DKK
	(in thousands, except per share amounts)				
Consolidated statement of operations data:					
Revenue	51,432	109,548	188,628	151,914	135,711
Total operating expenses	77,530	151,608	290,870	347,922	381,111
Operating loss	(26,098)	(42,060)	(102,242)	(196,008)	(245,400)
Net (loss) income from continuing operations(2)	(25,037)	(41,866)	(101,384)	18,165	(277,111)
Net loss from discontinued operations	0	(1,473)	(25,042)	(10,460)	(6,000)
Cumulative effect of change in accounting principle	0	0	(20,278)	0	0
Net (loss) income	(25,037)	(43,339)	(146,704)	7,705	(283,111)
(Loss) Income from continuing operations per average common share, basic	(4.22)	(4.65)	(5.98)	0.75	(10.00)
Loss from discontinued operations per average common share, basic	0.00	(0.17)	(1.47)	(0.43)	(0.00)
Net (loss) income per average common share, basic	(4.22)	(4.82)	(8.65)	0.32	(10.00)
(Loss) Income from continuing operations per average common share, diluted	(4.22)	(4.65)	(5.98)	0.73	(10.00)
Loss from discontinued operations per average common share, diluted	0.00	(0.17)	(1.47)	(0.42)	(0.00)
Net (loss) income per average common share diluted	(4.22)	(4.82)	(8.65)	0.31	(10.00)
Weighted average number of common shares outstanding, basic	5,926	8,997	16,968	24,185	26,000
Weighted average number of common shares outstanding diluted	5,926	8,997	16,968	24,745	26,000

- (1) In June 2001, the FASB issued SFAS 142 fully effective for fiscal years beginning after December 15, 2001, which changed the accounting for goodwill from an amortization method to an impairment-only approach. We adopted the provisions of SFAS 142 effective January 1, 2002. If the standards of SFAS 142 had been in effect beginning January 1, 2000 then (i) for the year ended December 31, 2000 our net loss would have been DKK 142,431 and both our basic and diluted loss per common share would have been DKK 8.38; and (ii) for the year ended December 31, 2001 our net

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income would have been DKK 12,364, our basic income per common share would have been DKK 0.51 and our diluted income per common share would have been DKK 0.50.

- (2) The loss from continuing operations for the years ended 1998 and 1999 increased by DKK 991 thousand and DKK 93 thousand, respectively. This adjustment is due to previous wrong treatment of a realized loss on investment securities.

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Internet services:

Revenue	51,432	66,946	94,999	72,183	63,
Total operating expenses	77,530	106,265	179,985	238,112	316,
	-----	-----	-----	-----	-----
Operating loss	(26,098)	(39,319)	(84,986)	(165,929)	(252,
	=====	=====	=====	=====	=====

Broadcast media:

Revenue		13,544	83,005	79,731	72,
Total operating expenses		16,360	94,156	109,810	65,
		-----	-----	-----	-----
Operating income (loss)		(2,816)	(11,151)	(30,079)	6,
		=====	=====	=====	=====

Other:

Revenue		29,058	10,624	0	
Total operating expenses		28,983	16,729	0	
		-----	-----	-----	-----
Operating (loss) income		75	(6,105)	0	
		=====	=====	=====	=====

Discontinued operations, net loss:

	(1,473)	(25,042)	(10,460)	(6,
	=====	=====	=====	=====

Consolidated Balance Sheet Data:

	1998	1999	As of December 31,		2002	2002
	-----	-----	-----	-----	-----	-----
	DKK	DKK	DKK	DKK	DKK	US\$
			(in thousands)			
Total assets	37,720	221,038	357,051	445,611	168,217	23,752
Net assets	14,073	149,638	199,638	333,168	44,242	6,247
Capital stock	7,445	18,629	25,814	34,006	34,006	4,802
Working capital (deficit)	1,760	41,786	(6,009)	137,256	(4,280)	(2,659)
Number of ordinary shares	5,956	14,903	20,651	27,205	27,205	27,205

We have never paid any dividends on our ordinary shares.

Exchange Rate Information

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The exchange rate on September 10, 2003 (the latest practicable date) was DKK 6.6469 per \$1.00. The following table sets forth (i) the average exchange rate for the years 1998, 1999, 2000, 2001 and 2002 calculated using the average exchange rate on the last day of each month of the relevant year and (ii) the high and low exchange rates for each of the most recent six months. (All rates are expressed as Danish kroner per U.S. dollar.)

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	Average -----		
Year Ended December 31:			
1998	DKK 6.7011		
1999	DKK 6.9763		
2000	DKK 8.0829		
2001	DKK 8.3619		
2002	DKK 7.8897		
		High	Low
		----	---
Month Ended:			
September 2003 (as of September 10, 2003)	DKK 6.8865	DKK 6.8865	DKK 6.6469
August 2003	DKK 6.8705	DKK 6.8705	DKK 6.5263
July 2003	DKK 6.6747	DKK 6.6747	DKK 6.4371
June 2003	DKK 6.5075	DKK 6.5075	DKK 6.2632
May 2003	DKK 6.6489	DKK 6.6489	DKK 6.2384
April 2003	DKK 7.0180	DKK 7.0180	DKK 6.6699
March 2003	DKK 7.0282	DKK 7.0282	DKK 6.7031

B. Capitalization and indebtedness

Not required because this Form 20-F is filed as an Annual Report.

C. Reasons for the offer and use of proceeds

Not required because this Form 20-F is filed as an Annual Report.

D. Risk Factors

In addition to other information in this Form 20-F, the following risk factors should be carefully considered in evaluating us and our business because these factors currently have or may in the future have a significant impact on our business, operating results or financial condition. Actual results could differ materially from those projected in the forward- looking statements contained in this Form 20-F as a result of the risk factors discussed below and elsewhere in this Form 20-F.

We have a significant accumulated loss and the likelihood of future profitability is uncertain. Continuing losses may exhaust our capital resources and force us to terminate operations.

We incurred a net loss in each of the years ended December 31, 1998, 1999, and 2000 and we incurred an operating loss in each of those years and for the year ended December 31, 2001. For the year ended December 31, 2002 we had a net loss of DKK 283,348 (approximately \$40.0 million) and an operating loss of DKK 245,666 (approximately \$34.7 million). As of December 31, 2002, we had an accumulated deficit of DKK 509,510 (approximately \$71.9 million). We anticipate that our revenues will increase as we develop and expand our trusted Internet infrastructure products and services and that in connection with this expansion,

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our operating expenses (excluding depreciation and amortization) particularly our sales and marketing and our capital expenditures, will increase as well. Accordingly, we may incur additional losses in the foreseeable future. We cannot assure you that we will become profitable or, if we do become profitable, that we will be able to sustain or increase our profitability in the future. If operating losses continue for longer than we expect and we cannot raise additional capital, we may be forced to terminate operations.

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We may need to raise additional capital in the future. If we cannot do so, we may not be able to fund our future activities or continue operating.

Our future capital requirements will depend on a number of factors, including new acquisition opportunities and our ability to increase our revenues and control our expenses. If we need to raise additional capital in the future, we cannot assure you that we will be able to do so on acceptable terms or at all. If we raise additional capital through the issuance of equity or convertible debt securities, the percentage ownership of our company held by existing shareholders, including holders of our ADSs, will be diluted. In addition, new securities may contain certain rights, preferences or privileges that are senior to those of our ordinary shares. If we are unsuccessful in raising additional capital, when needed, our business and results from operations may be materially and adversely affected.

Our future revenues are unpredictable and our financial results may fluctuate. In addition, we expect that our expenses will increase. If our financial results fall below expectations in one or more future quarters, the market price of our ADSs may be negatively impacted.

We cannot accurately forecast our revenues or operating results. If the increase in our expenses is not accompanied by a corresponding increase in our revenues, our operating results will suffer. Our revenues and operating results may fluctuate significantly because of several factors, many of which are beyond our control. These factors include:

- o market acceptance of our products and services;
- o the long sales and implementation cycles for, and potentially large order sizes of, some of our products and services and the timing and execution of individual contracts;
- o customer renewal rates for our products and services;
- o the timing of releases of new versions of Internet browsers or other third-party software products and networking equipment that include our technology;
- o the mix of our offered products and services sold during a quarter;
- o our success in cross marketing our products and services to our existing customers and to new customers;
- o developing our direct and indirect distribution channels;
- o a decrease in the level of spending for trusted Internet infrastructure products and services by our existing customers;
- o our ability to expand our operations;

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- o our success in assimilating the operations and personnel of any acquired businesses;
- o the amount of revenue received and the application of our revenue recognition policies compared to the amount and timing of expenditures;
- o the impact of price changes in our products and services or those of our competitors;

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- o general economic conditions and economic conditions specific to the Internet services industry;
- o a change in viewer preference and we are unsuccessful in addressing those changes in our programming; and
- o the non-renewal of our contract with TeleDanmark Kabel.

Due to all of the above factors, we believe that period-to-period comparisons of our operating results will not necessarily be meaningful, and you should not rely on them as an indication of future performance. Also, operating results may fall below our expectations and the expectations of securities analysts or investors in one or more future quarters. If this were to occur, the market price of our ordinary shares would likely decline which may result in a significant decline in the value of your investment.

Our results of operations in the future could be materially and adversely affected if it is determined that the carrying value of goodwill attributed to businesses that we acquire is higher than their fair value.

In 2002, pursuant to SFAS No. 142, we wrote-off DKK 65.3 million (approximately \$9.2 million) of goodwill after determining that the carrying value of goodwill attributed to businesses we acquired was higher than their fair values. SFAS No. 142 requires that we review the carrying value of goodwill for impairment at least annually, which may negatively affect our results of operations if we determine that the carrying value of goodwill is higher than its fair value. If in the future we determine that the carrying value of goodwill for businesses we acquire is higher than their fair value, additional goodwill will be written-off and as a result, our results of operations could be materially and adversely affected.

We have a limited operating history in providing trusted Internet infrastructure products and services under our current business structure and expect to encounter difficulties similar to those faced by early stage companies. Our results from operations may depend on how successful we are in dealing with these difficulties.

Over the last five years, our business has evolved from (i) a telecommunications company that also provided Internet access to (ii) an Internet services provider focusing primarily on domain name registration services to (iii) providing trusted Internet infrastructure products and services. We have only a limited operating history as a provider of trusted Internet infrastructure products and services on which you can base an evaluation of our current business and prospects. As such, our current business and prospects must be considered in light of the risks and uncertainties encountered by companies in the early stages of development. These risks and uncertainties are magnified for companies, like ours, in new and rapidly evolving markets and for companies integrating many businesses. Our success will

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depend on many factors, including, but not limited to, the following:

- o our ability to successfully integrate acquired companies;
- o the rate and timing of the growth and use of internet protocol, or IP, networks for electronic commerce and communications;
- o the extent to which digital certificates are used for online communications and e-commerce;

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- o the continued growth in the use of the Internet;
- o the growth in demand for our products and services ;
- o the continued evolution of electronic commerce as a viable means of conducting business;
- o the competitive environment;
- o the perceived security of electronic commerce and communications over IP networks;
- o the perceived security of our services, technology, infrastructure and practices; and
- o our ability to maintain our current, and enter into additional, strategic relationships.

To address this risk we must, among other things:

- o successfully market our products and services to new and existing customers;
- o attract, integrate, train, retain and motivate qualified personnel;
- o respond to competitive developments; and
- o successfully introduce new products and services and enhancements to our existing products and services to address new technologies and standards and changing market conditions.

We cannot be certain that we will successfully address this risk. If we fail, our business and results from operations may be materially and adversely impacted.

Our business depends on the future growth of the Internet and adoption and continued use of IP networks.

Our future success substantially depends on the continued growth in the use of the Internet and IP networks for communications and commerce. Organizations that already have invested substantial resources in other methods of conducting business may be reluctant to migrate to the Internet model. Also, individuals with established patterns of purchasing goods and services and effecting payments may be reluctant to change. To date, many businesses and consumers have been deterred from utilizing the Internet and IP networks for a number of reasons, including, but not limited to:

- o security concerns, particularly for online payments, including the

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potential for merchant or user impersonation and fraud or theft of stored data and information communicated over IP networks;

- o privacy concerns, including the potential for disclosure or sale of personal information about users to third parties, without notice to or the consent of such users;
- o other security concerns such as attacks on popular websites by hackers;
- o potentially inadequate development of network infrastructure;

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- o inconsistent quality of service;
- o lack of availability of cost-effective, high-speed systems and service;
- o limited number of local access points for corporate users;
- o inability to integrate business applications on IP networks;
- o the need to operate with multiple and frequently incompatible products;
- o government regulation;
- o a lack of tools to simplify access to and use of IP networks;
- o congestion of traffic or other usage delays; and
- o uncertainty regarding intellectual property ownership.

If the Internet and the adoption and use of IP networks fail to become a widely accepted method of conducting business and exchanging information, our business and results from operations may be materially and adversely affected.

The success of our business depends largely on the level of market acceptance of our products and services.

The market for trusted Internet infrastructure products and services is relatively new and rapidly evolving. As a result, the future demand for our products and services is uncertain. Even if the market for electronic commerce and online communications grows, we cannot assure you that our products and services will become widely accepted. If the market for trusted Internet infrastructure products and services, in general, or our products and services, in particular, fails to grow, our business and results from operations may be materially and adversely affected.

Our business may be negatively impacted if we cannot establish and maintain strategic and other relationships.

One of our significant business strategies so far has been to enter into strategic alliances or other similar collaborative relationships that enable us to expand our product and service offerings and our customer base. An example of this type of relationship is our arrangement with VeriSign. Our future growth depends on our ability to establish direct seller channels and to develop multiple distribution channels by partnering with Internet technology, or IT, consulting firms and systems integrators and other third parties. We cannot

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assure you that we can enter into additional, or maintain our existing, strategic relationships on commercially reasonable terms, if at all. Many of our existing relationships do not, and any future relationships may not, afford us any exclusive marketing or distribution rights or preclude our partners from pursuing alternative technologies or developing alternative products and services either on their own or in collaboration with others, including our competitors. If we fail to enter into additional strategic relationships, we would have to devote substantially more of our own resources to develop, distribute, sell and market our products and services than we do currently. In addition, our strategic partners may not view their relationships with us as significant for their own businesses and they could reduce their commitment to us at any time in the future. If we are unable to maintain our

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existing relationships or to enter into additional strategic relationships, our business and results of operations may be materially and negatively affected.

Our business may be materially and adversely affected if an easy factoring method is developed, techniques for attacking public key cryptography systems advance significantly, or by negative public perception.

Our primary products and services depend on public key cryptography technology, which is based on the application of specific mathematical principles known as factoring. Should an easy factoring method be developed, the security of encryption products utilizing public key cryptography technology would be reduced or eliminated. Even if no breakthroughs in factoring are developed, factoring problems can theoretically be solved by a computer system significantly faster and more powerful than those currently available. Furthermore, any significant advance in techniques for attacking cryptographic systems could also render some or all of our existing products and services obsolete or unmarketable. If improved techniques for attacking cryptographic systems were ever developed, we would likely have to reissue digital certificates to some or all of our customers, which could damage our reputation and brand or otherwise harm our business. In addition, our business could also be harmed by the negative publicity associated with, a successful attack on cryptographic and other Internet security technologies. This type of publicity could also hurt the public perception as to the safety of the public key cryptography technology included in our digital certificates.

Many of our trusted Internet infrastructure products and services have lengthy sales and implementation cycles, which could negatively impact our business.

The sale and implementation of our trusted Internet infrastructure products and services typically involves a lengthy education process of potential customers and a significant technical evaluation and commitment of capital and other resources by such customers. This process is also subject to the risk of delays associated with customers' internal budgeting and other procedures for approving large capital expenditures, deploying new technologies within their networks and testing and accepting new technologies that affect key operations. As a result, the sales and implementation cycles associated with our products and services can be lengthy, potentially lasting from three to six months, and unpredictable. Our financial results could be negatively impacted if orders forecasted for a particular quarter are delayed or not realized.

We face significant competition from competitors which are much larger than we are and have longer operating histories, larger client bases, greater brand or name recognition and significantly greater financial, technical, marketing and public relations resources than we have.

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The market for services that enable trusted and secure electronic commerce and communications over IP networks is intensely competitive and we expect this competition to continue for the foreseeable future. Our principal competitor in Denmark is TDC A/S (formerly, TeleDanmark A/S). On an international level our competitors, among others, include Baltimore Technologies, PLC. and EnTrust Technologies, Inc.. These competitors are much larger than we are and have longer operating histories, larger client bases, greater brand or name recognition and significantly greater financial, technical, marketing and public relations resources than we have. In addition, there are relatively few barriers preventing new competitors from entering the markets in which we operate. Furthermore, we do not own any patented technology and our competitors may develop new technologies in the future that are perceived as being more secure, effective or cost efficient than the technology underlying our products and services. Increased competition could result in pricing pressures, reduced margins or the failure of

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our trusted Internet infrastructure products and services to achieve or maintain market acceptance, any of which could harm our business.

Our business depends largely on our ability to keep pace with changing technologies. If we are unable to respond quickly and cost-effectively to changing Internet and communications technologies and devices and changes in customer tastes and preferences, our business will be harmed.

The emerging nature of the Internet in general and of trusted Internet infrastructure products and services, in particular, requires us to continually update our products and service offerings, particularly in response to competitive offerings and to make sure they are compatible with and take advantage of new technologies and changes in consumer tastes and preferences. Since we do not own any proprietary technology, we rely on our strategic partners to provide us with state-of-the-art products and services. The success of any new products and services depends on several factors, including performance, features, reliability and cost. Updating our technology internally and licensing new technology from third parties may require us to incur significant additional capital expenditures. Our inability or the inability of our suppliers to respond quickly and cost-effectively to changing Internet and communications technologies and devices and changes in customer tastes and preferences, could make our existing service offering non-competitive and may cause us to lose market share. We cannot be certain that we will successfully develop, acquire and market new trusted Internet infrastructure products and services and have access to third-party technology that respond to competitive and technological developments and changing customer needs.

System interruptions and security breaches could harm our business.

Our success depends on the uninterrupted operation of our computer and communications systems and the integrity of our data center in Soeborg, Denmark. It is critical to our business strategy that this facility and infrastructure remain secure and are perceived by the marketplace to be secure. We must protect these systems and our data center from loss, damage or interruption caused by fire, natural disaster, power loss, telecommunications failure, physical break-ins, computer viruses, and attacks by hackers or similar disruptive problems. For example, our ability to issue digital certificates depends on the efficient operation of the Internet connections from customers to our data center. These connections depend upon efficient operation of web browsers, Internet service providers and Internet backbone service providers. Any problems or outages could decrease customer satisfaction. In addition, all confidential customer information is stored in our data center. A system failure, electronic

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break-in or other security breach or other similar event that results in the deletion of client data or otherwise compromises any of the information stored on our systems could have an adverse impact on our reputation and our business. Finally, if our back office billing and collections infrastructure and telecommunications systems cannot meet the demands of the increasing number of customer e-mails and telephone calls, our customer support service and our ability to process, bill and collect registration requests in a timely manner could be substantially degraded. Any damage or failure that causes interruptions to our computer and communications systems could materially harm our business. We may have to expend significant time and money to maintain or increase the security of our data center and infrastructure.

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Our results from operations may be negatively impacted if we are not able to establish a brand identity in the trusted Internet infrastructure services market.

We believe that establishing and maintaining a good reputation and name recognition is critical to our success. We also believe that the importance of reputation and name recognition will increase due to the growing number of companies providing trusted Internet infrastructure products and services. Over the last three years, we have gone through several name changes as our business has evolved. In 1999, we changed our name from Telepartner A/S to euro909.com A/S and in December 2001 to EuroTrust A/S. Our plan is to aggressively promote the name EuroTrust and to establish a brand identity in the market for trusted Internet infrastructure products and services. Our brand-enhancement strategy includes mass market and multimedia advertising, promotional programs and public relations activities. In addition, promoting and enhancing our name depends largely on our success in providing uninterrupted high quality services. We intend to make significant expenditures on advertising and promotional programs and activities. We cannot assure you that our efforts will lead to an increase in net revenues sufficient to cover our advertising and promotional expenses. To build brand identity we must provide high quality services at a competitive price. If our reputation is damaged or if potential clients are not aware of the products and services we provide, or if our clients do not perceive our services as effective, reasonably priced or qualitatively better than the competition, our reputation could be materially and adversely affected and we could lose market share.

Our long-term growth strategy assumes that we make suitable acquisitions and investments. If we are unable to address the risks associated with acquisitions and investments our business could be harmed.

Our long-term growth strategy includes identifying and, from time to time, acquiring or investing in suitable candidates on acceptable terms. In particular, we intend to acquire or make investments in businesses that provide products and services that expand or complement our existing businesses and expand our geographic reach. In pursuing acquisition and investment opportunities, we may compete with other companies having similar growth and investment strategies. Competition for these acquisition or investment targets could also result in increased acquisition or investment costs and a diminished pool of businesses, technologies, services or products available for acquisition or investment. Our long-term growth strategy could be impeded if we fail to identify and acquire or invest in promising candidates on terms acceptable to us.

Assimilating acquired businesses involves a number of other risks, including, but not limited to:

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- o disrupting our business;
- o incurring additional expense associated with a write-off of a portion of goodwill and other intangible assets due to changes in market conditions or the economy in the markets in which we compete or because acquisitions are not providing the benefits expected;
- o incurring unanticipated costs or unknown liabilities;
- o managing more geographically-dispersed operations;
- o diverting management's resources from other business concerns;
- o retaining the employees of the acquired businesses;

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- o maintaining existing customer relationships of acquired companies;
- o assimilating the operations and personnel of the acquired businesses;
- o incorporating acquired technologies into our existing products and services; and
- o maintaining uniform standards, controls, procedures and policies.

For all these reasons, our pursuit of an overall acquisition and investment strategy or any individual acquisition or investment could have a material adverse effect on our business, financial condition and results of operations. If we are unable to successfully address any of these risks, our business could be harmed.

Rapid growth in our business could strain our managerial, operational, financial, accounting and information systems, customer service staff and office resources. If we fail to manage our growth effectively, our business may be negatively impacted.

In order to achieve our growth strategy, we will need to expand all aspects of our business, including our computer systems and related infrastructure, customer service capabilities and sales and marketing efforts. We cannot assure you that our infrastructure, technical staff and technical resources will adequately accommodate or facilitate our expanded operations. To be successful, we will need to continually improve our financial and managerial controls, billing systems, reporting systems and procedures, and we will also need to continue to expand, train and manage our workforce. In addition, as we offer new products and services, we will need to increase the size and expand the training of our customer service staff to ensure that they can adequately respond to customer inquiries. If we fail to adequately train our customer service staff and provide staffing sufficient to support our new products and services, we may lose customers.

We may become subject to burdensome government regulations and legal uncertainties affecting the Internet.

To date, government regulations have not materially restricted the use of the Internet. However, the legal and regulatory environment pertaining to the Internet is uncertain and may change. Both new and existing laws may be applied to the Internet covering issues that include:

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- o taxes;
- o user privacy;
- o pricing controls;
- o characteristics and quality of products and services;
- o consumer protection;
- o cross-border commerce;
- o libel and defamation;

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- o copyright, trademark and patent infringement; and
- o other claims based on the nature and content of Internet materials.

New laws or regulations or the new application or interpretation of existing laws or regulations could hinder the growth in use of the Internet and other online services generally and decrease the acceptance of the Internet and other online services as a means of communications, commerce and advertising. Our business may be harmed if any slowing of the growth of the Internet reduces the demand for our services. In addition, new legislation could increase our costs of doing business and prevent us from delivering our products and services over the Internet at reasonable cost, which may harm our business.

Our international presence creates risks which may adversely affect our business.

Currently, our operations focus on the Scandinavian, Italian, French, Austrian and Swiss markets. Our business plan contemplates expanding our operations into other west European countries, such as United Kingdom and France. In addition to the uncertainty as to our ability to successfully expand our Scandinavian and European presence, there are certain risks inherent in doing business on an international level. These risks include differences in legal and regulatory requirements and other trade barriers, difficulties in staffing and managing foreign operations, problems in collecting accounts receivable, fluctuations in currency exchange rates, delays from government agencies, and tax laws. In addition, our operations may be affected by changing economic, political and governmental conditions in the countries in which we operate. Changes in competition, economics, politics or laws, including tax, labor, environmental and employment, could affect our ability to sell our products and services in those countries. Our inability or failure to address these risks could have a material adverse affect on our business, operations and financial condition. Also, we cannot assure you that laws or administrative practices relating to taxation, or other matters of countries within which we operate will not change. Any change in these areas could have a material adverse effect on our business, financial condition and results of operations.

We compete in the highly competitive broadcasting industry.

The Danish broadcast industry is highly competitive and dominated by a few large companies. As a result of competition, we consolidated our broadcast operations into one channel. In addition, we expect that the number of channels competing for the places in the TeleDanmark Kabel programming network will increase in the ensuing years. If viewer preferences change and we are unsuccessful in addressing those changes in our programming, we may lose favor

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with them and they may choose to view a competitor's channel over ours.

If we are unable to negotiate a renewal of our contract with TeleDanmark Kabel the revenues from our broadcasting business may be adversely affected.

Our dk4 television channel is carried as part of the basic package of channels provided to all cable television subscribers to TeleDanmark Kabel (the primary Company providing cable television service in Denmark), for which we receive a per subscriber fee. Our agreement with TeleDanmark Kabel to carry dk4 as part of its basic package expires on March 31, 2004. If we are unable to renew this agreement the revenues from our broadcasting business would decrease significantly and the results of

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operations from our broadcasting business would be materially adversely affected. We cannot assure you that we will successfully negotiate a renewal of our agreement with TeleDanmark Kabel.

If we are unable to attract and retain highly qualified management and technical personnel, our business may be harmed.

Our success depends in large part on the contributions of our senior management team, technology personnel and other key employees and on our ability to attract, integrate, train, retain and motivate these individuals and additional highly skilled technical and sales and marketing personnel. We face intense competition in hiring and retaining quality management and technology personnel from a number of sectors, including technology and Internet companies. Many of these companies have greater financial resources than we do to attract and retain qualified personnel. The only key employees that have signed employment agreements are Aldo Petersen, Bertel Jensen, Brian Mertz Pedersen and Tobias Wahlgren, our chief executive officer, chief financial officer, chief operating officer and chief technology officer, respectively. Under these agreements, they can terminate their employment on six months notice. As a result, we may be unable to retain our key employees or attract, integrate, train and retain other highly qualified employees in the future, when necessary. If we fail to attract qualified personnel or retain and motivate our current personnel, our business may be negatively impacted.

Our results from operations may be adversely affected by exchange rate fluctuations.

A portion of our expenditures and receivables are paid in foreign currencies. As a result, our financial results may be affected by an appreciation or depreciation in the value of the Danish kroner relative to the currencies of the countries in which we operate. Except for one hedging transaction done in March of 2002, we do not engage in hedging or other risk management activities in order to offset the risk of currency exchange rate fluctuations. We cannot predict in any meaningful way the effect of exchange rate fluctuations upon future results. If the value of the Danish kroner depreciates and the currencies of the countries in which we operate appreciate or remain stable our results from operations may be negatively affected.

The market price of our ADSs may decline if the value of the Danish Kroner falls against the US dollar.

Fluctuations in the exchange rate between the Danish Kroner and the US dollar are likely to affect the market price of our ADSs. For example, because EuroTrust's financial statements are reported in Danish Kroners, if the value of the Danish Kroner falls against the US dollar, EuroTrust's earnings per share in

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US dollars will be reduced. This may adversely affect the price at which our ADSs trade in the US.

There is a limited public market for our securities and our securities may experience extreme price and volume fluctuations.

Our ordinary shares are not listed on any securities exchange or market. However, our ADSs are quoted on the Nasdaq National Market. The market price of our ADSs may fluctuate significantly in response to various factors and events, including:

- o variations in our operating results;

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- o the liquidity of the markets;
- o investor perceptions of us and the industry in which we operate;
- o changes in earnings estimates by analysts;
- o sales of ADSs by existing holders; and
- o general economic conditions.

In addition, Nasdaq has recently experienced broad price and volume fluctuations, particularly in the technology sector. This volatility has had a significant effect on the market price of securities of companies for reasons that have often been unrelated to their operating performance. These broad market fluctuations may also adversely affect the market price of our ADSs and as a result, holders of our ADSs may lose a significant portion of their investment.

We have never paid a dividend nor do we anticipate doing so in the foreseeable future.

We have not declared or paid any cash dividends on our ordinary shares. We do not expect to declare any dividends in the foreseeable future. We anticipate that all cash that would otherwise be available to pay dividends will be applied in the foreseeable future to finance our growth. Payment of any future dividends will depend on our earnings and capital requirements, and other factors our board of directors deem appropriate.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development

We are a Danish limited company, organized in 1986 under the Danish Act on Limited Companies of the Kingdom of Denmark. Originally, we were organized under the name Telepartner A/S. In 1999 we changed our name to euro909.com A/S and in December 2001 we changed our name to EuroTrust A/S. Our registered office is Poppelgaardvej 11-13, 2860 Soeborg, Denmark. Our telephone number is +45 39 54 00 00.

We provide an array of trusted security products and services, including secure communications, secure servers, on-site solutions, payment platforms, virus detection, security penetration and testing, digital video surveillance, and secure remote backup services to website owners, commercial enterprises and electronic commerce service providers in Scandinavia and other western European countries. Until December 2001, our business operated in three distinct areas:

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Internet products and services; broadcasting; and print and online media. In early 2001 we made the strategic decision to focus primarily on providing trusted Internet infrastructure products and services and e-commerce solutions in Scandinavia and selected west European markets. To that end, in 2001, we sold our domain name registration, historical telecommunications (all the remaining assets) and our print and online media businesses, and consolidated our television programming business.

Initially, our business involved compiling and publishing directories that included financial, operating and administrative information about businesses located in Scandinavia and directories of fax

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numbers. These directories were sold to subscribers primarily in Denmark, Sweden and Norway. In late 1996, we entered into an agreement with WorldCom Telecommunications Services GmbH that enabled us to begin offering international telephone services to our Danish customers in 1997. At the time we entered into the agreement with WorldCom GmbH we expected telephony to be our primary business focus. However, intense price competition in the telephony industry made that business increasingly difficult. At the same time, the popularity of the Internet as a means of communication and as a means of conducting commerce was increasing rapidly.

In 1998 we again changed our focus and concentrated on providing small- and medium-sized businesses, and to a lesser extent, consumers, with the tools to effectively use the Internet as a communications, information and commercial medium. As a result of our agreement with WorldCom GmbH, we were already offering Internet access services. Through a series of acquisitions, our Internet services business eventually grew to include domain name registration services, web hosting services, online security services and online intellectual property rights services. Our products and services provided the critical web identity, authentication and transactional infrastructure that online businesses need to establish their web identities and to conduct secure e-commerce and communications. Our products and services supported businesses and consumers from the moment they first establish an Internet presence through the entire life-cycle of e-commerce activities. The typical initial introduction of our products and services to our customers was through domain name registration. As our customers' businesses grew and Internet strategies developed, we provided additional support and tools, from web site hosting to placing targeted advertising within our print and electronic media.

At the same time we were building our Internet services business, we were also building our broadcast and media businesses. In 1999 we acquired two television channels, dk4 and Bio+, and a group of teen magazines and related web sites, known as the Chili group. As a result of our strategic decision to focus on providing trusted Internet infrastructure services, in 2001 we sold our print and online media business and consolidated our broadcast business into one television channel.

Most importantly, in November 2000, we entered into an international affiliate agreement with VeriSign, Inc., a leading provider of trusted Internet infrastructure products and services. Under this agreement we became a VeriSign affiliate for the purpose of distributing various VeriSign products and services in Scandinavia and other specified west European countries.

The following is a list of acquisitions made to date since November 2000 in connection with expanding our Internet services business:

- o As of November 30, 2000, we acquired 100% of Virus112.com A/S, a

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Danish virus protection company;

- o As of November 30, 2000, we acquired 15.6% of Trust Italia SpA. An Italian digital security company;
- o As of January 1, 2001, we acquired 40% of GBS A/S, a consulting company in Denmark. During 2002 we sold 30 % of the shares in GBS A/S. The sales price was DKK one thousand in cash;
- o As of June 30, 2001, we acquired the remaining 49% of Netname Solutions.com GmbH, a German company offering internet services;

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- o As of August 31, 2001, we acquired 85% of WISEhouse Denmark A/S, a Danish remote data backup and storage service provider. Subsequently, on December 31, 2002, we purchased the remaining 15% and changed its name to "EuroTrust NetVaulting A/S";
- o As of November 30, 2001, we acquired E!novasion Denmark A/S, a web hosting and development company;
- o As of January 1, 2002, we combined our Digiweb activity with DHT Hosting ApS (a Danish automated hosting company) to form EuroTrust Secure Hosting A/S, our secure web hosting subsidiary, in which we have 75% ownership interest;
- o As of January 21, 2002, we acquired 67% and subsequently the remaining 33% of Alphasys SAS, a Paris based e-security firm. Subsequently, we changed the name of Alphasys SAS to "EuroTrust France SAS."
- o As of March 11, 2002, we acquired 1.53% of WISeKey SA, a Switzerland based e-security firm.
- o As of March 20, 2002, we acquired 10% of Excelsa Spa, an Italian Internet-based video surveillance company along with exclusive rights to market Excelsa's security system in Denmark, Sweden, Norway and Finland.

B. Business Overview

Our objective is to become the leading provider of trusted Internet infrastructure products and services and e-commerce solutions to website owners, commercial enterprises, electronic commerce service providers and individuals in Scandinavia and other west European markets. Governments and other public institutions (i.e. Public Universities and Schools) in Europe, generally, are in the process of adopting the usage of trusted digital services to secure their activities over the Internet. As a result of our affiliation with VeriSign, the global leader in trusted Internet infrastructure products and services, and other acquisitions made over the last few years, we believe that we are poised to take advantage of this growth opportunity.

Internet Products and Services

Trusted Internet Infrastructure Products and Services

We offer most of the European business community an array of trusted Internet security products and services, including secure communications, servers, on-site solutions, payment platforms and remote backup services, virus

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detection, security penetration and testing, digital video surveillance, and secure remote backup services. In November 2000, we became part of VeriSign's Global Affiliate Network, an expanding group of international service providers using common technology, operating practices and infrastructure, compliant with the European Union (EU) common criteria requirements, to deliver interoperable trust services over the Internet. VeriSign is the leading provider of trusted Internet infrastructure services in the world. Under our Affiliate Agreement with VeriSign, as amended, we provide the following VeriSign trusted Internet infrastructure products and services in Denmark, Norway, Sweden, Finland, Austria and Switzerland.

Public Key Infrastructure (PKI) Services. PKI services, as well as digital signatures and

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certificates, enable both companies and private individuals to encrypt their online communications and ensure confidentiality. PKI services are sold under the VeriSign Managed PKI Service (MPKI) and VeriSign Go Secure! brands, and are tailored to meet the specific needs of enterprises that wish to issue digital certificates to employees, customers, citizens or trading partners.

MPKI - Managed PKI-solutions. MPKI is a managed service that allows an organization to use our trusted data processing infrastructure to develop and deploy customized digital certificate services for use by employees, customers and business partners. MPKI can be used by our customers to provide digital certificates for a variety of applications, including: controlling access to sensitive data and account information, enabling digitally-signed e-mail, encryption of e-mail, or SSL sessions. Our MPKI services can help customers create an online electronic trading community, manage supply chain interaction and facilitate and protect online credit card transactions.

Go Secure! VeriSign Go Secure! services are a set of managed application services that enable enterprises to quickly build digital certificate-based security into their transaction and communication applications. Go Secure! services are similar in functionality to MPKI services and are designed to incorporate digital certificates into existing e-mail, browsing applications, directory and virtual private network devices. GoSecure(R) allows businesses to create a Virtual Private Network (VPN) that integrates VeriSign's strong encryption technology. GoSecure is also offered in cooperation with vendors of server firewall products.

Web Server Digital Certificate Services. Digital certificates are electronic credentials that identify parties online, enabling encrypted online communications and legally binding, valid digital signatures for online transactions in e-commerce, financial services, supply-chain management, Virtual Private Networks, and wireless and mobile commerce environments. We offer a family of web server certificate services that allows organizations to implement and operate secure websites that utilize the Secure Sockets Layer, or SSL protocol or the Wireless Transport Layer Security, or WTLS, protocol to establish their identities to customers and other websites during electronic commerce transactions and communications over wired or wireless internet protocol, or IP, networks. Without a digital certificate installed on the website server the SSL and WTLS protocols cannot be utilized. Given that we host more web sites on servers in our data center than any other company in Denmark, we expect to take advantage of the current growth trend for server security. Digital Ids can easily be created for customers and suppliers through the MPKI administration solution.

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We currently offer three core versions of web server digital certificate services and content signing certificates. Each is differentiated by the target application of the server that hosts the digital certificate.

Secure Site and Secure Site Plus. Secure Site is our standard offering that enables websites to implement basic SSL security features between their sites and individual end-user browsers. We also offer an upgraded version of this service, called Secure Site Plus, that includes security monitoring, security assessment, site performance monitoring and additional warranty protection.

Global Site and Global Site Plus. Global Site is an advanced version of Secure Site that incorporates all of the features and functionality of the Secure Site services. In addition, Global Site Services allow enterprises to offer stronger, 128-bit encrypted, SSL

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sessions between their websites and end-user browsers from Netscape and Microsoft. We also offer an upgraded version of this service, called Global Site Plus, that includes security monitoring, security assessment, site performance monitoring and additional warranty protection.

WAP Server Certificates. WAP Server Certificates provide authentication and encryption between wireless web servers and mobile devices utilizing WTLS. Our WAP server certificate service is compatible with many WAP servers including Motorola, Nokia and Openwave.

As a member of the VeriSign Global Affiliate Network, VeriSign provides us with a combination of technology, support and marketing services to facilitate the initial deployment and on-going delivery of various digital certificate services. VeriSign also provides us with the appropriate business readiness services to facilitate the efficient and timely rollout of their digital certificate offerings. These readiness services may include Service Center or Processing Center installation and integration services, facility and network design consulting, technical and customer support documentation and training, sales and marketing support, operating practice templates and local market customization. We are also a member of the VeriSign Trust Network (VTN), a global network of digital certificate service providers that operate with common technology, infrastructure and practices to enable digital certificate interoperability on a worldwide basis.

Application Acceleration Services. These are rapid deployment services that secure information passed over applications such as Microsoft Exchange, SAP and Virtual Private Networks (VPN) for e-commerce.

Content Signing Certificates. In addition to Web Server Digital Certificate services, we offer content signing certificates. Content signing digital certificates enable developers, content providers, publishers and vendors to digitally sign their content in order to authenticate the source and provide assurance of the integrity of the content delivered to end-users.

To expand and complement the services described above, our professional services group, which includes experts in digital certificate architecture and application integration, provides a variety of design, development and implementation services. These services include integrating with existing applications and databases, consulting on policies and procedures related to the management and deployment of digital certificates, training classes on the latest developments in security technology and selecting the necessary software

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and hardware to complement a digital certificate solution.

As a result of an independent examination of our PKI processing center in Copenhagen we received the prestigious WebTrust Seal of Assurance from KPMG. The WebTrust seal, which is displayed on all of our web sites, indicates that we have complied with the business standards prescribed by the American Institute of Certified Public Accountants and the Canadian Institute of Chartered Accountants concerning the issuance of digital certificates by certification authorities and adopted by several European countries including Denmark.

In addition to the above-described VeriSign products and services, we also offer the following trusted Internet infrastructure products and services:

Virus Surveillance/Detection/Support, Security Penetration Testing/Analysis. Gartner research indicates that the IT security-consulting sector represents the largest share of the Western European IT

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security market. Through our wholly-owned subsidiary, EuroTrust Virus112 A/S ("Virus112"), we offer a suite of IT security consulting services including sophisticated virus detection software, IT security support, security gap penetration assessments and system vulnerability testing to more than 3,000 businesses in Denmark, Norway and Sweden. Offered on a subscription basis, Virus112's Early Warning System scans the Internet for potential threats and immediately notifies its clients via fax, email and text messaging of any potential outbreaks, minimizing the risk of potential infections. In September 2001, Virus112 expanded its business by offering IT security consulting services that emphasize risk assessment and penetration testing services. In October 2002, Virus112 expanded its product offerings by adding the following:

- o "Virus112 Mail Scanning," a 24x7 e-mail surveillance and virus-scanning, recognition and removal technology;
- o "Virus112 Spam Scanner," a 24x7 automated guard against spam emails which also provides the customer with a monthly report and online access to information on email activity and blocked e-mails; and
- o "EuroTrust Security Scanner," (ESS) a scanning system that scans external IP addresses for potential security risk, to prevent viral attacks through the Internet.

Remote Data Backup Services. Offsite backup services intrinsically appeal to the same clientele as subscribers of our virus detection and warning service. Backup and recovery software alone booked \$2.7 billion in revenue in 2001 industry-wide, and that figure is expected to grow to \$4.7 billion by 2005, according to the research firm IDC. We provide remote data backup services to more than 300 European businesses through EuroTrust Netvaulting A/S (formerly known as WISEhouse Denmark A/S), a wholly-owned subsidiary of EuroTrust. Remote backup services protect the data found on company servers from the threat of fire, hardware failure, natural disasters, theft and viruses. The backup technology is based on IBM's Tivoli Storage Manager software.

Secure Hosting. We currently provide secure web hosting services to more than 11,000 customers in Denmark, Sweden and Norway through our subsidiary EuroTrust Secure Hosting A/S ("Hosting"). Hosting was created in January 2002 as a result of the combination of our Digiweb activity with DHT Hosting ApS, a Danish automated hosting company. We own 75% of Hosting and the former owners of DHT Hosting own the remaining 25%. We have an option to acquire the 25% of Hosting that we currently do not own at a price based on the future

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profitability of Hosting.

Hosting is a practice that is still relatively new for most Scandinavian companies. The outsourcing of this technical operation allows non-technical companies to focus on their core competencies without having to worry about the related technology issues related with keeping a web site operational. Our web hosting services are available to our customers through our relationship with TDC or through Hosting's online, fully automated web-hosting environment.

Our hosting services are based in our secure Internet data center in Soeborg, Denmark. The center is capable of housing more than 1,500 servers and delivers one of the strongest high-availability bandwidth capacities in Europe. The facility is designed with a wide range of physical security features, including state-of-the-art smoke detection and fire suppression systems, 24x7 secured access and video camera surveillance, as well as security breach alarms. The server room is specially-designed with flooring to prevent water damage and with redundant temperature control and air conditioning systems. The center delivers the highest levels of reliability through a number of redundant subsystems, such as multiple fiber trunk uplinks, fully redundant power backups, and a diesel-powered backup generator. We charge a recurring quarterly or yearly fee to continue hosting our clients' web sites on our servers. Hosting services are sold via direct sales, resellers and over the Internet.

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Real Time Security. Through EuroTrust RealTime Security A/S, a majority owned subsidiary, we offer a full service digital video security system, which provides real-time video monitoring and remote storage of the recording via a high speed Internet connection to our central storage location. This system provides the customer with the benefits of a complete video surveillance system without the need to purchase and maintain costly video surveillance hardware required by most traditional Closed Circuit Television ("CCTV") monitoring systems. Our system includes, among other features, the following:

- o Remote viewing and surveillance;
- o Offsite recording and storage of the recordings in a secured centralized location; and
- o Email confirmation of alarms to minimize false alerts

Moreover, this system is also compatible with traditional CCTV systems, which usually can be integrated with minimal additional expenditure. We believe that our system can be used by a multitude of end-users and applied to many different applications including:

- o Security in urban and residential areas including, shops, houses and communal areas;
- o Traffic safety including, highways, bridges and railway crossings;
- o Company security including, ports, loading areas, storage rooms, server rooms, research laboratories, entry controls; and
- o Security for crowded public places including, airports, train stations, subways, supermarkets, tourist places, public parks, gas stations, exhibition halls, banks, casinos and post offices.

In addition, we provided the following Internet related services through July 2001:

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Domain Name Registration.

We began registering domain names for our Scandinavian customers in October 1996. Until June 1999, Network Solutions was the exclusive registry and registrar for second level domain names within the .com, .org, .net and .edu top level domains. We were one of Network Solution's largest European partners. Through our strategic relationship with Network Solutions, we were able to register local domain names, such as .dk for Danish domains, .se for Swedish domains, and .no for Norwegian domains, international top level domains, such as .com, .org, .net and .edu; and other international domain names.

The decision to sell our domain name registration business in 2001 was based on a number of factors. Principally, we believed that a significant percentage of European businesses and consumers are not yet on the Internet. Moreover, we believed that a large percentage of our domain name registration customers did not have an Internet web site or connection at the time they were contacted by our telemarketing department. Accordingly, we would have had to make significant expenditures of working capital to continue to grow this sector of our business and we were not willing to make that commitment.

Web Site Design Services.

In 1998, we began offering web site design services. Most of the web design customers were small- and medium-sized companies, which constituted our historical customer base. Depending on customer needs, we were able to provide simple web design services by merely converting basic information the customer provides to us into HTML format and creating or updating the web site, or we

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could be involved in more elaborate consulting on design, layout and content of a customer's web sites. An ancillary service that we also offered our customers was the ability to update all the major search engines on the Internet once a customer's web site had been created or updated so that appropriate user searches using these search engines will find these web sites. We charged fees for our web site design services based upon the complexity of the site and the amount of original material and design work our staff was asked to create. In addition, we offered customers reliable hosting services, both at the UUNET site and at the Digiweb site. We also had the capability to transfer hosting accounts from the UUNET site to the Digiweb site, while providing, what we believe to be, a comparable quality of service. In connection with our strategy to focus on trusted Internet infrastructure products and services we decided to cease the operation of our Web Site Design Services business in 2001.

Internet Access and E-mail Services.

We also were an Internet Service Provider, or ISP. Our primary source of connectivity was MCI WorldCom/UUNET. We also had Internet access agreements with TeleDanmark Communications AS, which provided us with a backup system in the event that it was needed. Internet access and e-mail services were not a principal source of revenues. We provided Internet access and e-mail services to our customers as necessary and important segments of our circle of products but without charging any startup or ongoing fees for Internet access. We charged a small fee per year for each e-mail account we maintained, but depending on the mix of our other products used by the customer, e-mail service may have been included without charge. Our decision to exit this business was based on our belief that over time, industry-wide, Internet access fees and charges for e-mail services were going to decline to a point where users will not incur any charges. For example, in Denmark, ISPs no longer charge access

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fees to Internet users. Rather, users of the Internet pay their telephone company for their online usage, and these charges continue to decline.

E-Commerce Services.

We offered our customers an e-commerce system which allowed them to blend the presentation of their business with potential product sales. We developed e-commerce software that integrated invoicing and shipping and we created links between e-commerce shopping malls we developed and the customer's site, which we also usually maintained. Order handling was outsourced to a third party with expertise in this aspect of e-commerce. We offered software, as well as consulting expertise in how best to implement e-commerce for a particular business. We believed that this integrated shopping system is a natural add-on to many of the web sites we were developing for our customers. We generated revenues by producing the web site and charging annual license fees, which fees took into account both use of the software and per visit charges for access to the shopping mall. In connection with our strategy to focus on trusted Internet infrastructure products and services, these services are now part of the service offerings of our Hosting subsidiary.

Telecommunications Products and Services

We began providing international telephony services in August 1997 under an agreement with MCIWorldCom covering international telephony service in Denmark. In 1998, we expanded our telephony offerings into the cellular marketplace through an agreement with TeleDanmark Mobile, giving our customers access to both national and international cellular services. The agreement with TeleDanmark Mobile expired in June 2001. In connection with our strategy to focus on trusted Internet infrastructure products and services, in November 2001 we sold our entire telecommunications operations and customer base.

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Also, until late 2000, a Business Catalog publishing business was included in our Internet Services segment. Under this business, we published two kinds of business directories: fax directories and business information directories. The demand for our directories declined significantly since the emergence of readily available information on the Internet. We ceased operations of the Telecommunications Products and Services business in late 2000.

Broadcasting

For most of 2001 we operated two television channels, dk4 and Bio+. Both channels were carried by TDC on Cable, formerly known as TeleDanmark, Denmark's largest cable operator. In October 2001 we consolidated the programming of both channels. This decision was a result of the fact that the agreement with TDC to broadcast Bio+ was not going to be renewed once it expired December 31, 2001. On the other hand, the carriage agreement for dk4 was extended through March 31, 2004. In addition, we entered into two new distribution agreements and a new programming agreement for dk4. Specifically, we entered into distribution agreements with the Scandinavian cable operator Telenord Vision and with the Danish digital satellite television service provider Canal Digital A/S. Telenord and Canal have approximately 800,000 subscribers. dk4 also expanded its programming by covering European Union parliament sessions and joining the Pan-European Parliament TV network. In December 2001 we sold a 15% interest in our broadcast business to Parken Entertainment and Sports A/S for DKK 12 million.

dk4

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We acquired dk4 in October 1999. As of December 31, 2002, approximately 33% of all households in Denmark had access to dk4. In 2001, dk4 launched its revised Internet platform. The homepage contains live video streaming, enabling subscribers to watch dk4 live over the Internet.

dk4's principal programs are in the areas of culture, education, sports and politics:

- o Politics. dk4 broadcasts proceedings of the Danish Parliament, including debates and selected expert hearings. During 2002, dk4 offered more than 50 programs on the European Union, among these roundtable discussions and presentation of Members of Parliament, including the former and the present President of the European Parliament plus selected Members of the European Commission. In 2001, dk4 was acknowledged as a European Channel by the European Parliament and joined the discussion forum for Parliamentary Channels in the European Union ("EU"). In conjunction with the European Parliament, dk4 produced an educational video for Danish high schools on "Model European Parliament" (a multicultural conference for young people on the inner workings of the EU). All the programs are available on dk4's homepage.
- o Sports. dk4 offered a number of niche sports programs in 2002
- o Culture. dk4 offers programs focusing on theatre, opera, literature, classical music and history. In the 2000/2001 season, programs on contemporary art and fine wines were added. Furthermore, a number of musical shows were introduced and the number of such shows was increased in 2002.

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- o Education. Educational offerings include lectures given at the newly founded "DK4 University", a series which is also integrated with the Internet. In 2001, an add-on to this series was introduced through the "EU University" with a number of lectures on current EU topics such as Enlargement and the future Constitution of the EU. In 2002, we introduced an educational series on use of PCs.

In October 1999, dk4 acquired PrimeVision, or PV, a production company. PV produces programs for dk4 as well as for other television channels. One of our primary objectives is for PV to become the leading production facility house in Scandinavia. By the end of 2001, PV was among the three leading production companies in Denmark and has been employed as a production company for the Danish Premier League and a number of other sports productions.

Bio+

We acquired Bio+ in September 1999. As a result of a strategic alliance with Fox Kids Europe in January 2000, we repackaged and relaunched the channel. As repackaged, Bio+'s primary offering was Danish movies. In October 2001, we combined the operations of Bio+ with those of dk4.

Print and on-line publications

In August 1999, we acquired All Media Holding A/S, which owned 77.5% of Chili A/S, publisher of the Danish and Norwegian versions of Chili magazine as well as the sponsor of various Chili web sites. Chili was one of the largest

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youth-oriented media companies in the Scandinavian market. Telia, the Swedish telecom communications conglomerate, owned the other 22.5% of Chili. In April 2001, Chili A/S merged with Dobedo AB of Sweden. In December 2001 we sold our entire interest in All Media Holding A/S to JTS express A/S, the sole distributor of Chili magazine.

Distribution of Sales

The following tables set out our revenues by category and region for each of the years ended December 31, 2000, 2001 and 2002.

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Breakdown of revenues by category(1)

	2000		2001		2002	
	DKK	Percentage	DKK	Percentage	DKK	Percentage
	(currency amounts are in thousands)					
Internet services	94,999	50%	72,183	48%	63,769	47%
Broadcasting	83,005	44%	79,731	52%	72,020	53%
Other	10,624	6%	0	0%	0	0%
	188,628	100%	151,914	100%	135,789	100%

Breakdown of revenues by geographic market(1)

	2000		2001		2002	
	DKK	Percentage	DKK	Percentage	DKK	Percentage
	(currency amounts are in thousands)					
Denmark(1)	125,932	67%	100,016	66%	110,992	82%
Norway	16,104	9%	19,117	13%	4,967	4%
Sweden	44,456	23%	29,703	20%	2,874	2%
France	577	0%	2,310	1%	9,636	7%
Finland	0	0%	0	0%	2,763	2%
Austria	0	0%	0	0%	1,884	1%
Switzerland	0	0%	0	0%	2,673	2%
United Kingdom	1,521	1%	303	0%	0	0%
Germany	38	0%	465	0%	0	0%
	188,628	100%	151,914	100%	135,789	100%

- (1) The amounts for 2000 and 2001 do not include revenues from the print and online media business because that business was sold in 2001 and is reflected as loss from discontinued operations.

Seasonality

In Scandinavia it is common practice for businesses to close down in July due to summer holidays. Therefore, the level of our consolidated activities are usually lower in the third quarter than in the first, second and fourth quarters.

Intellectual Property

We rely primarily on a combination of copyrights, trademarks, service marks, restrictions on disclosure and other methods to protect our intellectual property. We also enter into confidentiality agreements with our employees, consultants and current and potential affiliates, customers and business partners. We also generally control access to and distribution of documentation and other proprietary information.

We have registered trademarks for "DIGIWEB," "Virus112" and "EUROTUST" at OHIM, the European Trademark Office. We also applied for registration of the trademark "EUROTUST" in Switzerland and Norway. In both countries the trademark "EUROTUST" is still pending. We have obtained Danish and foreign trademark registrations for various EuroTrust marks. With regard to our digital trust services, we also rely on certain licensed third-party technology, such as public key cryptography technology and other technology that is used in our digital trust license from RSA Security Inc. or RSA. In particular, RSA has granted us a perpetual, royalty free, nonexclusive, worldwide license to distribute internet-based trust services. We develop services that contain or incorporate the RSA BSAFE and TIPEM products and that relate to digital certificate-issuing software, software for the management of private keys and for digitally signing computer files on behalf of others, software for customers to preview and forward digital certificate requests to them, or such other services that, in RSA's reasonable discretion, are reasonably necessary for the implementation of a digital certificate business. RSA's BSAFE product is a software tool kit that allows for the integration of encryption and authentication features into software applications. TIPEM is a secure e-mail development tool kit that allows for secure e-mail messages to be sent using one vendor's e-mail product and read by another vendor's e-mail product.

Competition

Internet Services

Our trusted Internet infrastructure products and services are targeted at the rapidly evolving market for trusted services, including authentication, validation and payment, that enable secure electronic commerce and communications over wired and wireless IP networks. Although the competitive environment in this market has yet to develop fully, we anticipate that it will be intensely competitive, subject to rapid change and significantly affected by new product and service introductions and other market activities of industry participants.

Our principal competitors are Baltimore, EnTrust and TDC. In addition, browser companies that embed our interface technologies or otherwise feature us as a provider of digital certificate products and services in their web browsers or on their websites could also promote our competitors or charge us substantial fees for promotions in the future. New technologies and the expansion of existing technologies may increase the competitive pressures on us. The market for digital certificates is emerging and is characterized by announcements of collaborative relationships involving our competitors. The existence or announcement of any relationships could adversely affect our ability to attract

and retain customers.

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Companies with Internet expertise are current or potential competitors to our Internet technology services. These companies include systems integrators and consulting firms, such as IBM Global Services. Instead of competing against these companies, our strategy is to create beneficial partnerships urging them to use and sell our products and services. We also compete with some companies that have developed products that automate the management of Internet protocol addresses and name maps throughout enterprise-wide intranets, and with companies with internally-developed systems integration efforts.

Several of our current and potential competitors have longer operating histories and significantly greater financial, technical, marketing and other resources than we do and therefore may be able to respond more quickly than we can to new or changing opportunities, technologies, standards and customer requirements. Many of these competitors also have broader and more established distribution channels that may be used to deliver competing products or services directly to customers through bundling or other means. If such competitors were to bundle competing products or services for their customers, the demand for our products and services might be substantially reduced and our ability to distribute our products successfully and the utilization of our services would be substantially diminished.

Broadcast Media

In our broadcast business, we compete with channels that are carried by more Cable providers, included in more "TV Packages", offered to cable subscribers, and catering to a much larger viewing audience than we do. Until 2001, cable providers were subject to governmental regulations that limited their programming to the programming provided by those channels chosen through a referendum of subscribing households, every two years.

Presently, the only channels that cable providers are required to include in their "TV Packages" are the publicly funded channels, i.e., DR, DR2, TV2, (and one local TV station). We expect that the number of channels competing to be included in those "TV Packages" will increase in the ensuing years. If viewer preferences change and we are unsuccessful in addressing those changes in our programming, we may lose favor with them and cable providers may choose to replace us with a competitor.

Government Regulation

In 2000, the Danish Parliament passed legislation to regulate the activities of Certificate Authorities, which are companies that issue certificates for electronic signatures. The purpose of this legislation is to promote secure and efficient utilization of electronic communication by specifying requirements for certain electronic signatures and Certification Authorities that issue certificates for electronic signatures. In addition, this legislation also authorizes the formation of a regulatory agency to oversee compliance by Certification Authorities. We do not believe that this legislation has had any significant impact on our business.

In 2002 the Danish Government passed legislation, regarding Public Certificates for Electronic Services (OCES certificates), setting the standard for the implementation of digital identity and signatures for use by Danish citizens and businesses. OCES certificates are primarily for use by Danish citizens and companies (i) for electronic signatures in their electronic communications with others, (ii) to secure the sender and message authenticity

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in their electronic communications with Danish governmental authorities and (iii) for securing secrecy (encryption) in electronic communications from Danish governmental authorities to a citizen or company. The purpose of this legislation is to promote secure

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and efficient utilization of electronic communications between Danish citizens and companies, and the Danish Government. We believe that this legislation will promote the use of digital signatures and will improve the business and the market for these products in Denmark.

Sales and Marketing

In December 2001, we changed our name from "euro909" to EuroTrust because, we believe, it reflects more accurately our new business strategy. We renamed two of our wholly owned subsidiaries as part of our ongoing process to extend and unify the EuroTrust brand throughout our network of European companies. Specifically, we changed the name of Virus112.com A/S to EuroTrust Virus112 A/S and WISEhouse Denmark A/S to EuroTrust Netvaulting A/S. In addition, the names of each of our other subsidiaries incorporate the "EuroTrust" name. (See section C, of this Item 4, below entitled "Organizational structure of the Company"). Unifying the names of our operating subsidiaries is part of our overall strategy to further develop and exploit the advantages of the scalability and synergies of our products and services under the EuroTrust brand name. Our goal is to make the EuroTrust brand name synonymous with IT-security throughout Europe.

We market our products and services throughout Scandinavia and Western-Europe through multiple distribution channels, including the Internet, direct sales, telesales, value added resellers and systems integrators. Our sales teams build upon our existing customer relationships by contacting clients about security offerings on an ongoing basis and periodically selling them other complementary security products. We have found that satisfied customers of initially one or more of our services will likely become repeat customers for additional products or services.

Plans for our pan-European expansion into IT security have been carefully calculated to minimize costs and maximize customer service. We employ multiple native-language sales and marketing teams within our Copenhagen facilities until the level of sales justifies independent offices. By housing multiple sales teams in Copenhagen that speak the native language of each country, we can provide our customers with a high level of service while keeping our overhead low.

Our customers typically represent organizations in the following sectors: government, travel, banking/finance, professional services and consulting, telecommunication, and other technology companies.

C. Organizational structure of the Company

The following is a list of our significant subsidiaries and their jurisdiction of incorporation and our ownership interest in those subsidiaries.

Subsidiary		Country of Incorporation	Interest Ownership
-----		-----	-----
Euro909.dk A/S		Denmark	100.0%
EuroTrust PKI Services A/S	(1)	Denmark	100.0%
EuroTrust Net Vaulting A/S		Denmark	100.0%

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EuroTrust Virus112 A/S	(2)	Denmark	100.0%
Euro909Media A/S (dk4)		Denmark	85.0%
EuroTrust Secure Hosting A/S	(3)	Denmark	75.0%
EuroTrust Realtime Security A/S	(4)	Denmark	85.3%
EuroTrust Sweden AB	(5)	Sweden	70.0%
Telefax Scandinavia i Sverige AB		Sweden	100.0%
EuroTrust E-Security SARL		Switzerland	100.0%
EuroTrust France SAS	(6)	France	100.0%

- (1) Formerly known as EuroTrust Denmark A/S.
- (2) Formerly known as Virus112.com A/S.
- (3) Result of the combination of our Digiweb activity with DHT Hosting ApS, on January 1, 2002.
- (4) The subsidiary through which we sell our remote digital video surveillance systems.
- (5) The subsidiary through which we sell our anti-virus products in Sweden.
- (6) Formerly known as Alphasys SAS.

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Property, Plant and Equipment

Our executive offices are located in Soeborg, Denmark, where we own facilities which comprise 1,554 square meters of floor space and also, house our Danish operations, including our Internet data center.

For our broadcasting media operations, which are located in Copenhagen, we lease 2,233 square meters. For our Internet services operations we lease the following:

- (i) 780 square meters of floor space in Aarhus, Denmark, for our remote data backup subsidiary, EuroTrust Net Vaulting;
- (ii) 110 square meters of floor space in Lund, Sweden, for our operations in Sweden; and
- (iii) 344 square meters of floor space in Champs sur Marne, France, for our operations in France.

The total aggregate annual lease costs are approximately DKK 3,400,000. The operating leases are cancelable by both parties through various times between six and thirty-seven months. We believe that the current facilities for our broadcasting media operations and our Danish activities, including our Internet data center, will be adequate for our purposes for at least the next 12 months. We also believe that there is a supply of alternative facilities available in each of the locations where we operate, should we deem it desirable to expand our facilities or otherwise change locations.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

A. Operating Results

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Overview

Until December 2001, our business operated in three distinct areas: Internet products and services; broadcasting; and print and online media. In early 2001 we made the strategic decision to focus primarily on providing trusted Internet infrastructure products and services and e-commerce solutions in Scandinavia and selected west European markets. To that end, in 2001, we sold our domain name registration, historical telecommunications (all the remaining assets) and our print and online media businesses, and consolidated our television programming business.

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We believe that our products and services, together with our reputation as a customer-service oriented company, provide us with competitive advantages. However, we cannot assure you that we will successfully implement our business strategy.

Critical accounting policies

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States (GAAP). The preparation of these financial statements requires Management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates under different assumptions or conditions. We believe that the estimates, assumptions and judgments involved in the accounting policies described below have the greatest potential impact on our consolidated financial statements, so we consider these to be our critical accounting policies. See "Summary of Significant Accounting Policies" beginning on page F-9 in the consolidated financial statements for more information about these critical accounting policies, as well as descriptions of other significant accounting policies.

Allowance for doubtful accounts

We maintain allowances for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. We regularly review the adequacy of our accounts receivable allowance after considering the size of the accounts receivable balance, each customer's expected ability to pay and our collection history with each customer. We review significant invoices that are past due to determine if an allowance is appropriate based on the risk category using the factors described above. We also monitor our accounts receivable for any build up of concentration to any one customer, industry or geographic region. To date our receivables have not had any particular concentrations that, if not collected, would have a significant impact on our operating income. We require all acquired companies to adopt our credit policies. The allowance for doubtful accounts represents our best estimate, but changes in circumstances relating to accounts receivable may result in a requirement for additional allowances in the future.

Long-term investments

We invest in securities of companies for business and strategic purposes.

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These investments are in the form of equity securities of private companies for which there is no public market. For a specification of the investments you should refer to note 3 of the accompanying consolidated financial statements. These companies are typically in the early stage of development and are expected to incur substantial losses in the near-term. Therefore, we may never realize any return on these investments. Further, if these companies are not successful, we could incur charges related to write-downs or write-offs of these investments.

We review, the assumptions underlying the operating performance from these privately held companies on an annual basis. This information may be more limited, may not be as timely and may be less accurate than information available from publicly traded companies. If we determine that an other-than-temporary decline in fair value of the investment exists, we write-down the investment to its fair

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value and record the related write-down as an investment loss in our consolidated statement of operations.

In fourth quarter of 2002, we determined that the decline in value of certain of our non-public equity investments was other-than-temporary and recorded write-downs of these investments totalling DKK 19.1 million.

Valuation of long-lived assets

Our long-lived assets totaled DKK 50.5 million, as of December 31, 2002, which consist primarily of rights, other intangible assets and property and equipment subject to amortization and depreciation. We test long-lived assets for recoverability whenever events or changes in circumstances indicate that the carrying amount of such an asset may not be recoverable. Such events or circumstances include, but are not limited to:

- o a significant decrease in the market price of a long-lived asset;
- o a significant adverse change in the extent or manner in which a long-lived asset is being used or in its physical condition;
- o a significant adverse change in legal factors or in the business climate that could affect the value of a long-lived asset;
- o a current-period operating or cash flow loss combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with the use of a long-lived asset; and
- o a current expectation that it is probable that a long-lived asset will be sold or otherwise disposed of significantly before the end of its previously estimated useful life.

An impairment loss would be recognized when the sum of the undiscounted future net cash flows expected to result from the use of the asset and its eventual disposition is less than its carrying amount. Such impairment loss would be measured as the difference between the carrying amount of the asset and its fair value, which is usually based on future estimated discounted cash flows. Significant judgment is required in the forecasting of future operating results, which are used in the preparation of projected cash flows. If we made different judgments or utilized different estimates, material differences may result in write-downs of net long-lived and intangible assets, which would be

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reflected by charges to our operating results for any period presented.

We recorded an impairment charge of approximately DKK 74.0 million in the year ended December 31, 2002.

Goodwill

We account for acquisitions under the purchase method of accounting, typically resulting in goodwill. Statement of Financial Accounting Standards (SFAS) No. 142, Goodwill and Other Intangible Assets, requires us to assess goodwill for impairment at least annually in the absence of an indicator of possible impairment and immediately upon an indicator of possible impairment. The statement requires estimates of the fair values of our reporting units. If we determine the fair values of a reporting unit is less than the carrying amount recorded on our Consolidated Balance Sheet, we must measure any impairment loss. The measurement of the impairment loss involves comparing the fair value of the reporting unit with the fair values of the recognized and unrecognized assets and liabilities to arrive at an

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implied fair value of goodwill, which is then compared to the book value of the goodwill of the reporting unit. At December 31, 2002, we had DKK 20,964 thousand of goodwill recorded on our Consolidated Balance Sheet. The entire goodwill was recorded in our Broadcasting media segment.

During the fourth quarter, we performed our annual impairment assessment of goodwill in accordance with the provisions of SFAS No. 142. In testing for potential impairment, we measured the estimated fair value of our reporting units based upon discounted future operating cash flows using a discount rate reflecting our estimated discount rate for the specific reporting units. Differences in assumptions used in projecting future operating cash flows and estimated discount rate could have a significant impact on the determination of impairment amounts.

In estimating future cash flows we used our internal budgets. Our budgets were based on recent sales data for existing products and expected growth rates for the Internet security services and framework agreements entered into with customers in the broadcasting segment. These budgets were based on current royalty percentages, expected staffing levels and expected inflation.

Due to the numerous variables associated with our judgments and assumptions relating to the valuation of the reporting units and the effects of changes in circumstances affecting these valuations, both the precision and reliability of the resulting estimates are subject to uncertainty, and as additional information becomes known, we may change our estimates.

Based on these measurements, we recorded an impairment charge in the internet services segment of approximately DKK 65.3 million in the fourth quarter of 2002.

Inventories

The inventory principally consists of 45,000 IBM Tivoli licenses relating to our remote back-up business. Inventories are stated at the lower of cost or market with cost determined on the basis of the first in, first out method.

Management must make estimates about the future customer demand for IBM Tivoli licenses when establishing the appropriate provisions for inventory. When making these estimates, we consider general economic conditions and historical sales of

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licenses, the market acceptance of the current generation of licenses, the available market for these products and expected sales prices for the licenses. These judgments must be made in the context of our customers' shifting technology needs. A misinterpretation or misunderstanding of any of these conditions could result in significant changes to the provisions determined to be appropriate as of the balance sheet date.

We recorded inventory provision related to our IBM Tivoli licenses, of DKK 21,651 in 2002 and DKK 0 in 2001.

Tax asset valuation

We currently have deferred tax assets resulting from net operating loss carryforwards, , and deductible temporary differences, all of which will reduce taxable income in the future. We assess the realization of these deferred tax assets when necessary to determine whether an income tax valuation allowance is required. Based on available evidence, both positive and negative, we determine whether it is more likely than not that all or a portion of the remaining net deferred tax assets will be realized. The main factors that we consider include:

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- o future earnings potential determined through the use of internal forecasts;
- o cumulative losses in recent years;
- o history of loss carryforwards and other tax assets expiring;
- o the carryforward period associated with the deferred tax assets; and
- o the nature of the income that can be used to realize the deferred tax asset.

If it is our belief that it is more likely than not that some portion of these assets will not be realized, an income tax valuation allowance is recorded. Our gross tax assets and valuation allowances were DKK 149.2 million and DKK 148.5 million respectively, as of December 31, 2002, resulting in a net deferred tax asset of DKK 0.7 million.

See Note 13 to our financial statements for further details regarding this deferred tax asset.

If market conditions improve and future results of operations exceed our current expectations, our existing tax valuation allowances may be adjusted, resulting in future tax benefits. Alternatively, if market conditions deteriorate further or future results of operations are less than expected, future assessments may result in a determination that some or all of the net deferred tax assets are not realizable. As a result, we may need to establish additional tax valuation allowances for all or a portion of the net deferred tax assets.

Consolidated Results

Year Ended December 31, 2002 Compared with Year Ended December 31, 2001

Revenue for the year ended December 31, 2002 was DKK 135.8 million, a decrease of DKK 16.1 million, or 10.6%, compared to revenue of DKK 151.9 million for the year ended December 31, 2001. The table below compares revenue for both years on a segment-by-segment basis.

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	Revenue		Amount of	Percentage
	2002	2001	Increase (Decrease)	Increase (Decrease)
	-----	-----	-----	-----
	(in thousands of DKK)			
Internet services	63,769	72,183	(8,414)	(11.7%)
Broadcast media	72,020	79,731	(7,711)	(9.7%)
Total	135,789	151,914	(16,125)	(10.6%)

Both the Internet services segment and the broadcast media segment showed a decrease in revenues. The decrease in revenue in our Internet services segment is attributable to the fact that in 2001 we realized revenues from our domain name registration business until it was sold in July 2001. We have not realized any significant revenues under our International Affiliate Agreement with VeriSign in 2002 to offset for the decrease in revenue resulting from the sale of our domain name registration business. The decrease in revenue in our broadcast media segment reflects the fact that in 2001 we consolidated all of our television programming into a single television channel, dk4. The consolidation resulted primarily from the fact that the carriage agreement with TDC to broadcast Bio+ was not going to be renewed once it expired December 31, 2001. In addition, the carriage agreement for dk4 was extended through March 31, 2004 and we entered into two new distribution agreements and a new programming agreement for dk4. As a result, the lost revenue from the consolidation of Bio+ and dk4

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and the non-renewal of the Bio+ agreement with TDC could not be completely supplanted by the revenues from the new agreements entered into by dk4.

Total operating expenses for the year ended December 31, 2002 were DKK 381.5 million, an increase of DKK 33.6 million, or 9.7%, from the total operating expenses of DKK 347.9 million for the year ended December 31, 2001. This increase resulted primarily from an increase in amortization and write downs mainly related to a write down of VeriSign rights and goodwill impairment in our trusted Internet infrastructure services business, offset by the elimination of the operating expenses associated with both the operations of the domain name registration business and our Bio+ television channel. The table below shows our operating expenses by category on a segment-by segment basis.

	Cost of Revenue		Amount of	Percentage
	2002	2001	Increase (Decrease)	Increase (Decrease)
	-----	-----	-----	-----
	(in thousands of DKK)			
Internet services	55,484	34,526	20,958	60.7%
Internet services, related parties	24,988	7,376	17,612	238.8%
Broadcast media	40,534	55,710	(15,176)	(27.2%)
Broadcast media, related parties	0	0	0	0.0%
Total	121,006	97,612	23,394	24.0%

Selling and Marketing	Amount of	Percentage
	Increase (Decrease)	Increase (Decrease)
2002	2001	

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				(in thousands of DKK)
Internet services	38,391	57,690	(19,299)	(33.5%)
Internet services, related parties	908	1,436	(528)	(36.8)
Broadcast media	10,150	8,980	1,170	13.0%
Broadcast media, related parties	0	0	0	0.0%
Total	49,449	68,106	(18,657)	(27.4%)

	General and Administrative		Amount of Increase (Decrease)	Percentage Increase (Decrease)
	2002	2001		
				(in thousands of DKK)
Internet services	33,834	45,429	(11,595)	(25.5%)
Internet services, related parties	1,115	1,083	32	3.0%
Broadcast media	9,934	10,140	(206)	(2.0)%
Broadcast media, related parties	0	0	0	0.0%
Total	44,883	56,652	(11,769)	(20.8%)

	Depreciation Amortization and write down and Goodwill impairment		Amount of Increase (Decrease)	Percentage Increase (Decrease)
	2002	2001		
				(in thousands of DKK)
Internet services	161,289	90,572	70,717	78.1%
Broadcast media	4,828	34,980	(30,152)	(86.2%)
Total	166,117	125,552	40,565	32.3%

The increase in cost of revenue for our Internet services revenues is primarily attributable to the additional incremental expenditure associated with the increase in sales of trusted internet Infrastructure services during 2002 including the additional expenses of DKK 10 million, attributable to annual fee and minimum sell through guarantees to VeriSign, and DKK 21.7 million, attributable to our write down of the value of our IBM Tivoli licenses, both of which are included in the cost of revenue for 2002. As a result of the successful renegotiation of the Affiliate Agreement with Verisign, in February 2003, pursuant to which, among other items, they agreed to waive their rights under the annual fee and minimum sell through guarantees for 2002. Accordingly, our cost of revenue in the first quarter of 2003 will be reduced by DKK 10 million.

The decrease in sales and marketing expenses and general and administrative expenses is attributable to the sale of our domain name registration business and our continued focus on lowering expenses generally.

The increase in depreciation, amortization and write-down and goodwill

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impairment expenses reflects a write down of goodwill and other write downs in accordance with our adoption, in 2002, of Statement of Financial Accounting Standards (SFAS) No.s 142 and 144. Accordingly, in the Internet services segment, we depreciated and wrote down approximately DKK 161.3 million for the year ended December 31, 2002. Based on our management's assessment, the write downs included DKK 63.4 million from the write down of the rights we acquired from VeriSign and DKK 33.2 million from the write down of goodwill attributable to our acquisition of Alphasys SAS (due to revenue expectations not being met). The balance of the depreciation and the write down expenses mainly relate to the write down of goodwill in connection with various business acquisitions also due to revenue expectations not being met.

In our broadcast media segment, cost of revenues, general and administrative expenses, depreciation, amortization and write-down and goodwill impairment expenses decreased due to the fact that we consolidated all of our television programming into a single television channel, dk4. For the year ended December 31, 2002, the aggregate depreciation, amortization and write-down and goodwill impairment expenses decreased, approximately DKK 30.1 million, to DKK 4.8 million as compared to the same period in the prior year. This decrease is due to our write down of a significant portion of the goodwill attributable to the acquisition of our broadcasting business as a result of the closing of Bio+ in 2001 and the consolidation of its operations with that of dk4.

For the year ended December 31, 2002, the gross profit for our Internet services segment was DKK (16.7) million, or a margin of (26.2)% of segment revenues. For the year ended December 31, 2001, the gross profit for our Internet services business was DKK 30.3 million, or a margin of 42.0% of segment revenues. This decrease in gross profit margin is mainly attributable to the fact that the gross profit margin on the domain name registration business which is included in 2001 results for a six month period are substantially higher than the gross profit margin on our trusted Internet infrastructure services business. We expect the gross profit margin to increase with time as the business of providing trusted Internet infrastructure services mature. Furthermore, the gross profit margin for 2002 was further reduced by the additional expenses of DKK 10 million, attributable to annual fee and minimum sell through guarantees to VeriSign, and DKK 21.7 million, attributable to our write down of the value of our

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IBM Tivoli licenses, both of which are included in the cost of revenue for 2002. As a result of the successful renegotiation of the Affiliate Agreement with VeriSign, in February 2003, pursuant to which, among other items, they agreed to waive their rights under the annual fee and minimum sell through guarantees for 2002. Accordingly, our cost of revenue in the first quarter of 2003 will be reduced by DKK 10 million.

In the case of our broadcast media segment, the gross profit margin for 2002 was DKK 31.5 million, or 43.7% of segment revenues while the gross profit margin for 2001 was DKK 24.0 million, or 30.1% of segment revenues. This increase is primarily attributable to the general reduction of cost resulting from the consolidation of our television programming into a single television channel, dk4.

For the year ended December 31, 2002 our operating loss increased by DKK 49.7 million to DKK 245.7 million compared to a loss of DKK 196.0 million for the year ended December 31, 2001. The operating loss for our Internet services segment increased by DKK 86.3 million to DKK 252.2 million compared to a loss of DKK 165.9 million for the year ended December 31, 2001. This increase is primarily attributable to the write down of goodwill and other assets to reflect

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the impairment in the fair market value of certain acquired assets in accordance with SFAS 142. In the Internet services segment, we depreciated and wrote down approximately DKK 161.3 million for the year ended December 31, 2002. Based on our management's assessment, the write downs included DKK 63.4 million from the write down of the rights we acquired from VeriSign and DKK 33.2 million from the write down of goodwill attributable to our acquisition of Alphasys SAS (due to revenue expectations not being met). The balance of the depreciation and the write down expenses mainly relate to the write down of goodwill in connection with various business acquisitions also due to revenue expectations not being met.

The operating income for our broadcast media segment increased by DKK 36.7 million to DKK 6.6 million compared to an operating loss of DKK 30.1 million for the year ended December 31, 2001. This increase is attributable to the reduction in operating expenses due to the consolidation of our television programming into a single television channel.

For 2002, we had interest income of DKK 1.9 million and interest expense of DKK 1.1 million. For 2001, interest income was DKK 2.3 million and interest expense was DKK 0.3 million. The reduction in interest income in 2002 reflects our lower cash balances during the year due to increased capital expenditures. The increase in interest expense in 2002 reflects an increase in our borrowings during the year.

For 2002, we had a net foreign exchange loss of DKK 5.3 million compared to a net loss of DKK 2.9 million in 2001. The increase is mainly due to the adverse developments in the US dollar exchange rate in 2002.

For 2002, we wrote down DKK 19.1 million of long term investments compared to DKK 0 for 2001. Based on our review of the valuation of investments made at December 31, 2002, we wrote down our investments in Trust Italia S.p.A. (DKK 16,053), Wisekey SA (DKK 2,322) and certain other shares (DKK 751). These write downs were made due to revenue expectations not being met.

Our net loss for the year ended December 31, 2002 was DKK 283.3 million compared to a net income of DKK 7.7 million for the year ended December 31, 2001. This difference of DKK 291.0 million is primarily attributable to the gain realized from the sale of our domain name registration business in 2001 and to an increase in the write-off of goodwill and other long-lived assets in 2002.

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Year Ended December 31, 2001 Compared with Year Ended December 31, 2000

Revenue for the year ended December 31, 2001 was DKK 151.9 million, a decrease of DKK 36.7 million, or 19.5%, compared to revenue of DKK 188.6 million for the year ended December 31, 2000. The table below compares revenue for both years on a segment-by-segment basis. Both, the Internet services segment and the broadcast media segment showed a decrease in revenues. The decrease in revenue in our Internet services segment is attributable to the fact that we sold our domain name registration business on July 21, 2001 and that only insignificant revenues under our International Affiliate Agreement with VeriSign were realized in 2001, as this business first started in the fourth quarter of 2001. The decrease in revenue in our broadcast media segment reflects a lower payment from the carrier of our dk4 cable television channel compared to last year. The "Other" category reflects our travel business segment that was sold in the second quarter of 2000.

Revenue	Amount of Increase	Percentage Increase
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	2001	2000	(Decrease)	(Decrease)
	-----	-----	-----	-----
		(in thousands of DKK)		
Internet services	72,183	94,999	(22,816)	(24.0%)
Broadcast media	79,731	83,005	(3,274)	(3.9%)
Other	0	10,624	(10,624)	(100.0%)
	-----	-----	-----	-----
Total	151,914	188,628	(36,714)	(19.5%)

Total operating expenses for the year ended December 31, 2001 were DKK 347.9 million, an increase of DKK 57.1 million, or 19.6%, over total operating expenses of DKK 290.9 million for the year ended December 31, 2000. The table shows our operating expenses by category on a segment-by segment basis.

	Cost of Revenue		Amount of Increase	Percentage Increase
	2001	2000	(Decrease)	(Decrease)
	-----	-----	-----	-----
		(in thousands of DKK)		
Internet services	41,902	56,423	(14,521)	(25.7%)
Broadcast media	55,710	56,692	(982)	(1.7%)
Other	0	11,547	(11,547)	(100.0%)
	-----	-----	-----	-----
Total	97,612	124,662	(27,050)	(21.7%)

	Selling and Marketing		Amount of Increase	Percentage Increase
	2001	2000	(Decrease)	(Decrease)
	-----	-----	-----	-----
		(in thousands of DKK)		
Internet services	59,126	53,584	5,542	10.3%
Broadcast media	8,980	8,218	(762)	(9.3%)
Other	0	2,196	(2,196)	(100.0%)
	-----	-----	-----	-----
Total	68,106	63,998	4,108	6.4%

	General and Administrative		Amount of Increase	Percentage Increase
	2001	2000	(Decrease)	(Decrease)
	-----	-----	-----	-----
		(in thousands of DKK)		
Internet services	46,512	43,677	2,835	6.5%
Broadcast media	10,140	11,237	(1,097)	(9.8%)
Other	0	2,469	(2,469)	(100.0%)
	-----	-----	-----	-----
Total	56,652	57,383	(731)	(1.3%)

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	Depreciation		Amount of Increase	Percentage Increase
	Amortization and		(Decrease)	(Decrease)
	write down		-----	-----
	and Goodwill impairment		-----	-----
	2001	2000	(Decrease)	(Decrease)
	-----	-----	-----	-----
		(in thousands of DKK)		
Internet services	90,572	26,301	64,271	244.4%
Broadcast media	34,980	18,009	16,971	94.2%

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Other	0	517	(517)	(100.0%)
	-----	-----	-----	-----
Total	125,552	44,827	80,725	180.1%

In our Internet services business, costs of revenue decreased. The decrease in cost of revenue is attributable to the sale of our domain name registration business in July 2001. The increase in sales and marketing expenses and general and administrative expenses is attributable to the start up cost and other related expenditures in connection with the development of our trusted Internet infrastructure services business. The increase in depreciation and amortization expenses reflects a write down of goodwill. The main write downs were, DKK 33.8 million from the write down of good will attributable to our acquisition of Digiweb due to revenue expectations not being met.

In connection with our broadcast media segment, cost of revenue decreased 1.7% as a result of the decrease in revenue for 2001. Sales and marketing expenses and general and administrative expenses just changed slightly compared to 2000. Depreciation and amortization expenses increased 94.2% as a result of a write down of goodwill due to the closing of Bio+ and the consolidation of its operations with dk4. In connection with closing and consolidation, we wrote down approximately DKK 30 million of the goodwill related to the purchase of our broadcasting business due to revenue expectations not being met.

For the year ended December 31, 2001, the gross profit for our Internet services segment was DKK 30.3 million, or a margin of 42.0% of segment revenues. For the year ended December 31, 2000, the gross profit for our Internet services business was DKK 38.6 million, or a margin of 40.6% of segment revenues. In the case of our broadcast media segment, the gross profit for 2001 was DKK 24.0 million, or a margin of 30.1% of segment revenues while the gross profit for 2000 was DKK 26.3 million, or a margin of 31.7% of segment revenues. This decrease in gross profit is attributable to lower realized revenues in 2001.

Our operating loss for the year ended December 31, 2001 was DKK 196.0 million compared to a loss of DKK 102.2 million for the year ended December 31, 2000. The operating loss for our Internet services business for 2001 was DKK 165.9 million compared to a loss of DKK 85.0 million for the year ended December 31, 2000. The operating loss for our broadcast media business for 2001 was DKK 30.1 million compared to a loss of DKK 11.2 million for 2000. Most of these losses are attributable to the write down of goodwill to reflect the fair market value of certain acquired assets.

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For 2001, we had interest income of DKK 2.3 million and interest expense of DKK 0.3 million. For 2000, interest income was DKK 0.9 million and interest expense was DKK 0.6 million. The additional interest income in 2001 reflects our higher cash balances, which, in turn, are attributable to the VeriSign investment and proceeds from the sale of our various businesses during the year.

For 2001, we had a net foreign exchange loss of DKK 2.9 million compared to a net foreign exchange gain of DKK 2.9 million in 2000. The increase is mainly due to adverse developments in the U.S. dollar exchange rate in 2001.

In 2001 we realized DKK 213.2 million (approximately \$25.4 million) of gains from sales of businesses, including our domain name registration business, our print publication business and a 15% interest in our broadcast business.

The adjustment for minority interest for the year ended December 31, 2001 was DKK 2.0 million, all of which is attributable to our Internet services segment.

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Our net income for the year ended December 31, 2001 was DKK 7.7 million compared to a net loss of DKK 146.7 million for the year ended December 31, 2000. This difference of DKK 154.4 million is almost entirely attributable to the sale of our domain name registration business.

In December 2001 we sold our print and online media business. Accordingly, the results of operations from that segment of our business was segregated from the results of operations from our continuing business segments. As a result, our Consolidated Statement of Operations and Consolidated Statement of Cash Flows for the fiscal year ended December 31, 2001 reflect the fact that the print and online media business is treated as a discontinued operation. In addition, our Consolidated Statement of Operations and Consolidated Statement of Cash Flows for the fiscal years ended December 31, 1999 and 2000 have been restated to reflect this fact as well.

B. Liquidity and Capital Resources

Historically, our primary cash needs have been for capital expenditures and to fund operating losses. At December 31, 2002, cash balances (DKK 37.7 million) and restricted cash (DKK 2.0 million) totaled DKK 39.7 million compared to cash balances (DKK 94.0 million) and restricted cash (DKK 41.6 million) totaling DKK 135.7 million at December 31, 2001. At December 31, 2002 the ratio of current assets to current liabilities was 0.95 to 1. Our current assets primarily reflect our cash, accounts receivables and inventories.

At December 31, 2002, we had secured lines of credit from banks totaling DKK 2.3 million, from which we have drawn DKK 0.8 million. Interest is payable on the line at a floating rate based on the market rates of the major banks. The weighted average interest rate as of December 31, 2002 was 7.5%. In Denmark, a line of credit, such as that used by us, can be cancelled upon three months notice. Any termination would result in the principal and interest becoming due and payable immediately. The line of credit has been used for working capital purposes.

For the year ended December 31, 2002, cash used in operations was DKK 55.2 million compared to DKK 97.8 million for the prior year, a decrease of DKK 42.6 million. The decrease is primarily due to a decrease in cash used for inventories and other assets of DKK 20.8 million and an increase in deferred revenue of DKK 32.0 million.

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For the year ended December 31, 2002, cash provided by investing activities was DKK 4.1 million compared to cash provided by investing activities of DKK 32.4 million for the prior year, a decrease of DKK 28.3 million. The decrease is primarily attributable to the proceeds from the sale of our domain name registration service business and the print and online media business segment in 2001, and the purchase of Alphasys SAS.

For the year ended December 31, 2002, cash used in financing activities was DKK 6.3 million compared to cash provided by financing activities of DKK 111.9 million for the prior year, a decrease of DKK 118.2 million. The decrease is primarily due to a decrease of DKK 122.4 million, in proceeds from the issuance of common shares upon exercise of public warrants during 2001.

Our capital expenditures for the year ended December 31, 2002 were DKK 17.5 million. These expenditures primarily relate to purchase of equipment.

For the first six months of 2003 we have continued to experience net cash

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outflows from our operations. If this trend continues we will be required to raise additional cash to fund both our operations and any capital expenditures. In addition to the line of credit described above we believe we could raise additional funds (i) from borrowing against (or selling) our building in Soeborg, Denmark which we own free of any mortgages and (ii) from the private placement of our ordinary shares to an investor, who has agreed to invest up to DKK 15 million to purchase our ordinary shares, at our option, through May 28, 2004.

We believe that our cash on hand and the positive trend of our operating cash flow together with borrowings currently available and other potential sources of funds as described above will be sufficient to fund our anticipated working capital needs and capital spending requirements in the foreseeable future. However, if we were to incur any unanticipated expenditures or the positive trend of our operating cash flow does not continue it could put a substantial burden on our cash resources.

Contractual obligations (in thousands of DKK)

Contractual obligations	2003	2004	2005	2006	2007	Later years	Total obligations
Capital leases	4,328	2,227	675	542	0	0	7,772
VeriSign affiliate contract*	19,122	0	0	0	0	0	19,122
Operating leases	1,795	1,462	437	146	146	285	4,271
Film Rights	4,000	0	0	0	0	0	4,000
Total contractual obligations	29,245	3,689	1,112	688	146	285	35,165

* Our obligation under the VeriSign affiliate contract reflects an adjusted amount due to the amendment described below in the Section titled "Commitments," Item 10C, and in Note 24. to our financial statements.

Inflation

We do not believe that inflation had a material impact on our results of operations.

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Commitments

In November 2000, we became part of VeriSign's Global Affiliate Network, an expanding group of international service providers using common technology, operating practices and infrastructure, compliant with the European Union (EU) common criteria requirements, to deliver interoperable trust services over the Internet. VeriSign is the leading provider of trusted Internet infrastructure services in the world. Under our Affiliate Agreement with VeriSign, as amended, we provide VeriSign trusted Internet infrastructure products and services in Denmark, Norway, Sweden, Finland, Austria and Switzerland. In February 2003 the Affiliate Agreement with VeriSign was amended, which, among other things,

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extended the term of the agreement for an additional 4 years through December 31, 2010 and reduced the minimum royalty payments and annual fee due to VeriSign for the year ending December 31, 2003 from approximately DKK 49.7 million (\$7.0 million) to approximately DKK 16.3 million (\$2.3 million). It has not been agreed what the minimum annual royalty payments are to be after December 31, 2003. The amendment states that the minimum annual royalty payments for the calendar years following 2003 shall be agreed by the Company and VeriSign no less than 60 days prior to the end of the calendar year 2003. It has been agreed with VeriSign that the annual fees will be reduced for 2004 and beyond.

In January 2002, in connection with the combination of our Digiweb activity with DHT Hosting ApS (a Danish automated hosting company) to form EuroTrust Secure Hosting A/S, in which we have a 75% ownership interest and DHT has a 25% ownership interest. DHT has an option to sell its 25% interest in Secure Hosting to us in 2004 at a price based on the future profitability of Secure Hosting or for a minimum of DKK 2.5 million.

Impact of Recently Issued Accounting Standards

In 2002, the FASB issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Correction". SFAS 145 rescinds SFAS No. 4, "Reporting Gains and Losses from Extinguishment of Debt"; SFAS No. 64, "Extinguishments of Debt Made to Satisfy Sinking-Fund Requirements"; and SFAS No. 44, "Accounting for Intangible Assets of Motor Carriers"; and amends SFAS No. 13, "Accounting for Leases". SFAS No. 145 is generally effective from May 15, 2002. SFAS 145 does not have a material effect on EuroTrust's financial statements.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" (SFAS No. 146). SFAS No. 146 addresses accounting and reporting for costs associated with exit or disposal activities, and nullifies Emerging Issues Task Force (EITF) Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)". This Statement requires that a liability for a cost associated with an exit or disposal activity be recognized and measured initially at fair value when the liability is incurred. SFAS No. 146 is effective for exit or disposal activities that are initiated after December 31, 2002. EuroTrust does not expect the adoption of this statement to have a material effect on its financial statements.

In November 2002, the FASB issued Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, an interpretation of FASB Statements No. 5, 57 and 107 and a rescission of FASB Interpretation No. 34." This interpretation elaborates on the disclosures to be made by a guarantor in its interim and

annual financial statements about its obligations under guarantees issued. The interpretation also clarifies that a guarantor is required to recognize, at inception of a guarantee, a liability for the fair value of the obligation undertaken. The initial recognition and measurement provisions of the interpretation are applicable to guarantees issued or modified after December 31, 2002 and are not expected to have a material effect on our financial statements. We have not incurred significant obligations under customer indemnification or warranty provisions historically and do not expect to incur significant obligations in the future. Accordingly, we do not maintain accruals for potential customer indemnification or warranty-related obligations. The

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annual disclosure requirements are effective for these financial statements and for interim periods ending after December 15, 2002. The adoption of FASB Interpretation No. 45 did not have a material effect on our consolidated financial position, results of operations or cash flows.

In November 2002, the Emerging Issues Task Force issued its consensus on EITF Issue No. 00-21, Revenue Arrangements with Multiple Deliverables ("EITF Issue No. 00-21") on an approach to determine whether an entity should divide an arrangement with multiple deliverables into separate units of accounting. According to the EITF, in an arrangement with multiple deliverables, the delivered item(s) should be considered a separate unit of accounting if all of the following criteria are met: (1) the delivered item(s) has value to the customer on a standalone basis, (2) there is objective and reliable evidence of the fair value of the undelivered item(s), and (3) if the arrangement includes a general right of return, delivery or performance of the undelivered item(s) is considered probable and substantially in the control of the vendor. If all the conditions above are met and there is objective and reliable evidence of fair value for all units of accounting in an arrangement, the arrangement consideration should be allocated to the separate units of accounting based on their relative fair values. The guidance in this Issue is effective for revenue arrangements entered into in fiscal periods beginning after June 15, 2003. EuroTrust has not yet completed an analysis of EITF Issue No. 00-21 and the related impact on its financial statements.

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure- an amendment of FASB Statement No. 123" (SFAS No. 148). This Statement amends SFAS No. 123, "Accounting for Stock-Based Compensation" (SFAS No. 123), to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, this statement amends the disclosure requirements of SFAS No. 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. This statement requires that companies having a year-end after December 15, 2002 follow the prescribed format and provide the additional disclosures in their annual reports. EuroTrust has provided the disclosures required by SFAS No. 148 in the financial statements. EuroTrust does not currently intend to change its method for accounting for stock options and does not expect the adoption of this statement to have a material effect on its financial statements.

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities" (FIN 46). FIN 46 requires a variable interest entity to be consolidated by a company, if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns or both. FIN 46 also requires disclosures about variable interest entities that a company is not required to consolidate but in which it has a significant variable interest. The consolidation requirements of FIN 46 apply immediately to variable interest entities created after January 31, 2003 and to existing entities in the first fiscal year or interim period beginning after June 15, 2003. Certain of the disclosure requirements apply to all financial statements issued after January 31, 2003, regardless of when the variable interest entity was established. The initial adoption of this accounting pronouncement is not expected to have a material impact on EuroTrust's consolidated financial statements.

In April, 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities", which amends SFAS No. 133,

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"Accounting for Derivative Instruments and Hedging Activities," to address (1) decisions reached by the Derivatives Implementation Group, (2) developments in other Board projects that address financial instruments, and (3) implementation issues related to the definition of a derivative. SFAS No. 149 has multiple effective date provisions depending on the nature of the amendment to SFAS No. 133. EuroTrust does not expect the adoption of this statement to have a material effect on its financial statements.

On May 15, 2003, the FASB issued SFAS No. 150, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity. SFAS No. 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. SFAS No. 150 is effective for all financial instruments entered into or modified after May 31, 2003. For unmodified financial instruments existing at May 31, 2003, SFAS No. 150 is effective at the beginning of the first interim period beginning after June 15, 2003, except for mandatorily redeemable financial instruments of nonpublic entities. EuroTrust does not expect the new standard to have an effect on its financial statements.

OFF BALANCE SHEET ARRANGEMENTS.

The Company is not aware of any material transactions which are not disclosed in its consolidated financial statements.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Executive Officers

The following table sets forth, as of September 12, 2003, the name, position, age, principal occupation and address and the date on which they first became an officer or director for our directors and senior management.

Name and Position	Age	Principal Occupation and Address	Date Became Director/Officer
Aldo M.N. Petersen(1) President, Chief Executive Officer, Managing director, and director.....	42	Chief Executive Officer of EuroTrust A/S Poppelgaardvej 11-13 2860 Soeborg Denmark	January
Bertel E. Jensen Chief Financial Officer.....	53	Chief Financial Officer of EuroTrust A/S Poppelgaardvej 11-13 2860 Soeborg Denmark	April 1
	45		
Karoly Laszlo Nemeth(1) (2) Chairman of the board.....	61	Chairman of the Board of Nemeth & Sigetty A/S Frederiksgade 21,4. 1265 Copenhagen	

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		Denmark	January
John J. Stuart, Jr.(1) (2) Director.....	63	Chief Financial Officer of Irvine Sensors Corporation 3001 Redhill Avenue Costa Mesa, CA 92626-4532 USA	May 19
Brian Mertz Pedersen Chief Operating Officer.....	28	Chief Operating Officer of EuroTrust A/S Poppelgaardvej 11-13 2860 Soeborg Denmark	November
Hisham El-Manawy Director.....	44	Vice President of Sales - EMEA VeriSign Ave Des Genets 9 1332 Genval - Belgium	December
Dan Shefet Director.....	39	Legal Consultant c/o EuroTrust A/S Poppelgaardvej 11-13 2860 Soeborg Denmark	May 20
Jan Berger Director.....	59	Management Consultant c/o EuroTrust A/S Poppelgaardvej 11-13 2860 Soeborg Denmark	May 20

(1) Member, audit committee of the Board of Directors.

(2) Member, compensation committee of the Board of Directors.

ALDO M.N. PETERSEN, President, Chief Executive Officer, Managing Director and Director

Mr. Petersen has been our President, Chief Executive Officer, Managing Director and a member of our board of directors since January 1988. He also serves as a member of the board for several of our wholly-owned subsidiaries, and is a principal investor of F.C. Copenhagen, the Copenhagen professional soccer team. Mr. Petersen holds a degree in economics from the Copenhagen Business School.

BERTEL E. JENSEN, Chief Financial Officer

Mr. Jensen has served as our chief financial officer since June 2000, a position he previously held from June 1998 to September 1999. He also currently serves as our executive vice president, and director of business development and investor relations, all positions he has held since April 1995. Mr. Jensen also serves on the board of directors of several privately held Danish companies. Mr. Jensen graduated from the Copenhagen Business School in 1973 with a business management degree

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Mr. Nemeth was elected to our board of directors in January 1988 and also serves on the board of our subsidiary, EuroTrust PKI Services A/S. He is a partner in and chairman of the board of Nemeth & Sigetty A/S, a law firm that performs legal services for us. In addition, he serves on the board of Danske Traelast, a company listed on the Copenhagen Stock Exchange and on the boards of privately held Scandinavian companies.

BRIAN MERTZ PEDERSEN, Chief Operating Officer

Mr. Pedersen has served as our Chief Operating Officer since November 2001. From April through November 2001, he served as Managing Director of EuroTrust PKI Services A/S and euro909.dk A/S. Mr. Pedersen was the founder of the IT security enterprise Virus112.com A/S, which was sold to EuroTrust in December of 2000, and continues to be active in its day-to-day operations as a member of the Virus112 board of directors. He also serves as a director of each of the following EuroTrust subsidiaries: EuroTrust Netvaulting A/S, EuroTrust Secure Hosting A/S and EuroTrust PKI Services A/S. Mr. Pedersen has a degree in marketing and business administration.

JOHN J. STUART, JR., Director

Mr. Stuart was elected to our board of directors in May 1998. Since January 1983 Mr. Stuart has been employed by Irvine Sensors Corporation ("ISC"), Costa Mesa, California USA, a developer of proprietary technologies to produce extremely compact packages of solid state microcircuitry. He currently serves as ISC's Senior Vice President and Chief Financial Officer, positions he has held since November 1998 and July 1985, respectively. Between July 1985 and February 1995, he also held the position of ISC's treasurer and was reappointed to this position in November 1998. Mr. Stuart is also a member of the board of directors and is vice president of finance and chief financial officer of Novalog, Inc. (since October 1995), Microsensors, Inc. (since October 1997), RedHawk Vision, Inc. (since March 2000) and iNetWorks Corporation (since October 2000), all of which are privately-held subsidiaries of ISC. He also acted as chief financial officer of Silicon Film Technologies, Inc., a former privately-held subsidiary of ISC, from August 1998 until May 1999.

HISHAM EL-MANAWY, Director

Mr. El-Manawy was elected to our board of directors on December 6, 2001 at an Extraordinary General Meeting. Mr. El-Manawy is Vice President of Europe, the Middle East and Africa for VeriSign, Inc., a leading provider of e-business infrastructure services. He formerly was Executive Vice President and co-founder of Telesonique, a telecommunications provider in Switzerland, and served as International Director of the Business Communications Services for Elsas.

DAN SHEFET

Mr. Shefet is an attorney who serves as a Legal Consultant for the European Parliament in Luxembourg. He was formerly an in-house counsel with IBM Europe and in private practice. Mr. Shefet authored books on the subject of Computer Law and also wrote various articles on different legal topics, which have been published in Bar Journals and Tax Reviews. Mr. Shefet holds a Law degree and a B.A. degree in Philosophy from Copenhagen University.

JAN BERGER

Mr. Berger has been a Management Consultant since 1998. He has more than

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24 years of experience in the Information Technology (IT) industry and has held various top management positions with leading IT companies. In addition, Mr. Berger has served as a board member at several companies including, chairman of the board of Skrivervik Data, a SUN Microsystems distributor in Norway. Mr. Berger has a degree in Business Economics and Administration with an emphasis on Sales and Marketing.

There are no family relationships among any of our directors and executive officers or those of our subsidiaries.

B. Compensation

Executive Compensation

Cash compensation paid by us and our subsidiaries for the year ended December 31, 2002 to our directors and senior management for services in all capacities, other than professional fees, totaled approximately DKK 4.6 million (approximately \$650,000). In addition, we maintain a standard pension plan for our executive officers under the terms of which we contribute an amount equal to 15% of their annual salary to the plan. The total contribution for 2002 totaled approximately DKK 538,000 (approximately \$76,000).

Effective as of July 2001, we entered into an employment agreement with each of Aldo M.N. Petersen, our Chief Executive Officer and Bertel E. Jensen, our Chief Financial Officer, each of which may be terminated at any time (i) by us by providing 12 months notice of termination, or (ii) by either Mr. Petersen or Mr. Jensen by providing 6 months notice of termination. Pursuant to their employment agreements each of Mr. Petersen and Mr. Jensen are annually granted a 5-year option to acquire our ordinary shares. Accordingly, in 2002 they were each granted the number of options set forth in the table below under the section entitled "Options."

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Options

Options that were granted pursuant to our stock option plan to the named executive officers during the year ended December 31, 2002 and are set forth in the following table:

Name	Securities Underlying Options (1)	Securities Underlying Options (2)	Exercise Price Per Share (\$) (1)	Exercise Price Per Share (\$) (2)	Expiration Date
Aldo M. N. Petersen	100,000	16,667	0.92	5.5200	May 30, 2005
Aldo M. N. Petersen	439,745	73,291	0.8382	5.0292	May 30, 2005
Bertel E. Jensen	100,000	16,667	0.92	5.5200	May 30, 2005
Bertel E. Jensen	351,800	58,633	0.8382	5.0292	May 30, 2005
Brian Mertz Pedersen	100,000	16,667	0.92	5.5200	May 30, 2005
Brian Mertz Pedersen	125,000	20,833	0.55	3.3000	May 30, 2005

(1) These securities are reflected as ordinary shares.

(2) These securities are reflected in ADSs (after giving effect to a 1 for 6

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reverse ratio change of ADSs on August 29, 2002).

Director Compensation

Directors are reimbursed for expenses they incur in connection with attending meetings of the board of directors and committees thereof. In addition, we periodically grant options to our directors, although the amount and timing of those grants are determined by the board in its sole discretion.

C. Board practices

The board of directors may consist of between three and seven members. As of April 30, 2003, the board consisted of five members. Under certain provisions of the Danish Companies Act, our employees have the right to elect three board members. However, our employees have not exercised this right.

Each director is elected by a vote at the annual or special meeting of the shareholders and serves for a term of one year. All of the current directors, Messrs. Aldo M.N. Petersen, Karoly Laszlo Nemeth, John J. Stuart, Jr., Hisham El-Manawy, Jan Berger and Dan Shefet, were elected at the annual general meeting held on May 28, 2003. Each executive officer will serve until his or her successor is duly appointed or elected by the board of directors or his or her earlier removal or resignation from office.

There is no restriction on the re-election of directors. The quorum for a meeting of the board of directors is a simple majority. All members of the board of directors have equal voting rights and all resolutions are passed by a simple majority.

Our executive officers serve at the discretion of the board of directors. The citizenships of our executive officers and directors are as follows:

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Name	Country of Citizenship
ALDO M.N. PETERSEN	Denmark
BERTEL E. JENSEN	Denmark
KAROLY LASZLO NEMETH	Denmark
BRIAN MERTZ PEDERSEN	Denmark
JOHN J. STUART, JR.	United States
HISHAM EL-MANAWY	Egypt
DAN SHEFET	Denmark
JAN BERGER	Norway

There are no agreements with our board members that provide for the payment of benefits upon termination of their directorship.

The board of directors has an audit committee and a compensation committee. The members of the audit committee are Messrs. Petersen, Nemeth and Stuart. The audit committee reviews our financial statements and accounting practices, makes recommendations to the Board regarding the selection of independent auditors and reviews the results and scope of the audit and other services provided by our independent auditors. The members of the compensation committee are Messrs. Nemeth and Stuart. The committee makes recommendations to the board regarding remuneration of directors and executive officers.

Indemnification

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Except to the extent indicated below, neither our Articles of Association nor any contract or other arrangement to which we are a party contains any provision under which any of our directors, members of management or officers are insured or indemnified in any manner against any liability that he or she may incur in his or her capacity as a director or an officer.

We have obtained an insurance policy under which our directors and officers are insured against losses arising from their acts or omissions in their capacities as directors or officers up to DKK 40 million. This policy has a DKK 50,000 deductible.

Under the Danish Act on Limited Companies, our directors and officers, who are registered as managers with the Danish Commerce and Companies Agency, are liable for losses caused deliberately or by negligence in connection with the performance of their duties to us and to third parties. Officers not so registered are indemnified by us under applicable Danish law in respect of actions taken by them in their official capacity.

Insofar as indemnification for liabilities under the Securities Act of 1933 may be permitted to our directors, officers or controlling persons as set forth above, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

D. Employees

As of December 31, 2002, we had 183 employees, an increase of 17 employees from the prior year. Most of our employees are located in Denmark. (See the following table.) This increase is

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primarily attributable to a growth in our security business, and a minor decrease in our broadcast media segment. The table below gives a breakdown of our employees and area of employment:

	Denmark	Sweden	France	Total
Sales and marketing	47	5	3	55
Customer service and support	24	0	4	28
Technical	64	1	4	69
Finance and administration	27	1	3	31
	----	----	----	----
Totals	162	7	14	183
	=====	=====	=====	=====

Some of our employees are members of various labor unions; however, we are not required to, and we do not have agreements with any union. We have not experienced any work stoppages, and we consider our relations with our employees to be good.

Competition in the recruiting of highly-qualified personnel in the Internet-related services industry is intense. We believe that our future success will depend, in part, on our continued ability to hire, motivate and retain qualified management, marketing and technical personnel. To date, we have not experienced any difficulty in attracting and retaining qualified personnel, but we can provide no assurance that we will be able to continue to attract and retain qualified personnel in the future.

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We believe that our relations with our union and non-union employees are good.

E. Share Ownership

The following table sets forth the ownership of our ordinary shares by the individuals named in Item 6.A., as of September 12, 2003.

Name	Number Ordinary Shares (1)	Number of ADSs (2)	Percent (3)
-----	-----	-----	-----
Aldo M.N. Petersen	5,664,484 (4)	944,081	18.51%
Karoly Laszlo Nemeth	480,000 (7)	80,000	1.78%
Brian Mertz Pedersen	1,952,898 (5)	336,748	6.88%
John J. Stuart, Jr.	*	*	*
Hisham El-Manawy	*	*	*
Bertel E. Jensen	3,326,814 (6)	554,469	11.17%
Dan Shefet	*	*	*
Jan Berger	*	*	*
All officers and directors			
As a group (8 persons)	12,009,198 (8)	2,001,533	32.56%

* Less than 1%

- (1) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Common shares relating to options currently exercisable or exercisable within 60 days of September 12, 2003 are deemed outstanding for computing the percentage of the person holding such securities but are not deemed outstanding for computing the percentage of any other person. Except as indicated by footnote, and subject to community property laws

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where applicable, the persons named in the table above have sole voting and investment power with respect to all shares shown as beneficially owned by them.

- (2) The number of ADS shares beneficially owned, assuming conversion into ADSs (reflected in ADSs) after giving effect to a 1 for 6 reverse ratio change of ADSs on August 29, 2002
- (3) As of September 12, 2003, 27,504,890 ordinary shares are issued, including 1,043,000 treasury shares. The beneficial ownership percentages are calculated based on 26,461,890 ordinary shares issued and outstanding as of September 12, 2003. Of this amount, 19,787,328 ordinary shares have been deposited and ADSs issued (represented by 3,297,888 ADSs, each representing six ADSs (after giving effect to a 1 for 6 reverse ratio change on August 29, 2002) issued under the Deposit Agreement with The Bank of New York.
- (4) Includes an aggregate of (i) 1,519,750 ordinary shares beneficially owned by Mr. Petersen; (ii) 100,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$0.92 per share, expiring on May 30, 2005; (iii) 439,747 currently exercisable options to purchase ordinary shares, at an exercise price of \$0.8382 per share, expiring on May 30, 2005; (iv) 400,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$1.71 per share, expiring on May 10, 2006;

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- (v) 100,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$1.5312 per share, expiring on December 22, 2005;
- (vi) 176,827 currently exercisable options to purchase ordinary shares, at an exercise price of \$3.00 per share, expiring on October 31, 2004; (vii) 228,160 currently exercisable options to purchase ordinary shares, at an exercise price of \$1.5312 per share, expiring on October 31, 2004; and (viii) 2,700,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$0.1600 per share, expiring on April 16, 2008.
- (5) Includes an aggregate of (i) 15,000 ordinary shares beneficially owned by Mr. Pedersen; (ii) 212,900 currently exercisable options to purchase ordinary shares, at an exercise price of \$1.7812 per share, expiring on December 22, 2005; (iii) 100,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$0.92 per share, expiring on May 30, 2005; (iv) 125,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$0.55 per share, expiring on May 30, 2005; (v) 125,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$1.08 per share, expiring on April 1, 2005; (vi) 500,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$1.05 per share, expiring on April 1, 2005, and (vii) 874,998 currently exercisable options to purchase ordinary shares, at an exercise price of \$0.1600 per share, expiring on February 3, 2008.
- (6) Includes (i) 100,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$0.92 per share, expiring on May 30, 2005; (ii) 351,798 currently exercisable options to purchase ordinary shares, at an exercise price of \$0.8382 per share, expiring on May 30, 2005; (iii) 200,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$1.71 per share, expiring on May 10, 2006; (iv) 100,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$1.5312 per share, expiring on December 22, 2005; (v) 183,176 currently exercisable options to purchase ordinary shares, at an exercise price of \$3.0000 per share, expiring on October 31, 2004; (vi) 171,840 currently exercisable options to purchase ordinary shares, at an exercise price of \$1.5312 per share, expiring on October 31, 2004; and (vii) 2,220,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$0.1600 per share, expiring on April 16, 2008.
- (7) Includes (i) 50,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$0.92 per share, expiring on May 30, 2005; (ii) 100,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$1.5312 per share, expiring on December 22, 2005; (iii) 50,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$1.71 per share, expiring on May 10, 2006; and (iv) 280,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$0.1600 per share, expiring on February 3, 2008.
- (8) Includes 10,424,448 ordinary shares underlying exercisable options and warrants.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table sets forth information, as of September 12, 2003 with respect to the beneficial ownership of our ordinary shares by each shareholder known by us to beneficially own more than 5% of our ordinary shares.

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Name of Beneficial Owner(1)	Shares Beneficially Owned		
	Number (1)	Number (2)	Percent (3)
VeriSign Inc.	4,896,880	816,416	18.51%
Aldo M.N. Petersen (4).....	5,664,484	944,081	21.41%
Brian Mertz Pedersen (5).....	1,952,898	336,748	7.38%
Bertel E. Jensen (6).....	3,326,814	554,469	12.57%
Total	15,841,076	2,651,714	59.87%

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- (1) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Ordinary shares issuable upon currently exercisable or convertible securities or securities exercisable or convertible within 60 days of September 12, 2003 are deemed beneficially owned and outstanding for computing the percentage owned by the person holding such securities, but are not considered outstanding for computing the percentage of any other person.
 - (2) The number of ADS shares beneficially owned, assuming conversion into ADSs (reflected in ADSs) after giving effect to a 1 for 6 reverse ratio change of ADSs on August 29, 2002
 - (3) As of September 12, 2003, 27,504,890 ordinary shares are issued, including 1,043,000 treasury shares. The beneficial ownership percentages are calculated based on 26,461,890 ordinary shares issued and outstanding as of September 12, 2003. Of this amount, 19,787,328 ordinary shares have been deposited and ADSs issued (represented by 3,297,888 ADSs, each representing six ADSs (after giving effect to a 1 for 6 reverse ratio change on August 29, 2002) issued under the Deposit Agreement with The Bank of New York.
 - (4) Includes an aggregate of (i) 1,519,750 ordinary shares beneficially owned by Mr. Petersen; (ii) 100,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$0.92 per share, expiring on May 30, 2005; (iii) 439,747 currently exercisable options to purchase ordinary shares, at an exercise price of \$0.8382 per share, expiring on May 30, 2005; (iv) 400,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$1.71 per share, expiring on May 10, 2006; (v) 100,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$1.5312 per share, expiring on December 22, 2005; (vi) 176,827 currently exercisable options to purchase ordinary shares, at an exercise price of \$3.00 per share, expiring on October 31, 2004; (vii) 228,160 currently exercisable options to purchase ordinary shares, at an exercise price of \$1.5312 per share, expiring on October 31, 2004; and (viii) 2,700,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$0.1600 per share, expiring on April 16, 2008.
 - (5) Includes an aggregate of (i) 15,000 ordinary shares beneficially owned by Mr. Pedersen; (ii) 212,900 currently exercisable options to purchase ordinary shares, at an exercise price of \$1.7812 per share, expiring on December 22, 2005; (iii) 100,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$0.92 per share, expiring on May 30, 2005; (iv) 125,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$0.55 per share, expiring on May 30, 2005;

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- (v) 125,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$1.08 per share, expiring on April 1, 2005; (vi) 500,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$1.05 per share, expiring on April 1, 2005, and (vii) 874,998 currently exercisable options to purchase ordinary shares, at an exercise price of \$0.1600 per share, expiring on February 3, 2008.
- (6) Includes (i) 100,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$0.92 per share, expiring on May 30, 2005; (ii) 351,798 currently exercisable options to purchase ordinary shares, at an exercise price of \$0.8382 per share, expiring on May 30, 2005; (iii) 200,000 currently exercisable options to

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purchase ordinary shares, at an exercise price of \$1.71 per share, expiring on May 10, 2006; (iv) 100,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$1.5312 per share, expiring on December 22, 2005; (v) 183,176 currently exercisable options to purchase ordinary shares, at an exercise price of \$3.0000 per share, expiring on October 31, 2004; (vi) 171,840 currently exercisable options to purchase ordinary shares, at an exercise price of \$1.5312 per share, expiring on October 31, 2004; and (vii) 2,220,000 currently exercisable options to purchase ordinary shares, at an exercise price of \$0.1600 per share, expiring on April 16, 2008.

Except, as set forth in the table above, to our knowledge, in the last three years, there has not been any significant change in ownership by major shareholders. Our major shareholders do not have different voting rights. The portion of our ordinary shares held in the United States is 73% and the number of record holders is 31.

We are not owned or controlled, directly or indirectly, by another corporation or by any foreign government. We are not aware of any arrangement that may at a subsequent date result in a change of control.

B. Related Party Transactions

In the ordinary course of business, EuroTrust engages in transactions with certain entities and individuals that are considered to be related parties.

Mr Aldo Petersen

As of November 30, 2000, we acquired 15.6% of Trust Italia SpA., an Italian digital security company. The consideration for the purchase was paid in 2002 and included \$491 in cash and 750,000 of EuroTrust's ordinary shares. The cash was paid to Aldo Petersen, EuroTrust's Chief Executive Officer, who owned 2.6% of the outstanding shares of Trust Italia SpA.

Parken Sports & Entertainment A/S is a minority owner of 15% of the shares in Euro909Media A/S, a EuroTrust subsidiary. Aldo Petersen was a member of the board of directors of Parken Sports & Entertainment A/S until the end of December 2002 and currently holds 138,540 shares representing approximately 6% of the issued and outstanding shares of Parken Sports & Entertainment.

On November 29, 2001, we entered into an agreement with Parken Sports & Entertainment A/S for pitch side advertising and corporate hospitality at football matches involving FC Copenhagen, a team owned by Parken Sports & Entertainment. According to the agreement, we prepaid DKK 4 million covering the agreement period. On March 8, 2002, the agreement was amended reducing the

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prepayment requirement to yearly installments. In June 2003, Parken Sports & Entertainment refunded DKK 2.52 million of the prepayment. The agreement is valid for 7 years commencing January 1, 2002.

	December 31, -----	
	2001	2002
	----	----
Parken Sports & Entertainment A/S (Purchases)	1,436	908
	=====	=====
Parken Sports & Entertainment A/S (Prepaid expenses)	4,000	3,280
	=====	=====

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As of December 31, 2001 Aldo Petersen owed EuroTrust A/S DKK 3,084 representing the balance on his loan account with the company. This loan account was fully repaid during 2002.

VeriSign Inc

VeriSign is a minority owner of EuroTrust (18%). The transactions entered into during the year and the accounts payable at the year end shown below are a result of commercial trade with VeriSign. Current accounts with VeriSign are not carrying any interest.

	December 31, -----	
	2001	2002
	----	----
VeriSign Inc. (Purchases)	7,376	24,988
	=====	=====
VeriSign Inc. (Accounts payable)	6,560	12,833
	=====	=====

During 2001, EuroTrust sold its domain name registration business to VeriSign for a gross cash consideration of DKK 210,687. During 2000, EuroTrust purchased rights from VeriSign for DKK 75,305 which allow EuroTrust to sell VeriSign products in a number of European countries (including Denmark, Sweden, Norway, Finland, Austria, Switzerland and Italy). During 2002 the balance on the amount capitalized for the rights acquired was written off due to the poor financial performance of the business.

Nemeth & Sigetty A/S

Mr. Karoly Laszlo Nemeth is the Chairman of the board of directors of EuroTrust and is also the joint owner of Nemeth & Sigetty A/S. Nemeth & Sigetty A/S provided legal services to EuroTrust during the three years ended December 31, 2002. For the years ended December 31, 2000, 2001 and 2002 Nemeth & Sigetty A/S has been paid DKK 220, DKK 1,083 and DKK 1,115, respectively. The total outstanding payables due to Nemeth & Sigetty A/S as at December 31, 2001 and December 31, 2002 were DKK 638 and DKK 625, respectively.

C. Interests of experts and counsel.

Not applicable because this is an Annual Report filed under the Exchange Act of 1934.

ITEM 8. FINANCIAL INFORMATION

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A. Consolidated Statements and Other Financial Information

See Item 18. "Financial Statements" and pages F-1 through F-26 of this report.

Legal Proceedings

We purchased property outside Copenhagen in May 2000. Subsequently, we entered into an agreement with J.A.Mortensen Inventar & Bygning A/S, a turnkey contractor, to renovate the entire building. Because of delay, material defects and deficiencies, we filed a lawsuit against them in early 2001. The amount claimed totaled approximately DKK 2.0 million (approximately \$250,000). To date,

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we have received a favorable independent technical report, ordered as a result of this claim. As of the date of this Annual Report, our claim is still pending.

Telia A/S filed a claim against us for the amount of DKK 6 million regarding a put option that Telia exercised in 2000 with respect to Chili A/S shares. As of the date of this Annual Report, the claim is still pending.

As a result of our acquisition of our French subsidiary, EuroTrust France SAS (f/k/a Alphasys SAS) members of the pre-acquisition management team have been replaced with members we designated. In connection with that, a claim has been filed against EuroTrust by those members we replaced claiming that they, as a group, are the beneficial owners of 10% of the share capital of EuroTrust France SAS. We will vigorously defend this claim to the fullest extent of the law. As of the date of this Annual Report, the claim is still pending.

Two former employees have filed a claim against us for the amount of approximately DKK 3.5 million alleging that they had been unfairly dismissed. As of December 31, 2002, we set aside a reserve DKK 1.7 million to cover the estimated liability from this claim. We will vigorously defend this claim to the fullest extent of the law. As of the date of this Annual Report, the claim is still pending.

Other than as described above, neither we nor our property is a party in any other pending material legal proceeding.

Dividend Payment Policy

We have not paid out any dividend to our shareholders in the last three financial years. Payment of any future dividends will depend on our earnings and capital requirements, and other factors our board of directors deem appropriate.

B. Significant Changes

None.

ITEM 9. THE OFFER AND LISTING

A. Title

Our ordinary shares are not traded on any stock exchange or over-the-counter market. However, our ADS are traded on the Nasdaq National Market under the symbol "EURO".

On August 29, 2002, we implemented a one for six reverse ratio change in

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the number of ordinary shares represented by each ADS such that each new ADS issued subsequent to the ratio change will represent six ordinary shares (prior to the ratio change, each ADS represented one ordinary share). Holders of our ADSs prior to the ratio change, each of which represents one ordinary share ("Old ADSs"), exchanged their Old ADSs for new ADSs, each of which represents six ordinary shares ("New ADSs").

On December, 31, 2002, there were 3,297,888 New ADSs issued and outstanding representing 19,787,328 ordinary shares.

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The following table sets forth, for the periods indicated, the range of high and low market prices per ADS as quoted on the Nasdaq National Market. The prices shown below (in US Dollars) are adjusted to reflect the 1 for 6 reverse ratio change in our ADSs, described above, and represent quotations among securities dealers, do not include retail markups, markdowns or commissions and may not represent actual transactions.

	High ----	Low ---
Year Ended December 31, 1998:	\$34.5000	\$6.0000
Year Ended December 31, 1999:	\$168.0000	\$12.3750
Year Ended December 31, 2000:	\$202.5000	\$8.2500
Year Ended December 31, 2001:		
First Quarter	\$28.5000	\$7.1280
Second Quarter	\$15.2400	\$7.5600
Third Quarter	\$14.0400	\$6.1200
Fourth Quarter	\$8.2200	\$5.7000
Year Ended December 31, 2002:		
First Quarter	\$8.5200	\$6.1200
Second Quarter	\$6.6000	\$3.9000
Third Quarter	\$5.9500	\$2.5000
Fourth Quarter	\$5.3000	\$2.1500
Month Ended:		
September 2003		
(as of September 9, 2003)	\$2.7200	\$2.4100
August 2003	\$2.9000	\$2.1200
July 2003	\$5.0200	\$1.7500
June 2003	\$2.7600	\$1.7920
May 2003	\$4.0500	\$0.9800
April 2003	\$1.1000	\$0.7500
March 2003	\$1.3500	\$1.3500

B. Plan of Distribution

Not required because this Form 20-F is filed as an Annual Report.

C. Markets

Our ordinary shares are not traded on any stock exchange or over-the-counter market. However, our ADSs are traded on the Nasdaq National Market under the symbol "EURO".

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D. Selling Shareholders

Not required because this Form 20-F is filed as an Annual Report.

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E. Dilution

Not required because this Form 20-F is filed as an Annual Report.

F. Expenses of the Issue

Not required because this Form 20-F is filed as an Annual Report.

ITEM 10. ADDITIONAL INFORMATION

A. Share capital

Not required because this Form 20-F is filed as an Annual Report.

B. Memorandum and articles of association

See Exhibit 1.1.

C. Material Contracts

On November 17, 2000, we entered into an international affiliate agreement ("Affiliate Agreement") with VeriSign, Inc. ("VeriSign"), a Delaware corporation and a provider of Internet Trust services and products.

In general, under the Affiliate Agreement:

- o We became an affiliate of VeriSign, as a member of the VeriSign Global Affiliate Network, for the distribution and delivery of VeriSign's Internet Trust services and products within Denmark, Norway, Sweden, Finland, Austria, Switzerland and Italy (the "Territory");
- o VeriSign granted to us the nonexclusive, nontransferable right and license to use the VeriSign Software for the purposes of approving, issuing, suspending or revoking digital certificates within the Territory;
- o We agreed not to compete with VeriSign during its term and any renewal periods. The agreement has a five year term and at our option automatically renewable for additional five one year periods based on our meeting of certain market performance and minimum royalty requirements;
- o We are required to meet certain market performance criteria; and
- o Among other rights, we have a right to market and promote our affiliation with VeriSign as an authorized VeriSign International Affiliate for VeriSign certificates and certificate services.

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In addition, as a member of the VeriSign Global Affiliate Network, VeriSign provides us with a combination of technology, support and marketing services to facilitate the initial deployment and on-going delivery of various digital certificate services. VeriSign also provides us with the appropriate business readiness services to facilitate the efficient and timely rollout of their digital certificate offerings. These readiness services may include Service Center or Processing Center installation and integration services, facility and network design consulting, technical and customer support documentation and training, sales and marketing support, operating practice templates and local market customization.

We are also a member of the VeriSign Trust Network (VTN), a global network of digital certificate service providers that operate with common technology, infrastructure and practices to enable digital certificate interoperability on a worldwide basis.

In June 2002, the Affiliate Agreement was amended to incorporate additional terms and conditions relating to certain procedures and practices that EuroTrust must observe, as a member of the VTN, in developing our own internal procedures and practices that are in compliance with VTN guidelines.

In February 2003 the Affiliate Agreement with VeriSign was amended, which, among other things, extended the term of the agreement for an additional 4 years through December 31, 2010 and reduced the minimum royalty payments and annual fee due to VeriSign for the year ending December 31, 2003 from approximately DKK 49.7 million (\$7.0 million) to approximately DKK 16.3 million (\$2.3 million). It has not been agreed what the minimum annual royalty payments are to be after December 31, 2003. The amendment states that the minimum annual royalty payments for the calendar years following 2003 shall be agreed by the Company and VeriSign no less than 60 days prior to the end of the calendar year 2003. It has been agreed with VeriSign that the annual fees will be reduced for 2004 and beyond. As a result of the amendment to the affiliate agreement with VeriSign, the accrued royalties and annual fees of approximately DKK 12.8 million payable to VeriSign as of December 31, 2002 were reduced to approximately DKK 2.8 million in the first quarter of 2003 resulting in a corresponding decrease in cost of revenue in the first quarter of 2003.

D. Exchange controls and other limitations affecting security holders

There are no governmental laws, decrees or regulations of the Kingdom of Denmark that restrict the export or import of capital (including, without limitation, foreign exchange controls), or that affect the remittance of dividends, interest or other payments to nonresident holders of ordinary shares. There are no limitations imposed by the laws of the Kingdom of Denmark or our Articles of Association on the right of nonresident or foreign holders to hold or vote ordinary shares.

E. Taxation

The following summary contains a description of the material United States federal income tax and Danish tax consequences of the purchase, ownership and disposition of ordinary shares or ADSs by a beneficial owner that (i) is an individual citizen or resident in the United States (for United States federal income tax purposes), a corporation or partnership organized under the laws of the United States or any state thereof, or estates or trusts the income of which is subject to United States federal income tax regardless of its source, (ii) is not also a resident or corporation of Denmark and is not domiciled in Denmark, (iii) does not hold ordinary shares or ADSs in connection with any permanent establishment or fixed base in Denmark, (iv) does not own, and has not owned (directly, indirectly or by attribution) at any

time, 10% or more of our total combined voting power or equity, and (v) holds ordinary shares or ADSs as capital assets. The term "United States holder," as used in this summary, means a beneficial owner of ordinary shares or ADSs meeting these requirements.

The following summary of certain United States federal and Danish tax matters is based on tax laws of the United States and Denmark as in effect on the date of this report and the current Income Tax Treaty between the United States and the Kingdom of Denmark (the "Treaty"), which is a generally effective as of January 1, 2001. We cannot assure you that future legislation, regulations, administrative rulings or court decisions will not adversely affect the accuracy of the statements contained in this report. Also, changes in United States and Danish law and the Treaty made after the date of this report could have retroactive effect.

The following summary does not consider or discuss the tax laws of any country other than the United States or Denmark. This summary does not describe United States federal estate and gift tax considerations, or state, local or provincial tax considerations. Furthermore, it does not address United States federal income tax or Danish tax considerations that apply to United States holders of our ordinary shares or ADSs who are also subject to taxing jurisdictions other than or in addition to the United States. Finally, it does not address all possible categories of United States holders, some of whom (such as financial institutions, trusts, estates, insurance companies, dealers in securities, certain retirement plans and tax exempt organizations) may be subject to special rules.

THE FOLLOWING DISCUSSION DOES NOT PURPORT TO BE EXHAUSTIVE OF ALL POSSIBLE TAX CONSIDERATIONS. UNITED STATES HOLDERS OF ORDINARY SHARES OR ADSs SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE UNITED STATES, DANISH OR OTHER TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF ORDINARY SHARES OR ADSs.

United States Tax Consequences of Ownership of Ordinary Shares or ADSs

Dividends. For United States federal income tax purposes, the gross amount of all dividends (that is, the amount before reduction for Danish withholding tax) paid to a United States holder with respect to ordinary shares or ADSs out of our current or accumulated earnings and profits ("E&P") will be taxable for United States federal income taxation as a foreign source dividend income. As such, these dividends are not eligible for the dividends received deduction otherwise available to United States corporations in connection with dividends received from United States corporations. To the extent that a distribution exceeds E&P, it will be treated first as a return of capital to the extent of the United States holder's basis, and then, as gain from the sale of a capital asset.

For United States federal income tax purposes, the amount of any dividend paid in Danish kroner will be the United States dollar value of the kroner at the exchange rate in effect on the date of receipt, whether or not the kroner is converted into United States dollars at that time.

The withholding tax imposed by Denmark generally is a creditable foreign tax for United States federal income tax purposes. As a result, a United States holder generally will be entitled to include the amount withheld as foreign tax paid in computing a foreign tax credit (or in computing a deduction for foreign income taxes paid, if the United States holder does not elect to use the foreign tax credit provisions of the Internal Revenue Code of 1986, as amended (the

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"Code")). The Code, however, imposes a number of limitations on the use of foreign tax credits, based on the particular facts and circumstances of each taxpayer. United States holders who hold ordinary shares or ADSs should consult their tax advisors regarding the availability of the foreign tax credit.

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Backup withholding, imposed at the rate of 31%, may apply to a United States holder in connection with the sale or exchange of ordinary shares or ADSs. Generally, backup withholding does not apply to a United States holder (i) that is a corporation or comes within certain other exempt categories or (ii) provides a taxpayer identification number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules.

Sale or other disposition of Ordinary Shares or ADSs. Gain or loss recognized by a United States holder on the sale or other disposition of ordinary shares or ADSs will be taxable for United States federal income tax purposes as capital gain or loss in an amount equal to the difference between such United States holder's basis in the ordinary shares or ADSs and the amount realized on the disposition. The capital gain or loss will be long term if the securities were held for more than 12 months and will be short term if they were held for less than 12 months. Capital losses are generally deductible only against capital gains and not against ordinary income.

Capital gain recognized by a United States holder on the sale or other disposition of ordinary shares or ADSs will be United States source gain. Losses from the sale of ordinary shares or ADSs would generally be sourced in the same manner as gains from the sale of such ordinary shares or ADSs. However, treasury regulations include a dividend recapture rule and other exceptions that may apply. United States holders of ordinary shares or ADSs should consult their tax advisors regarding the proper treatment of such losses.

Danish Tax Consequences of Ownership of Ordinary Shares or ADSs.

Dividends. For Danish income tax purposes, the gross amount of all distributions made by us to our shareholders is taxed as a dividend. However, a distribution of liquidation proceeds made by us to our shareholders during the calendar year in which we are finally liquidated and dissolved is taxed as capital gain. In addition, the gross amount paid by us to redeem ordinary shares or ADSs are generally taxed as a dividend. However, a shareholder may apply to Danish tax authorities for a ruling allowing for capital gains treatment. If the ruling is obtained before the distribution is decided the ruling includes an exemption from the dividend tax. If the exemption request is granted, the consideration will be taxed as capital gain.

The granting of bonus shares to shareholders, and the right of shareholders to subscribe for ordinary shares or ADSs at a price that is less than the current trading value of such ordinary shares or ADSs, are not considered taxable distributions to shareholders.

In general, a Danish withholding tax of 28% is levied on all dividends. However, corporate shareholders holding at least 20 % of the share capital for a consecutive period for at least one year may be exempt from Danish withholding tax on dividends. The dividend in question must be covered by the double tax treaty between Denmark and United States. Further, a United States holder (individual or a company) may apply to the Danish tax authorities for a partial refund of the dividends tax that has been withheld under the Treaty. If this refund request is granted, the Danish withholding tax on such dividends is effectively reduced to 15%. The rate is reduced to 5% for corporate shareholders

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holding at least 10% of the share capital. We do not presently contemplate the payment of any dividends on our ordinary shares or ADSs. However, should we decide to make payment of dividend, we will apply to the Danish tax authorities for a blanket exemption allowing us to withhold only 15% of all gross dividends paid to a United States holder. While we believe that such an exemption will be granted, there can be no

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assurance that this will occur. Shareholders eligible for further reduction must apply individually for such reduction.

Sale or other disposition of Ordinary Shares or ADSs. Capital gains realized by United States holders upon the sale or other disposition of ordinary shares or ADSs may be exempt from Danish tax.

Danish Share Transfer Duty.

No Danish share transfer duty is levied on the disposal of ordinary shares or ADSs.

Danish Estate and Gift Taxes.

Generally, if a United States holder acquires or disposes of ordinary shares or ADSs by inheritance, legacy or gift, such holder will not be subject to Danish gift or inheritance taxes. If a United States holder should make a gift of ordinary shares or ADSs to any person resident in Denmark the gift can only be subject to Danish gift tax when forming part of the business property of a permanent establishment in Denmark. Other transfers of shares or ADS's shall be taxable only in the state in which the transferor was domiciled at the time of his death or when making the gift according to the United States-Denmark Double Taxation Convention with respect to taxes on estates, inheritance and gifts.

F. Dividends and Paying Agents

Not required because this Form 20-F is filed as an Annual Report.

G. Statements by Experts

Not required because this Form 20-F is filed as an Annual Report.

H. Documents on Display

We are subject to the information requirements of the Securities Exchange Act of 1934, as amended and, to the extent required, we file periodic reports and other information with the Securities and Exchange Commission. These reports and information are available and may be copied at the public reference facilities listed below. We intend to give our shareholders annual reports containing audited financial statements and a report thereon from our independent auditors and quarterly reports for the first three quarters of each fiscal year containing unaudited interim financial information.

Statements made in this annual report about the contents of contracts or other documents are not necessarily complete and we refer you to the copy of such contracts or other documents filed as exhibits to this annual report.

You can obtain a copy of the exhibits hereto and other information about us at the public reference facilities of the Securities and Exchange Commission located at:

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Public Reference Room 1024
Judiciary Plaza
450 Fifth Street, N.W.
Washington, D.C. 20549

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You may obtain information about the operation of the public reference facility by calling the Securities and Exchange Commission at (800) 732-0330.

We will also provide our shareholders with proxy statements prepared according to Danish law. As a Danish company, we are exempt from the Exchange Act rules about the provision and content of proxy statements and about short-swing profit reporting and liability.

I. Subsidiary Information

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

With the exception of one foreign exchange hedge amounting to USD 2.5 million that was made in March of 2002 we do not engage in hedging activities or utilize other market-risk sensitive instruments. At December 31, 2002, we did not believe that market risk financial instruments would have a material affect on future operations or cash flows nor did we view currency exchange risk or interest rate risk as material. Operational currency exchange risk would arise if we priced products in one currency while material costs and expenses were denominated in a different currency. We do not believe that the operational currency exchange risk is material. However, from time to time we enter into a contract denominated in a currency other than the currency of operating expenses and, in such cases, may enter into currency forward arrangements with respect to and for the period covering such contract. Throughout the year 2002 and specifically at December 31, 2002, we had no material foreign exchange contracts outstanding.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not required because this Form 20-F is filed as an Annual Report.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

Item 15. CONTROLS AND PROCEDURES

a) Evaluation of Disclosure Controls and Procedures. EuroTrust's management, with the participation of the chief executive officer and the chief financial officer, carried out an evaluation of the effectiveness of EuroTrust's "disclosure controls and procedures" (as defined in the Securities Exchange

Act of 1934 (the "Exchange Act") Rules 13a-15(e) and 15-d-15(e)) as of the end of the fiscal year covered by this Annual Report (the "Evaluation Date"). Based upon that evaluation, the chief executive officer and the chief financial officer concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures are effective, providing them with material information relating to EuroTrust as required to be disclosed in the reports EuroTrust files or submits under the Exchange Act on a timely basis.

b) Changes in Internal Control over Financial Reporting. There were no changes in EuroTrust's internal controls over financial reporting, known to the chief executive officer or the chief financial officer, that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, EuroTrust's internal control over financial reporting. However, in connection with their audit of our consolidated financial statements included in this Annual Report, our independent auditors have expressed to us that they believe that a lack of U.S. GAAP technical accounting and financial reporting expertise represents a material weakness in the operation of our internal control over financial reporting and that this was demonstrated by, amongst other things EuroTrust making a number of adjustments and/or reclassifications from numbers previously reported. The auditors have recommended that EuroTrust obtain additional personnel who have significant expertise in external financial reporting and disclosure matters applicable to U.S. SEC Registrants. As a result, EuroTrust's Audit Committee, Chief Executive Officer, Chief Financial Officer and senior management are in the process of addressing this concern.

ITEM 16 A. AUDIT COMMITTEE FINANCIAL EXPERT

Not applicable for fiscal years ending before July 15, 2003.

ITEM 16 B. CODE OF ETHICS

Not applicable for fiscal years ending before July 15, 2003.

ITEM 16 C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Not applicable for fiscal years ending before December 15, 2003.

PART III

ITEM 17. FINANCIAL STATEMENTS

Not applicable. See Item 18, below.

ITEM 18. FINANCIAL STATEMENTS

See the Company's Consolidated Financial Statements, which are incorporated herein by reference and set forth on pages F-1 through F-26.

ITEM 19. EXHIBITS

- 1.1 Amended Articles of Association of the Registrant, as of December 6, 2001 (1)
- 1.2 Rules of Procedures of the Registrant, as amended (2)

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- 4.2 VeriSign International Affiliate Agreement between the Registrant and VeriSign, Inc., dated November 17, 2000 (1) (4)
- 4.2(a) Amendment No. 2 to the VeriSign International Affiliate Agreement between the Registrant and VeriSign, Inc., dated June 17, 2002*
- 4.2(b) Amendment No.3 to the VeriSign International Affiliate Agreement between the Registrant and VeriSign, Inc., dated February, 2003*(4)
- 4.3 Employment Agreement between the Registrant and Aldo Petersen, effective July, 2001*
- 4.4 Employment Agreement between the Registrant and Bertel Jensen, effective July, 2001*
- 8.1 List of the Subsidiaries of the Registrant *
- 31.1 Chief Executive Officer Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a).*
- 31.2 Chief Financial Officer Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a).*
- 32.1 Chief Executive Officer Certification pursuant to Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. Section 1350.*
- 32.2 Chief Financial Officer Certification pursuant to Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. Section 1350.*

* Included herewith.

- (1) Incorporated by reference to the Company's Annual Report on Form 20-F, filed on June 27, 2002.
- (2) Incorporated by reference to the original filing of the Registration Statement on Form F-1 (File No. 333-7092), filed on June 20, 1997.
- (3) Incorporated by reference to the Company's Annual Report on Form 20-F, filed on June 30, 1998.
- (4) Portions of this Exhibit, will be filed separately with the Commission in reliance on Rule 24b-2 of the Securities Exchange Act of 1934, as amended, and the Registrant's request for confidential treatment.

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SIGNATURES

Pursuant to the requirements of Section 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant certifies that it meets all of the requirements for filing on Form 20-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Soborg, Denmark.

EUROTRUST A/S

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Dated: September 12, 2003

By: /s/ Aldo M.N. Petersen

Aldo M.N. Petersen
Chief Executive Officer
(Principal Executive Officer)

Dated: September 12, 2003

By: /s/ Bertel E. Jensen

Bertel E. Jensen
Chief Financial Officer
(Principal Financial and Accounting
Officer)

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INDEX TO EXHIBITS

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EUROTUST A/S
Formerly known as Euro909.com A/S

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Consolidated Statements of Comprehensive Income (Loss) for the Years Ended December 31, 2000, 2001 and 2002.....	F-8
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Independent Auditor's Report

To the Shareholders of EuroTrust A/S

We have audited the accompanying consolidated balance sheet of EuroTrust A/S as of December 31, 2002, and the related consolidated statements of operations, shareholders' equity, comprehensive income (loss), and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The accompanying consolidated balance sheet as of December 31, 2001, and the related consolidated statements of operations, shareholders' equity, comprehensive income (loss) and cash flows for each of the years in the two year period ended December 31, 2001 were audited by other auditors whose report thereon dated May 28, 2002, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial

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statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2002 financial statements referred to above present fairly, in all material respects, the consolidated financial position of EuroTrust A/S as of December 31, 2002, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ KPMG LLP

Chartered Accountants
Registered Auditor
London, England
12 September 2003.

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Shareholders
EuroTrust A/S

We have audited the accompanying consolidated balance sheet of EuroTrust A/S (formerly known as euro909.com A/S) as of December 31, 2001 and the related consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for each of the two years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of EuroTrust A/S at December 31, 2001 and the consolidated results of its operations and its cash flows for each of the two years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

/s/ ERNST & YOUNG

Copenhagen, Denmark
May 28, 2002

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EUROTUST A/S

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CONSOLIDATED BALANCE SHEETS

(in thousands, except per share data and where otherwise indicated)

		December 31,	
	2001	2002	200
	DKK	DKK	US
ASSETS			
Current assets:			
Cash and cash equivalents	94,051	37,672	5,3
Restricted cash	41,607	1,986	2
Accounts receivable trade, net of allowances for doubtful accounts			
of DKK 7,640 in 2001 and DKK 4,629 in 2002	24,505	21,210	2,9
Receivables from related parties	3,084	0	
Broadcasting rights	3,244	3,805	5
Inventories	21,940	1,403	1
Deferred tax assets	356	706	1
VAT receivables	1,328	1,599	2
Prepaid expenses and deposits	21,544	15,019	2,1
Other receivables	6,820	7,175	1,0
Total current assets	218,479	90,575	12,7
Investment securities	584	570	
Broadcasting rights, long term	4,756	951	1
Rent and other deposits	18,989	1,783	2
Other receivables	110	64	
Long term investments	16,379	2,792	3
Investments in affiliated companies	1,255	0	
Property, plant and equipment, net	62,502	48,973	6,9
Goodwill	51,002	20,964	2,9
License rights, net	70,258	1,400	1
Other intangible fixed assets, net	1,297	145	
Total assets	445,611	168,217	23,7

DKK amounts have been converted into US\$ at an exchange rate of \$1=DKK 7.0822.

The accompanying notes are an integral part of these consolidated financial statements.

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EUROTUST A/S

CONSOLIDATED BALANCE SHEETS

(in thousands, except per share data and where otherwise indicated)

	December 31,
	2002
2001	

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	----- DKK	----- DKK
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short term borrowings	4,010	809
Accounts payable	28,115	21,038
Accounts payable, related parties	6,560	12,833
Accrued expenses	39,430	34,310
Deferred revenue	14,055	20,274
Lease obligations, current	768	4,328
Income tax payable	0	1,263
	-----	-----
Total current liabilities	92,938	94,855
Long term liabilities:		
Deferred revenue, long term	8,190	15,423
Lease obligations, long term	3,577	3,444
Other liabilities, long term	0	2,287
Minority interest in subsidiaries	7,738	7,966
	-----	-----
Total long term liabilities	19,505	29,120
Shareholders' equity:		
Common shares - 2002: authorized 34,502,000, 27,205,000 issued, par value DKK 1.25, 2001: authorized 34,502,000, issued 27,205,000, par value DKK 1.25	34,006	34,006
Additional paid-in capital	532,280	532,280
Accumulated defecit	(226,162)	(509,510)
Other comprehensive loss	(1,500)	(556)
Treasury stock, 567,450 and 1,263,100 common shares in 2001 and 2002 respectively, at cost	(5,456)	(11,978)
	-----	-----
Total shareholders'equity	333,168	44,242
	-----	-----
Total liabilities and shareholders'equity	445,611	168,217
	=====	=====

DKK amounts have been converted into US\$ at an exchange rate of \$1=DKK 7.0822.

The accompanying notes are an integral part of these consolidated financial statements.

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EUROTUST A/S CONSOLIDATED STATEMENTS OF OPERATIONS (in thousands, except per share data and where otherwise indicated)

	2000	Year 2
	----- DKK	-----
Revenues	188,628	15

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Operating expenses:		
Cost of revenue	124,662	9
Cost of revenue from related parties	0	
Selling and marketing expenses	63,998	6
Selling and marketing expenses with related parties	0	
General and administrative expenses	57,163	5
General and administrative expenses from related parties	220	
Depreciation	11,845	1
Amortization and write downs	16,724	5
Goodwill impairment	16,258	5
	-----	-----
Total operating expenses	290,87	34
	-----	-----
Operating loss	(102,242)	(19)
Interest income	903	
Interest expense	(585)	
Foreign exchange gain (loss), net	2,904	(
Gains from sales of business	0	21
Write-down of long term investments	0	
Other (expenses) income, net	(35)	
	-----	-----
(Loss) income before income taxes and minority interest	(99,055)	1
Income tax expense	(1,971)	
Minority interest in net (loss) income of subsidiaries	(358)	
	-----	-----
(Loss) income from continuing operations	(101,384)	1
Net loss from discontinued Print/On line Media division, net of tax of (341) in 2000, 0 in 2001 and 2002	(25,042)	(1
Loss on disposal of Print/On line Media Division, net of tax of 0 in 2001	0	
	-----	-----
(Loss) income before change in accounting principle	(126,426)	
Cumulative effect of change in accounting principle, net of tax of 0 in 2000, 2001 and 2002	(20,278)	
	-----	-----
Net (loss) income	(146,704)	
	=====	=====
(Loss) income from continuing operations per average common share, basic	(5.98)	
	=====	=====
(Loss) income from discontinuing operations per average common share, basic	(1.47)	
	=====	=====
Net (loss) income per average common share, basic	(8.65)	
	=====	=====
(Loss) income from continuing operations per average common share, diluted	(5.98)	
	=====	=====
(Loss) income from discontinuing operations per average common share, diluted	(1.47)	
	=====	=====

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Net (loss) income per average common share, diluted	(8.65)	=====	=====
Average common shares outstanding, basic	16,968	=====	=====
Average common shares outstanding, diluted	16,968	=====	=====

DKK amounts have been converted into US\$ at an exchange rate of \$1=DKK 7.0822.

The accompanying notes are an integral part of these consolidated financial statements.

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EUROTUST A/S CONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY (in thousands, except per share data and where otherwise indicated)

	Common Shares	Additional Paid-In Capital	Accumulated Defecit	Other com- prehensive Income
	DKK	DKK	DKK	DKK
Balance at December 31, 1999	18,629	218,608	(87,163)	(350)
Issuance of 2,655 common shares to acquire new businesses	3,319	107,945		
Issuance of 2,571 common shares for cash through exercise of stock options	3,213	80,728		
Issuance of 522 common shares for cash in private placement	653	7,347		
Repayment of note receivables				
Currency translation adjustments				(203)
Unrealized loss on investment securities				(337)
Net loss			(146,704)	
Balance at December 31, 2000	25,814	414,628	(233,867)	(890)
Issuance of 248 common shares to acquire new businesses	310	3,652		
Issuance of 6,306 common shares for cash in private placement	7,882	114,529		
Purchase of treasury stock				
Sale of treasury stock		(529)		
Currency translation adjustments				(393)
Unrealized loss on investment securities				(217)
Repayment of notes receivable				
Net income			7,705	
Balance at December 31, 2001	34,006	532,280	(226,162)	(1,500)

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Purchase of treasury stock				
Currency translation adjustments				958
Unrealized loss on investment securities				(14)
Net loss			(283,348)	

Balance at December 31, 2002	34,006	532,280	(509,510)	(556)
------------------------------	--------	---------	-----------	-------

DKK amounts have been converted into US\$ at an exchange rate of \$1=DKK 7.0822.

The accompanying notes are an integral part of these consolidated financial statements.

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EUROTRUST A/S CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (in thousands, except per share data and where otherwise indicated)

	2000	Years ended December 31,	
		2001	2002
	DKK	DKK	DKK
Net (loss) income	(146,704)	7,705	(283,348)
Currency translation adjustment, net of taxes of DKK 0 in 2000, 2001 and 2002	(203)	(393)	958
Unrealized investment security losses, net of taxes of DKK 0 in 2000, 2001 and 2002	(337)	(217)	(14)
Total comprehensive net (loss) income	(147,244)	7,09	(282,404)

DKK amounts have been converted into US\$ at an exchange rate of \$1=DKK 7.0822.

The accompanying notes are an integral part of these consolidated financial statements.

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EUROTRUST A/S CONSOLIDATED STATEMENTS OF CASH FLOWS (in thousands, except per share data and where otherwise indicated)

2000

Yea

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DKK

Cash flows from operating activities:

Net (loss) income from continuing operations	(101,384)	
Adjustments to reconcile net loss (income) to cash used in operating activities:		
Depreciation, amortization and write downs	54,062	1
Option loss	0	
(Gain) on sale business	0	(2)
(Gain)/loss on sale of fixed assets	0	
Deferred tax	1,020	
Minority interest	318	
Changes in operating assets and liabilities:		
Accounts receivable	(9,115)	
Accounts receivable, related parties	0	
Broadcasting rights	(10,246)	
Inventories and other assets	(1,599)	
Income tax payable	1,144	
Other receivables	(2,925)	
Accounts payable	(9,471)	(
Accounts payable, related parties	(2,525)	
Accrued expenses	8,321	(
Other liabilities	0	
Deferred revenue	34,986	(
	-----	-----
Cash used in operating activities:	(37,414)	(
Cash used in discontinued operations:	(19,900)	
	-----	-----
	(57,314)	(1
	=====	=====

Cash flows from investing activities:

Proceeds from sales of investments (purchase of investments)	1,856	
Acquisition of new business, net of cash acquired	3,193	(
Proceeds from sale of business, net of cash disposed of	(219)	1
Purchase of fixed assets	(58,941)	(1
Proceeds from sales of fixed assets	0	
	-----	-----
Cash (used in) provided by investing activities:	(54,111)	
Cash (used in) provided by discontinued operations:	(5,540)	
	-----	-----
	(59,651)	
	=====	=====

Cash flows from financing activities:

Net change in short-term borrowings	29,768	
Sales of treasury stock	0	
Purchases of treasury stock	0	
Proceeds from sale and lease back	0	
Lease payments	0	
Long term debt	0	(
Net change in restricted cash	(76)	
Proceeds from issuance of common shares and stock options	91,941	1
	-----	-----
Cash provided by (used in) financing activities:	121,633	1
Cash used in discontinued operations:	(3,455)	
	-----	-----
	118,178	1
	=====	=====

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Effect of currency exchange rate changes on cash and cash equivalents	(487)	-----
Net increase (decrease) in cash and cash equivalents	726	-----
Cash and cash equivalents, beginning of period	47,917	-----
Cash and cash equivalents, end of period	48,643	-----
Cash received for interest	903	=====
Cash paid for interest	(585)	=====
Cash paid for taxes	621	=====

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EUROTRUST A/S
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands, except per share data and where otherwise indicated)

DKK amounts have been converted into US\$ at an exchange rate of \$1=DKK 7.0822.

The accompanying notes are an integral part of these
consolidated financial statements.

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EUROTRUST A/S
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

1. Summary of Significant Accounting Policies

Description of Business

In December 2001, we changed our name to EuroTrust A/S (from euro909.com A/S and earlier Telepartner A/S).

We are engaged in internet services and broadcasting activities.

We provide an array of trusted Internet security products and services, including secure communications, secure servers, on-site solutions, payment platforms, virus detection, security penetration testing, digital video surveillance, and secure remote backup services to website owners, commercial enterprises and electronic commerce service providers in Scandinavia and other European countries.

Until 2002, our business operated in three distinct areas: Internet products and services; broadcasting; and print and online media. In 2001 we made the strategic decision to focus primarily on providing trusted Internet infrastructure products and services and e-commerce solutions in Scandinavia and selected European markets. As a result, we sold our domain name registration business to VeriSign in July 2001, we sold the remaining assets of our historical telecommunications business in December 2001 and we sold our print

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and online media properties in December 2001. Also, in the fourth quarter of 2001, we consolidated all of our television programming into a single television channel, dk4.

Reporting currency

The functional currency of EuroTrust A/S ("the Company") and its subsidiaries is the local currency of the country in which they conduct their business. Balance sheet accounts are translated into DKK at the year-end exchange rate and items in the statement of operations are translated at the average exchange rate. Resulting translation adjustments are charged or credited to a separate component of shareholders' equity. Translation adjustments arising from intercompany financing of a long-term investment nature are accounted for similarly. Some transactions of the Company and its subsidiaries are made in currencies other than the functional currency. Gains and losses from these transactions are included in the income statement.

Information expressed in US dollars

The consolidated financial statements are stated in Danish Kroner ("DKK"), the currency of the country in which the Company and its major subsidiaries are incorporated and operate. Translation of DKK amounts into US Dollar amounts is included solely for the convenience of the reader and has been made at the rate of 7.0822 DKK to one US Dollar, the approximate exchange rate at December 31, 2002. Such translation should not be construed as a representation that the DKK amounts could be converted into US Dollars at that or any other rate.

Basis of presentation and principles of consolidation

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("US GAAP") and include the accounts of EuroTrust A/S and its majority-owned subsidiaries after elimination of intercompany accounts and transactions. The

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EUROTRUST A/S

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

Company's investments representing a 20% to 50% interest are accounted for by the equity method of accounting.

Risks and uncertainties

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used when accounting for items and matters such as the allowance for uncollectible accounts, inventory obsolescence, amortization, asset valuations, impairment assessments, taxes and contingencies.

Revenue recognition

The Company derives revenues from three primary categories: (i) internet services, which include managed public key infrastructure services and digital

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certificate services, hosting, virus surveillance and detection services, and remote data backup services; (ii) broadcasting, which includes cable and digital television subscriber income and program production income; and (iii) until July 31, 2001, domain name registration services. The revenue recognition policy for each of these categories is as follows:

Internet services

The Company recognizes revenues from issuances of digital certificates and managed PKI services, virus surveillance and detection services, and remote data backup, when all of the following criteria are met: (1) persuasive evidence of an arrangement exists, (2) delivery has occurred, (3) the fee is fixed or determinable and (4) collectibility is reasonably assured.

In software arrangements involving multiple elements, as required by SOP 97-2, the Company allocates and defers revenue for the undelivered elements based on vendor-specific objective evidence, or VSOE, of the fair value of the undelivered elements, and recognizes the difference between the total arrangement fee and the amount deferred for the undelivered elements as revenue. VSOE of each element is based on the price for which the undelivered element is sold separately. If VSOE does not exist for undelivered elements such as maintenance services, then the entire arrangement fee is recognized over the performance period.

Revenues from the sale of digital certificates and managed PKI services, which include bundled maintenance services which are not sold separately, are deferred and recognized ratably over the period that such contracted services are provided, usually 12 to 24 months.

Revenues from virus surveillance and detection services, which include bundled maintenance services which are not sold separately, are deferred and recognized rateably over the period that the service is provided, usually 3 to 36 months.

Revenues from hosting and remote data backup services are deferred and recognised rateably over the period that the service is provided, usually 3 to 12 months.

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EUROTRUST A/S

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

The Company's consulting and installation services are not essential to the functionality of the software. The Company's software products are fully functional upon delivery and do not require any significant modification or alteration. Revenues from consulting and installation services, which are provided on a time and materials basis, are recognised as the service is performed.

Broadcasting

The Company recognizes cable and digital television revenue on an accruals basis in accordance with the terms of the contracts entered into with cable and digital television providers, which are based on the number of subscribers for the Company's television channel. Revenue and costs associated with program production are recognized when programs are completed and delivered to the

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broadcaster.

Domain name registration

The Company sold its domain name registration business in 2001.

Effective October 1, 2000, the Company changed its method of accounting for recognition of domain name registration revenue in accordance with Staff Accounting Bulletin No.101, Revenue Recognition in Financial Statements. Previously, the Company recognized revenue from initial registration of domain names when the registration process was complete and annual service fees (registration renewal fees) were recognized when invoiced to the customer. Upon completion of the initial registration, the only continuing obligation to the Company was to provide the customer access through one of its servers, resulting in no incremental cost to the Company, to the domain name registry for purposes of maintaining the customer's domain name registration. Under the new method of accounting, which was adopted retroactively to January 1, 2000, the Company recognized revenues over the period the customer is provided access to the registry through its servers. The effect of this change on the year ended December 31, 2000, was an increase in the loss before cumulative effect of the accounting change of DKK 16.5 million (DKK 0.97 per share). During 2000, the Company recognized DKK 27.6 million of revenue and DKK 7.3 million of cost of sales that was included in the cumulative effect adjustment, which decreased the loss for the year by DKK 20.3 million or DKK 1.20 per share.

Income taxes

We use the asset and liability method to account for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and to operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. We record a valuation allowance to reduce deferred tax assets to an amount whose realization is more likely than not.

Cash and cash equivalents

Cash and cash equivalents represent cash and short-term deposits with maturities of less than three months at the time of purchase.

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EUROTUST A/S

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

Restricted cash

Restricted cash as of December 31, 2001 and 2002 included an escrow account in respect of the remaining consideration for our domain name registration business that was sold in June 2001 amounting to DKK 41,607 and DKK 1,986, respectively.

Investment securities

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Investments in public companies are classified as "available-for-sale" and are included in investment securities in the consolidated financial statements. These investments are carried at fair value based on quoted market prices. We review the marketable equity holdings in publicly traded companies on a regular basis to determine if any security has experienced an other-than-temporary decline in its fair value. We consider the investee company's cash position, earnings and revenue outlook, stock price performance over the past six months, liquidity and management, among other factors, when reviewing the marketable equity securities. If it is determined that an other-than-temporary decline in fair value exists in a marketable equity security, we record an investment loss in the consolidated statement of operations.

Long-Term investments

Investments in non-public companies are included in long-term investments in the consolidated balance sheet and are accounted for under the cost method. For these non-quoted investments, we regularly review the assumptions underlying the operating performance and cash flow forecasts based on information requested from these privately held companies. Generally, this information may be more limited, may not be as timely as and may be less accurate than information available from publicly traded companies. Assessing each investment's carrying value requires significant judgment by management. If it is determined that there is an other-than-temporary decline in the fair value of a non-public equity security, we write-down the investment to its fair value and record the related write-down as an investment loss in the consolidated statement of operations.

Allowance for doubtful accounts

We maintain allowances for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. We regularly review the adequacy of our accounts receivable allowance after considering the size of the accounts receivable balance, each customer's expected ability to pay and our collection history with each customer. We review significant invoices that are past due to determine if an allowance is appropriate based on the risk category using the factors described above.

The table below shows the movements in the allowance for doubtful accounts for the years ended December 31, 2000 to December 31, 2002.

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EUROTUST A/S

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

	Balance at January 1	Amounts charged (credited) to operating expenses	Deductions	
Allowance for doubtful accounts:				
Year ended December 31, 2000	5,034	2,894	0	
Year ended December 31, 2001	7,928	1,519	(1,807)	
Year ended December 31, 2002	7,640	(3,011)		

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The deductions for the year ended December 31, 2001 of DKK 1.8 million relate to the Print and Online Media Division and are included in discontinued operations as this business was sold in 2001.

Broadcasting rights

Broadcasting rights, which comprise acquired rights to broadcast television programs on the Company's television stations, and the related liabilities are recorded at their gross value when the license period begins and the programs are available for use. These rights are expensed when the program is aired. Program rights are classified as current or non-current based on anticipated usage in the following year.

Inventories

Inventories principally consists of 45,000 IBM Tivoli licenses relating to our remote back-up business. Inventories are stated at the lower of cost or market with cost determined on the basis of the first in, first out method. In order to evaluate the realizable value of such assets the company investigates the available market for these products and expected sales price. As of December 31, 2002 these licenses have been written-down by DKK 21.7 million to DKK zero.

Property, plant and equipment

Buildings, technical equipment, furniture and fixtures, cars and leasehold improvements are carried at cost less depreciation. Assets held under capital leases are stated at the present value of minimum lease payments. Land is carried at cost and is not depreciated.

Buildings are depreciated on a straight-line basis over 50 years. Technical equipment, furniture and fixtures and cars are depreciated on a straight-line basis over the expected useful lives of between three and ten years. Leasehold improvements are amortized over the shorter of their expected lives, which is 10 years or the non-cancelable term of the lease.

Goodwill and other intangible assets

Goodwill represents the excess of costs over the fair value of the identifiable net assets of businesses acquired. We fully adopted the provisions of SFAS No. 142, Goodwill and Other Intangible Assets, as of January 1, 2002. Goodwill and intangible assets acquired in a purchase business combination and determined to have an indefinite useful life are not amortized, but instead are tested for impairment at least annually in accordance with the provisions of SFAS No. 142. Impairment losses arising from this impairment test are included in operating expenses. SFAS No. 142 also requires that intangible assets with estimable useful lives be amortized over their respective estimated useful lives to

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EUROTRUST A/S

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

their estimated residual values, and reviewed for impairment in accordance with SFAS No. 144, Accounting for Impairment or Disposal of Long-Lived Assets.

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In connection with SFAS No. 142's transitional goodwill impairment evaluation, the Statement required us to perform an assessment of whether there was an indication that goodwill was impaired as of 1 January 2002, the date of adoption. To accomplish this, we were required to identify our reporting units and determine the carrying value of each reporting unit by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units as of January 1, 2002. During the second quarter of 2002, in accordance with SFAS No. 142 we determined the fair value of each reporting unit as at 1 January 2002 and compared it to the carrying amount of the reporting unit at that date. To the extent the carrying amount of a reporting unit exceeded the fair value of the reporting unit, we would have been required to perform the second step of the transitional impairment test, as this is an indication that the reporting unit goodwill may be impaired. The second step was not required for any of our reporting units.

Prior to the adoption of SFAS No. 142, goodwill was amortized on a straight-line basis over the expected periods to be benefited, generally 5 to 10 years, and assessed for recoverability by determining whether the amortization of the goodwill balance over its remaining life could be recovered through undiscounted future operating cash flows of the acquired operation. All other intangible assets were amortized on a straight-line basis not exceeding 5 years. The amount of goodwill and other intangible asset impairment, if any, was measured based on projected discounted future operating cash flows using a discount rate reflecting our average cost of funds.

Excluding amortization expense related to goodwill for all the periods presented, our adjusted net (loss) income would have been as follows:

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EUROTRUST A/S

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

	2000	2001
Reported results		
(Loss) income from continuing operations	(101,384)	18,000
Loss from discontinued operations - net of tax	(25,042)	(10,000)
Loss on disposal of Print/Online Media Division	0	(1,000)
Cumulative effect of change in accounting principle	(20,278)	0
(Loss) income - reported	(146,704)	7,000
Adjustments		
Amortization of goodwill from continuing operations - net of tax	4,273	4,000
Amortization of goodwill from discontinued operations	0	0
Total net adjustments	4,273	4,000

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Adjusted results

(Loss) income from continuing operations	(97,111)	22,
Loss from discontinued operations - net of tax	(25,042)	(10,
Cumulative effect of change in accounting principle	(20,278)	

(Loss) income - adjusted	(142,431)	12,
--------------------------	-----------	-----

Reported basic (loss) income per common share:

From continuing operations	(5.98)	0
From discontinued operations	(1.47)	(0
From cumulative effect of change in accounting principle	(1.20)	0

Basic (loss) income per common share - reported	(8.65)	0
---	--------	---

Reported diluted (loss) income per common share:

From continuing operations	(5.98)	0
From discontinued operations	(1.47)	(0
From cumulative effect of change in accounting principle	(1.20)	0

Diluted (loss) income per common share - reported	(8.65)	0
---	--------	---

Adjusted basic (loss) income per common share:

From continuing operations	(5.72)	0
From discontinued operations	(1.47)	(0
From cumulative effect of change in accounting principle	(1.20)	0

Basic (loss) income per common share - adjusted	(8.38)	0
---	--------	---

Adjusted diluted (loss) income per common share:

From continuing operations	(5.72)	0
From discontinued operations	(1.47)	(0
From cumulative effect of change in accounting principle	(1.20)	0

Diluted (loss) income per common share - adjusted	(8.38)	0
---	--------	---

Impairment of Long-Lived Assets

In accordance with SFAS No. 144, long-lived assets, such as property, plant, and equipment, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed of significantly before the end of its estimated useful life.

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EUROTUST A/S

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of would be separately presented in the balance sheet and reported at the lower of the carrying amount or fair value less costs to sell, and would no longer be depreciated. The assets and liabilities of a group classified as held for sale would be presented separately in the appropriate asset and liability sections of the balance sheet.

Goodwill and intangible assets not subject to amortization are tested annually for impairment, and are tested for impairment more frequently if events and circumstances indicate that the asset might be impaired. An impairment loss is recognized to the extent that the carrying amount exceeds the asset's fair value.

Prior to the adoption of SFAS No. 144, the Company accounted for long-lived assets in accordance with SFAS No. 121, Accounting for Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of.

Stock Options

At December 31, 2002, we have a number of stock-based employee compensation plans, under which options are outstanding. We apply the intrinsic value-based method of accounting prescribed by Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees", and related interpretations including FASB Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation an interpretation of APB No. 25" issued in March 2000, to account for our fixed plan stock options.

Under this method, compensation expense is recorded on the date of grant only if the current market price of the underlying stock exceeded the exercise price. SFAS No. 123 "Accounting for Stock-Based Compensation," established accounting and disclosure requirements using a fair value-based method of accounting for stock-based employee compensation plans. As allowed by SFAS No. 123, we have elected to continue to apply the intrinsic value-based method of accounting described above, and have adopted the disclosure requirements of SFAS No. 123. The following table (in DKK) illustrates the effect on net loss and net loss per share if we had applied the fair value recognition provisions of SFAS No. 123, "Accounting for Stock-Based Compensation," to stock-based employee compensation under which the estimated fair value of the options would be amortized to expense over the options' vesting periods.

	2000	2001	2002
Reported net (loss) income	(146,704)	7,705	(283,348)
Reported stock-based compensation expense	0	0	0
Pro forma stock-based compensation expense	(10,295)	(24,385)	(12,036)
	-----	-----	-----
Pro forma net loss	(156,999)	(16,680)	(295,384)

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Reported basic (loss) income per share	(8.65)	0.32	(10.60)
Reported diluted (loss) income per share	(8.65)	0.31	(10.60)
Pro forma basic and diluted loss per share	(9.25)	(0.69)	(11.29)

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EUROTRUST A/S

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

The fair value of these stock options was estimated at the date of grant using a Black-Scholes option pricing model with the following assumptions: 5 year risk-free interest rate of 5.70% and a 3 year risk-free interest rate of 5.10% for 2000; 5 year risk-free interest rate of 5.25% and a 3 year risk-free interest rate of 4.92% for 2001; 3 year risk-free interest rate of 4.7% and a 2 year risk-free interest rate of 4.08% for 2002; dividend yield of 0%; and an annual volatility factor of the expected market price of the Company's ADR's of 1.16, 1.30 and 1.25 for 2000, 2001 and 2002 respectively.

Concentration of credit risk

Cash and cash equivalents are, for the most part, maintained with several major financial institutions in Scandinavia.

The Company has a large number of small customers located throughout Scandinavia, and, to a limited extent, in certain Western European countries, and does not require collateral from its customers. The company has one large customer which alone accounts for 28% of the company's consolidated revenue. The company also has one large supplier which alone accounts for 25% of the company's consolidated cost of revenue.

Advertising costs

Advertising costs are expensed as incurred. Advertising expenses totalled DKK 2.9 million, DKK 3.2 million and DKK 4.0 million in 2000, 2001 and 2002, respectively.

Other (expenses) income, net

Other (expenses) income, net of DKK (8,618) in 2002 mainly relates to changes in the fair values of written options issued in connection with business acquisitions.

As of December 31, 2002 Medani A/S exercised the written put option issued at the time of the Company's purchase of an 85% equity interest in EuroTrust NetVaulting A/S to sell its remaining equity interest of 15% in EuroTrust NetVaulting A/S to the Company. The Company recorded a loss of DKK 4,498 with regard to this option in 2002 which is included within other (expenses) income, net in the consolidated statement of operations for the year ended December 31, 2002.

The Company has issued a written put option to buy a 25% interest in EuroTrust Secure Hosting A/S in 2004 at a price based on the future profitability of EuroTrust Secure Hosting A/S or for a minimum of DKK 2,500. In addition, the Company has issued a written call option to sell an additional 10%

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of EuroTrust Secure Hosting A/S for DKK 50. These options have been included in the financial statements at their respective fair values, resulting in an expense of DKK 2,287 in 2002 which is included within other (expenses) income, net in the consolidated statement of operations for the year ended December 31, 2002.

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EUROTRUST A/S

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

Pensions and other post-retirement and post-employment benefits

The Company contributes to insurance companies for the benefit of pension agreements between employees and insurance companies. The Company's contributions are expensed as incurred. The Company has no liabilities related to pensions.

Other than the pension benefits described above, the Company does not provide its employees with post-retirement and post-employment benefits.

Reclassifications

In 2002 certain prior years balances have been reclassified to conform to the current years presentation including:

The allocation of costs between cost of revenue, sales and marketing and general and administrative expenses within the Broadcast media segment has been made on a more detailed basis in 2002 as compared to previous years allocations. This has resulted in the Company allocating more costs to sales and marketing, as a number of costs that historically have belonged to one function have been allocated between two or more functions. The allocations in 2001 and 2000 have been amended based on the more detailed allocation basis to provide consistency with the improved classifications in 2002. This has resulted in a reduction in cost of revenue of DKK 8,326 and DKK 5,174 in 2001 and 2000 respectively and an increase in sales and marketing expenses of DKK 7,863 and DKK 6,899 in 2001 and 2000 respectively. General and administrative expenses have increased by DKK 463 in 2001 and decreased by DKK 1,725 in 2000.

Cost of revenue, selling and marketing expenses and general and administrative expenses have been split to separately disclose amounts incurred in transactions with related parties.

Investments have been split between investment securities and long term investments. In addition, broadcasting rights and deferred revenue have been split into current and long term elements.

Goodwill impairment, which was previously included in the line item "amortization and write downs", has been separately disclosed in the consolidated statement of operations.

Movements in restricted cash in 2001 have been reclassified from cash flows from financing activities to investing activities to reflect the actual cash received from the sale of the domain name registration business to VeriSign. The amount reclassified from financing to investing activities in 2001 amounts to DKK 41,531.

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In the opening equity as of January 1, 2000 there has been a reclassification of DKK 1,970 from other comprehensive loss to accumulated deficit. The reclassification is related to a investment in Land and Leisure A/S.

Furthermore there have been a number of other minor reclassifications to conform with the current year's presentation.

These changes do not impact net income, net assets or net increase in cash and cash equivalents.

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EUROTRUST A/S

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

Recently issued accounting standards

In 2002, the FASB issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Correction," SFAS No. 145 rescinds SFAS No. 4, "Reporting Gains and Losses from Extinguishment of Debt"; SFAS No. 64, "Extinguishments of Debt Made to Satisfy Sinking-Fund Requirements"; and SFAS No. 44, "Accounting for Intangible Assets of Motor Carriers"; and amends SFAS No. 13, "Accounting for Leases". SFAS No. 145 is generally effective from May 15, 2002. SFAS No. 145 does not have a material effect on EuroTrust's financial statements.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" (SFAS No. 146). SFAS No. 146 addresses accounting and reporting for costs associated with exit or disposal activities, and nullifies Emerging Issues Task Force (EITF) Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)". This Statement requires that a liability for a cost associated with an exit or disposal activity be recognized and measured initially at fair value when the liability is incurred. SFAS No. 146 is effective for exit or disposal activities that are initiated after December 31, 2002. EuroTrust does not expect the adoption of this Statement to have a material effect on its financial statements.

In November 2002, the FASB issued Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, an interpretation of FASB Statements No. 5, 57 and 107 and a rescission of FASB Interpretation No. 34." This interpretation elaborates on the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under guarantees issued. The interpretation also clarifies that a guarantor is required to recognize, at inception of a guarantee, a liability for the fair value of the obligation undertaken. The initial recognition and measurement provisions of the interpretation are applicable to guarantees issued or modified after December 31, 2002 and are not expected to have a material effect on our financial statements. We have not incurred significant obligations under customer indemnification or warranty provisions historically and do not expect to incur significant obligations in the future. Accordingly, we do not maintain accruals for potential customer indemnification or warranty-related obligations. The annual disclosure requirements are effective for these financial statements and for interim periods ending after December 15, 2002. The adoption of FASB

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Interpretation No. 45 did not have a material effect on our consolidated financial position, results of operations or cash flows.

In November 2002, the Emerging Issues Task Force issued its consensus on EITF Issue No. 00-21, Revenue Arrangements with Multiple Deliverables ("EITF Issue No. 00-21") on an approach to determine whether an entity should divide an arrangement with multiple deliverables into separate units of accounting. According to the EITF, in an arrangement with multiple deliverables, the delivered item(s) should be considered a separate unit of accounting if all of the following criteria are met: (1) the delivered item(s) has value to the customer on a standalone basis, (2) there is objective and reliable evidence of the fair value of the undelivered item(s), and (3) if the arrangement includes a general right of return, delivery or performance of the undelivered item(s) is considered probable and substantially in the control of the vendor. If all the conditions above are met and there is objective and reliable evidence of fair value for all units of accounting in an arrangement, the arrangement consideration should be allocated to the separate units of accounting based on their relative fair values. The guidance in this Issue is effective for revenue arrangements entered into in fiscal periods beginning after June 15, 2003.

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(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

EuroTrust has not yet completed an analysis of EITF Issue No. 00-21 and the related impact on its financial statements.

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure- an amendment of FASB Statement No. 123" (SFAS No. 148). This Statement amends SFAS No. 123, "Accounting for Stock-Based Compensation" (SFAS No. 123), to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, this Statement amends the disclosure requirements of SFAS No. 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. This statement requires that companies having a year-end after December 15, 2002 follow the prescribed format and provide the additional disclosures in their annual reports. EuroTrust has provided the disclosures required by SFAS No. 148 in the financial statements. EuroTrust does not currently intend to change its method for accounting for stock options and does not expect the adoption of this Statement to have a material effect on its financial statements.

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities" (FIN 46). FIN 46 requires a variable interest entity to be consolidated by a company, if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns or both. FIN 46 also requires disclosures about variable interest entities that a company is not required to consolidate but in which it has a significant variable interest. The consolidation requirements of FIN 46 apply immediately to variable interest entities created after January 31, 2003 and to existing entities in the first fiscal year or interim period beginning after June 15, 2003. Certain of the disclosure requirements apply to all financial statements issued after January 31, 2003, regardless of when the variable interest entity was established. The

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initial adoption of this accounting pronouncement is not expected to have a material impact on EuroTrust's consolidated financial statements.

In April, 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities", which amends SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," to address (1) decisions reached by the Derivatives Implementation Group, (2) developments in other Board projects that address financial instruments, and (3) implementation issues related to the definition of a derivative. SFAS No. 149 has multiple effective date provisions depending on the nature of the amendment to SFAS No. 133. EuroTrust does not expect the adoption of this statement to have a material effect on its financial statements.

On May 15, 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity". SFAS No. 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. SFAS No. 150 is effective for all financial instruments entered into or modified after May 31, 2003. For unmodified financial instruments existing at May 31, 2003, SFAS No. 150 is effective at the beginning of the first interim period beginning after June 15, 2003, except for mandatorily redeemable financial instruments of nonpublic entities. EuroTrust does not expect the new standard to have an effect on its financial statements.

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EUROTRUST A/S

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

2. Investment securities

The following is a summary of available-for-sale investments held as long-term assets (in DKK):

	Cost	Gross Unrealized Losses	Fair Value
December 31, 2001:			
Shares in Land and Leisure A/S	1,111	(527)	584
	-----	-----	-----
Total	1,111	(527)	584
	-----	-----	-----
December 31, 2002:			
Shares in Land and Leisure A/S	1,111	(541)	570
	-----	-----	-----
Total	1,111	(541)	570
	-----	-----	-----

The unrealised loss on the available-for-sale investment securities is included in other comprehensive income.

3. Long term investments

The following is a summary of long-term investments that are stated at cost (in DKK)

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	Book Value -----
December 31, 2001:	
Shares in TrustItalia S.p.A	16,053
Other shares	326

Total	16,379

December 31, 2002:	
Shares in TrustItalia S.p.A	0
Shares in Excelsa SA s.r.l	2,792
Shares in Wisekey SA	0
Other shares	0

Total long term investments	2,792

Based on our review of the valuation of investments made at December 31, 2002, we wrote down to nil our investments in Trust Italia S.p.A. (DKK 16,053), Wisekey SA (DKK 2,322) and certain other shares (DKK 751). These write downs are included in Write-down of long term investments in the consolidated statement of operations.

Trust Italia SpA

As of November 30, 2000, the Company acquired 20% of the ordinary shares of Trust Italia SpA., an Italian digital security company. This amounted to the acquisition of 325,000 shares. The consideration comprised 750,000 ordinary shares of stock, valued at DKK 11,788.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

During 2001, the agreement for the acquisition was changed, following investment in TrustItalia SpA by other parties, resulting in an ownership in TrustItalia of 15.7% (242,000 shares) and an additional cash consideration of DKK 4,265.

Of the total shares acquired, 150,600 shares in Trust Italia SpA were purchased from Ben Rispoli who owned 9.8% of the shares of Trust Italia SpA. These shares were purchased in return for 559,155 shares in EuroTrust.

On March 7, 2002 the Company granted a loan of DKK 1,250 (denominated in USD) to Mr Rispoli who has since provided the Company's shares he subsequently acquired from the above transaction as security.

The carrying value in the consolidated balance sheet of the loan to Mr. Rispoli as of December 31, 2002 was DKK 750 net of a provision for possible non-repayment of DKK 500.

Interest is payable on this loan at a rate of 6% per annum and the loan agreement expires December 1, 2004.

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4. Property, plant and equipment

Property, plant and equipment include the following (in DKK):

	December 31,	
	-----	-----
	2001	2002
	----	----
Land and buildings	27,628	29,006
Technical equipment	52,637	35,221
Furniture and fixtures	5,829	12,798
Cars	7,709	3,930
Leasehold improvements	5,927	5,477
	-----	-----
	99,730	86,432
Less accumulated depreciation	(37,228)	(37,459)
	-----	-----
Net property, plant and equipment	62,502	48,973
	=====	=====

During 2002, based on a review of past results and market prospects we reduced the future projections of our Internet services segment businesses. This change required an impairment analysis to be performed in accordance with SFAS No. 144. The recoverability test which compares the estimated undiscounted future cash flows generated by the property, plant and equipment of these businesses with their carrying values indicated that the assets were impaired. Accordingly, the carrying values of the plant and equipment were reduced to a fair value estimated using the expected present value of discounted future cash flows expected from the assets over their remaining useful lives. When making these estimates the Company made best estimates of future operating trends and judgments on discount rates and other variables. Actual future result and other assumed variables could differ from these estimates. The discount rates used ranged from 14 to 16 percent. This resulted in a pre-tax charge of DKK 11.0 million recorded in Amortization and write-downs in the consolidated statement of operations.

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EUROTUST A/S

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

The net book value of leased assets included in property, plant and equipment total DKK 5,562 and DKK 0 at December 31, 2001 and 2002, respectively. Leased assets of DKK 5,287 were impaired as part of the DKK 11.0 million impairment of assets in 2002.

At December 31, 2002 land and buildings are pledged as security for a credit line of DKK 1.5 million and as security for other liabilities of DKK 3.5 million.

5. Goodwill

Goodwill consisted of the following (in DKK):

Balance - net as of January 1, 2002	51,002
-------------------------------------	--------

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Changes:		
	Additions	36,732
	Disposals	(1,427)
	Impairment	(65,343)

Balance - net as of December 31, 2002		20,964
		=====

We fully adopted SFAS No. 142 on January 1, 2002, and in accordance with this standard we performed our transitional goodwill impairment test as of January 1, 2002 and we performed our annual impairment test as of December 31, 2002. When performing these tests the fair value of the Company's reporting units was determined using the present value of estimated future cash flows that the reporting unit is expected to generate over its remaining life.

Fair value was estimated using the expected present value of discounted future cash flows of the businesses within EuroTrust. When making these estimates we were required to make estimates of future operating trends and judgments on discount rates and other variables. Actual future results and other assumed variables could differ from these estimates. The discount rates used ranged from 14 to 16 percent and the terminal values were estimated based on terminal growth rates of 2 percent. The assumptions supporting the estimated future cash flows, including the discount rate and estimated terminal values, reflect management's best estimates.

As a result of the deterioration in the market value of EuroTrust since January 1, 2002, the current general economic environment and current market situation, the results of the annual impairment test indicated that the carrying values of goodwill for certain reporting units exceeded their implied fair values and accordingly, an impairment charge of DKK 65.3 million was recorded in the consolidated statement of operations during the fourth quarter of 2002. All of the goodwill write down relates to the Internet services segment and the most significant single element of this write down relates to goodwill recognized in connection with the purchase of Alphasys SAS in January 2002 of DKK 33.2 million.

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EUROTUST A/S

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

The remaining goodwill as at 31 December 2002 relates to the Broadcast Media segment.

Prior to our adoption of SFAS No. 142 on January 1, 2002 our policy was to assess the recoverability of goodwill in accordance with APB Opinion 17 and SFAS No. 121 using the non-discounted cash flows of the entity acquired over the remaining amortization period. Should an impairment have been evident, then the carrying value of the goodwill and other long-lived assets was reduced by the difference between the carrying amount and the estimated fair value, which was based on future discounted cashflows. As a result of a change in our strategy during 2001 and the results realized on our investments, we performed impairment tests resulting in a goodwill impairment of DKK 53.7 million in 2001. DKK 36.2 million thereof is included in the Internet services segment and DKK 17.5 million is included in the Broadcast media segment.

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6. License rights and other intangibles, net

The movements in rights and other intangibles, net have been as follows:

	License rights	Other intangibles
Cost as of January 1, 2002	75,305	7,636
Additions	3,098	0
Disposals	0	(322)
	-----	-----
Cost as of December 31, 2002	78,403	7,314
	=====	=====
Accumulated amortization as of January 1, 2002	(5,047)	(6,339)
Additions	(9,388)	(339)
Disposals	0	0
Impairment	(62,568)	(491)
	-----	-----
Accumulated amortization as of December 31, 2002	(77,003)	(7,169)
	-----	-----
Intangible assets, net as of December 31, 2002	1,400	145
	=====	=====
Weighted average amortization period	5 Years	3 Years

Estimated future amortization expenses related to rights and other intangibles at December 31, 2002 is as follows: DKK 445 in 2003, DKK 300 in each of the years 2004, 2005 and 2006 and DKK 55 in 2007.

Cost as of January 1, 2002 of rights of DKK 75.3 million are all related to the rights to sell Verisign products acquired in 2000 and 2001. During 2002, following the poor performance of the Internet services segment management reappraised the future market for Verisign products. This change

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

required an impairment analysis to be performed in accordance with SFAS No. 144 on the Verisign rights and other intangibles. The estimated undiscounted future cash flows generated by the rights and other intangibles were less than their carrying values and accordingly the carrying values of the Verisign rights and other intangibles were reduced to fair value estimated using the expected present value of discounted future cash flows expected from the rights and other intangibles over their remaining useful life. When making these estimates the Company made best estimates of future operating trends and judgments on discount rates and other variables. Actual future result and other assumed variables could differ from these estimates. The discount rates used ranged from 14 to 16 percent.. This resulted in a pre-tax charge of DKK 62.6 million, which is classified as Amortization and write downs in the consolidated statement of operations

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7. Business Combinations

Acquisitions during 2002

Alphasys SAS

As of January 2002, the Company acquired 100% of the French IT-security company Alphasys SAS, for a cash consideration of DKK 40.2 million. This consideration was subsequently reduced by DKK 5,057 after a loss guarantee was negotiated and a refund paid by the vendor of Alphasys SAS in June 2002. Alphasys SAS was acquired because it was considered a good fit to the Company's strategy.

Alphasys was purchased from Synerco ApS, a Danish company, also known as Venture 2000. Peter Forchhammer is a majority shareholder of Synerco ApS and was one of the original founders of Eurotrust in 1985 and is currently a shareholder in EuroTrust.

The total purchase price has been allocated to the assets acquired and the liabilities assumed on the acquisition date. In the provisional purchase price allocation we recorded goodwill of DKK 33.2 million on this acquisition which forms part of our Internet services segment. The results of these operations have been consolidated from January 21, 2002.

As of December 31, 2002, following an assessment of the current and future performance of the Alphasys business, we tested the goodwill arising on this acquisition for impairment. As a result of this test we wrote down the carrying value of the goodwill from DKK 33.2 million to zero. The tangible fixed assets acquired were also written down to zero as a result of this impairment test.

EuroTrust NetVaulting A/S (f/k/a Wisehouse A/S)

As of December 31, 2002 Medani A/S exercised the written option issued at the time of the Company's purchase of an 85% equity interest in EuroTrust NetVaulting A/S to sell its remaining equity interest of 15% in EuroTrust NetVaulting A/S to the company. The consideration comprised 134,083 ADR's, valued at DKK 5,000. The share purchase was made in accordance with the terms of a shareholder agreement with the minority shareholder Medani A/S. The EuroTrust ADR's issued to Medani A/S in this transaction were purchased from a shareholder who had purchased the shares in the market, at the request of the Company, during the period August 2002 to November 2002. The shares were sold to the Company at the same price that the shareholder had paid in the market with an additional

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EUROTUST A/S

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

1% to cover transaction costs. The shareholder has been working as a consultant to EuroTrust Netvaulting A/S.

The Company experienced a loss of DKK 4,923 with regard to this option which is included within other (expenses) income in the consolidated statement of operations as of December 31, 2002. The difference between the actual purchase price for the ADR's of DKK 4,575 and the fair value of the option of DKK 5,000 has been included within other (expenses) income, net in the

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consolidated statement of operations as a gain amounting to DKK 425.

EuroTrust Secure Hosting A/S

As of January 1, 2002, we combined our Digiweb activity with DHT Hosting ApS (a Danish automated hosting company) to form EuroTrust Secure Hosting A/S, our secure web hosting subsidiary, in which we have a 75% ownership interest. DHT Hosting ApS has an option to sell its 25% interest in EuroTrust Secure Hosting A/S to us in 2004 and forward at a price based on the future profitability of Hosting or for a minimum of DKK 2,500. In addition, DHT Hosting ApS has an option to acquire an additional 10% of EuroTrust Secure Hosting A/S for a price of DKK 50 (at par). These options have been included in the financial statements at their respective fair values, resulting in an expense of DKK 2,287 in 2002 which is included within other (expenses) income, net in the consolidated statement of operations for the year ended December 31, 2002.

Acquisitions during 2001

EuroTrust NetVaulting A/S (f/k/a Wisehouse A/S)

As of August 31, 2001, the Company acquired 85% of the Danish remote back-up company, EuroTrust NetVaulting A/S, for a cash consideration of DKK 25 million. In addition, 1,000,000 stock options with an exercise price of USD 1.25 were also part of the consideration. The options vest based on the profitability of EuroTrust NetVaulting in 2002 and 2003. These options have not vested in 2002. The stock options expire as of September 1, 2004. EuroTrust NetVaulting was acquired because it is considered a good fit to the Company's strategy. The purchase price exceeded the fair market value of net assets acquired by approximately DKK 6.3 million, which was recorded as goodwill. The results of these operations have been consolidated from August 31, 2001. The goodwill arising on this acquisition has been fully written off during 2002.

As part of the shareholder agreement signed on August 29, 2001, Medani A/S received an option to sell at any time within two years after the signature of the shareholder agreement its 15% interest in EuroTrust NetVaulting A/S to the Company for a price of DKK 5,000, to be paid in a variable number of EuroTrust A/S shares, based on the fair value of such shares subject to a cap of US\$2.00 per share. In addition, EuroTrust received an option to purchase Medani A/S's remaining 15% interest within two years after the signature of the shareholder agreement, again for a fixed price of DKK 5,000 to be paid in EuroTrust A/S shares according to the same formula.

The total purchase price has been allocated to the assets acquired and the liabilities assumed based on their respective fair values on the acquisition date.

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EUROTRUST A/S

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

The following table summarizes the estimated fair values of the assets acquired and the liabilities assumed at the date of acquisition (in DKK):

	August 31, 2001
Currents asset	37,018
Fixed assets	8,350

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Goodwill	6,343
Total assets acquired	51,711

Currents Liabilities	(12,834
Long-term debt	(10,584)
Majnority interest	(3,293)
Total liabilities assumed	(26,711)
Net assets aquired	25,000

Netname-Solutions.com GmbH

As part of the sale of the domain name registration business to VeriSign, the Company acquired on June 30, 2001 the remaining 49% of Netname-Solutions.com GmbH, a German company offering Internet services, that it did not already own. The consideration comprised DKK 219 in cash and DKK 2,267 in shares. The total consideration exceeded the fair value of the net liabilities assumed by DKK 4,095, which excess was recorded as goodwill. In July 2001, all shares in this investment were sold to VeriSign, see below.

The 51% investment was consolidated until the date of the sale.

Acquisitions during 2000

Annonsbyran Pennen AB

As of August 31, 2000, the Company acquired Annonsbyran Pennen AB, a Swedish advertising company. The consideration comprised 79,644 ordinary shares of stock, valued at DKK 3,600. The total consideration exceeded the fair value of the net assets acquired by DKK 3,490, which excess was recorded as goodwill. Goodwill was amortized on a straight line basis over 5 years until January 1, 2002 when goodwill ceased to be amortized but will be tested for impairment at least annually.

Netname-Solutions.com GmbH

As of August 31, 2000, the Company acquired 51% of Netname-Solutions.com GmbH, a German company offering Internet services. The consideration comprised DKK 228, in cash. The total consideration exceeded the fair value of the net assets acquired by DKK 78, which was recorded as goodwill. Goodwill was amortized on a straight line basis over 5 years until July 2001, when the company was sold to VeriSign.

Virus112.com A/S

As of November 30, 2000, the Company acquired Virus112.com A/S, a Danish virus detection company. The consideration comprised 1,100,000 ordinary shares of stock, valued at DKK 17,289. In addition, 1,000,200 stock options with an exercise price of \$1.78125 were also part of the consideration. The options vest based on the revenue of EuroTrust Virus in 2001, 2002 and 2003. These options have not vested in 2002. The stock options expire as of September 1, 2004. The total consideration exceeded

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EUROTRUST A/S

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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the fair value of the net liabilities assumed by DKK 17,691, which excess was recorded as goodwill. Goodwill was amortized on a straight line basis over 5 years until January 1, 2002 when goodwill ceased to be amortized but will be tested for impairment at least annually.

All businesses acquired are consolidated from the date of the acquisition and accounted for by the purchase method of accounting.

Other

As partial payment for other businesses acquired in 2000 the Company issued a total of 450,000 stock options, exercisable within two years at various per share prices, ranging from \$2.50 to \$4.25. At December 31, 2002, all of these stock options had expired and none had been exercised.

Disposals during 2001

In July 2001, the Company sold its domain name registration business to VeriSign. This sale includes the disposals of these activities from Euro909.dk A/S and the disposals of the Company's investments in Grona Verket AB, Primaerdata AS, Euro909 France and NetName-Solutions.com GmbH. The consideration for the sale to VeriSign totaled DKK 210,687 in cash, of which DKK 41,607 was paid into an escrow account. Of this restricted cash, DKK 39,621 was received in 2002 and the remaining DKK 1,986 will be received in 2003. The sale to VeriSign resulted in a gain of DKK 217,783.

In December 2001, the Company sold its investment in TV Bio+ and 15% of its investment in Euromedia A/S for cash consideration of DKK 1 (DKK one krone) and DKK 12 million, respectively. These sales resulted in a loss of DKK 4,596.

In December 2001, the Company sold its Print and Online Media segment. The disposal included the disposal of All Media Holding A/S and its subsidiary Chili A/S. The Company's net liability in All Media Holding A/S totaled DKK 1,417. See Discontinued operations. The consideration for the Print and Online Media segment totaled DKK one in cash. In addition the company had to settle a guarantee, given previously to Chili A/S for supporting their business development resulting in an additional loss of DKK 1,762. The sale of the Print and Online Media segment resulted in a loss of DKK 345.

Telia, the Swedish telecoms company, was previously a significant shareholder (22.5%) in Chili A/S. Telia had an option to sell its shareholding in Chili A/S to the Company and the Company had a call option on the same shares. On December 29, 2000 Telia confirmed that they wished to exercise their put option on the 22.5% of the shares they owned in Chili A/S, (see note 10).

The following is a list of our significant operating subsidiaries and their jurisdiction of incorporation and our ownership interest in those subsidiaries at December 31, 2002:

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EUROTUST A/S

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(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

Subsidiary	Country of Incorporation	Interest Ownership
------------	-----------------------------	-----------------------

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-----		-----	-----
Euro909.dk A/S		Denmark	100.0%
EuroTrust PKI Services A/S	(1)	Denmark	100.0%
EuroTrust Net Vaulting A/S		Denmark	100.0%
EuroTrust Virus112 A/S	(2)	Denmark	100.0%
Euro909Media A/S (dk4)		Denmark	85.0%
EuroTrust Secure Hosting A/S	(3)	Denmark	75.0%
EuroTrust Realtime Security A/S	(4)	Denmark	85.3%
EuroTrust Sweden AB	(5)	Sweden	70.0%
Telefax Scandinavia i Sverige AB		Sweden	100.0%
EuroTrust E-Security SARL		Switzerland	100.0%
EuroTrust France SAS	(6)	France	100.0%

-
- (1) Formerly known as EuroTrust Denmark A/S.
- (2) Formerly known as Virus112.com A/S.
- (3) Result of the combination of our Digiweb activity with DHT Hosting ApS, on January 1, 2002.
- (4) The subsidiary through which we sell our remote digital video surveillance systems.
- (5) The subsidiary through which we sell our anti-virus products in Sweden.
- (6) Formerly known as Alphasys SAS.

8. Investments in associated companies

As of January 1, 2001, the Company acquired 40% of GBS A/S, a consulting company in Denmark. The consideration comprised DKK 1,694 in shares. The total consideration exceeded the fair value of the Company's share of the net liabilities of GBS A/S by DKK 2,313, which excess was recorded as goodwill. In addition, 130,000 stock options with an exercise price of \$1.625 were also part of the consideration. The options vest if Global Business Solutions A/S realizes a profit. These options vested in 2002, but have not been exercised. The stock options expire as of January 31, 2004.

During 2002 the Company sold 30% of the shares in GBS A/S. The sales price was DKK one thousand in cash.

The remaining holding of 10%, which is included in long term investments, was written down during the fourth quarter of 2002. This amounted to a charge of DKK 425.

9. Fair Value of Financial Instruments

Cash and cash equivalents and restricted cash

The carrying amount approximates fair value because of the short maturity of those instruments.

Accounts receivable, receivables from related parties, VAT receivable and other receivables

The carrying amount approximates fair value because of the short maturity of those instruments.

Investment securities

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The fair values of investment securities are estimated based on quoted market prices for those or similar investments.

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EUROTRUST A/S

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Long term investments

For long-term other investments for which there are no quoted market prices, a reasonable estimate of fair value is based on a review of the assumptions underlying the operating performance of the privately held companies..

Short term debt

The fair value of the Company's short term debt is estimated based on current rates offered to the Company for debt of the same remaining maturities.

Account payable and accounts payable, related parties

The carrying amount approximates fair value because of the short maturity of those instruments.

Lease obligations

The fair value of the Company's lease obligations is estimated by discounting the future cash flows at rates currently offered to the Company for debt of comparable maturities by the Company's bankers.

Written options

The fair value of the written put option included in the shareholder agreement in relation to EuroTrust Secure Hosting A/S, as described in note 7, is estimated by using a Black and Scholes option pricing model.

The estimated fair values of the Company's financial instruments are as follows:

	2001	December 31, -----	
	Carrying Amount -----	Fair Value -----	Carr Amo ----
Cash and cash equivalents and restricted cash	135,658	135,658	39
Accounts receivable, receivables from related parties, VAT receivable and other receivables	35,737	35,737	29
Investment securities	584	584	
Long-term investments	16,379	16,379	2
Short term borrowing	(4,010)	(4,010)	
Account payable and account payable, related parties	(34,675)	(34,675)	(33
Lease obligations	(4,345)	(4,345)	(6

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Written options

0

0

(2

10. Discontinued operations

In December 2001, the Company decided to dispose of its Print and online media operations. The operations disposed of included the subsidiaries All Media Holding A/S and Chili A/S. The decision to dispose of the print and online media segment was made in December 2001 and the sale was closed December 22, 2001. There were no significant operations between the measurement date and the disposal date. The sales price was DKK one in cash.

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EUROTUST A/S

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

In 2002 Telia A/S has re-confirmed its exercise of its put option on the 22.5% of the shares it owned in Chili A/S and demanded the payment of the DKK 6 million exercise price. The Company has recognised a DKK 6 million charge relating to this liability within line item 'Net loss from discontinued Print/Online Media division' in the consolidated statement of operations for the year ended December 31, 2002.

11. Short-term borrowings

Short-term borrowings from banks are all due on demand and consist of the following (in DKK):

	December 31,	
	2001	2002
Handvaerkerbanken	4,010	0
Nordea	0	809
	4,010	809
	=====	=====

At December 31, 2002 the Company has secured lines of credit with the banks totalling DKK 2.3 million, of which DKK 0.8 million had been drawn down at year-end. Interest rates fluctuate with the market rates of the major banks. The weighted average interest rates as of December 31, 2001 and 2002 were 7.1% and 7.0%, respectively.

12. Leases

The Company is obligated under leases covering inventories, certain machinery and equipment and cars that expire at various dates during the next five years. At December 31, 2002 and 2001, the gross amount of machinery and equipment and cars and related accumulated depreciation recorded under capital leases and the amount of inventories subject to sale-and-leaseback arrangements were as follows:

	December 31,	
	2001	2002

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	----	----
Machinery and equipment	6,219	6,219
Cars	1,850	525
	-----	-----
	8,069	6,744
Less accumulated depreciation (including impairments)	2,507	6,744
	-----	-----
	5,562	0
Inventories	0	7,215
	-----	-----
	5,562	7,215
	=====	=====

Depreciation of assets held under capital leases is included in depreciation expense. Leased machinery and equipment of DKK 5,287 was fully impaired as part of the 2002 impairment of assets, which expense is recorded in Amortization and write downs in the consolidated statement of operations.

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EUROTUST A/S

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

In 2002 the Company entered into a sale and lease back agreement with IBM regarding the company's inventories of Tivoli licenses. The lease payments amount to DKK 3,706 per year and the agreement expires April 30, 2004. The carrying value of the inventories is DKK nil.

The Company also has several noncancelable operating leases, primarily for office space, that expire over the next six years. These leases generally contain renewal options for one year and require the Company to pay all executory costs such as maintenance and insurance. Expenses under operating leases, amounted to DKK 8.6 million, DKK 6.1 million and DKK 3.4 million in the years ended December 31, 2000, 2001 and 2002, respectively.

Future minimum lease payments under noncancelable operating leases (with initial or remaining lease terms in excess of one year) and future minimum capital lease payments, primarily relating to Tivoli licenses, as of December 31, 2002 are:

	Capital leases -----	Operati lease -----
Year ending December 31:		
2003	4,775	1,79
2004	2,441	1,46
2005	740	43
2006	563	14
2007	0	14
Later years, through 2009	0	28
	-----	-----
Total minimum lease payments	8,519	4,27

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Less estimated executory costs	151

Net minimum lease payments	8,368
Less amount representing interest (at rates ranging from 3.0% to 10.0%)	596

Present value of net minimum capital lease payments	7,772
Less current installments of obligations under capital leases	4,328

Obligations under capital leases, excluding current installments	3,444
	=====

13. Related party transactions

In the ordinary course of business, EuroTrust engages in transactions with certain entities and individuals that are considered to be related parties.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

Mr Aldo Petersen

On November 30, 2000, we acquired 20% of Trust Italia SpA., an Italian digital security company. During 2001, the agreement for the acquisition was changed, following investment in TrustItalia SpA by other parties, resulting in an ownership in TrustItalia of 15.7% (242,000 shares) and an additional cash consideration of DKK 4,265. The cash was paid to Aldo Petersen, the CEO of the Company who owned 2.6% of the shares of Trust Italia SpA.

Parken Sports & Entertainment A/S is a minority owner of 15% of the shares in Euro909Media A/S. Aldo Petersen was a member of the board of directors of Parken Sports & Entertainment A/S until the end of December 2002 and currently holds 138,540 shares representing ownership of approximately 6% of the issued share capital of Parken Sports & Entertainment.

On November 29, 2001, the Company entered into an agreement with Parken Sports & Entertainment A/S for pitch side advertising and corporate hospitality at football matches involving FC Copenhagen, a team owned by Parken Sports & Entertainment. According to the agreement the Company prepaid DKK 4 million covering the agreement period. On March 8, 2002 the agreement was amended reducing the prepayment requirement to yearly installments. In June 2003 Parken Sports & Entertainment refunded DKK 2,520 of the prepayment. The agreement is valid for 7 years commencing January 1, 2002.

	December 31,	

	2001	2002
Parken Sports & Entertainment A/S (Purchases)	1,436	908
	=====	=====

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Parken Sports & Entertainment A/S (Prepaid expenses)	4,000	3,280
	=====	=====

As of 31 December 2001 Aldo Petersen owed EuroTrust A/S DKK 3,084 representing the balance on his loan account with the company. This loan account was fully repaid during 2002.

Verisign Inc

VeriSign is a minority shareholder in EuroTrust A/S (18%). The transactions entered into during the year and the accounts payable at the year end shown below are a result of commercial trade with VeriSign. Current accounts with VeriSign are not carrying any interest.

	December 31,	
	2001	2002
	----	----
VeriSign Inc. (Annual fees and royalties)	7,376	24,988
	=====	=====
VeriSign Inc. (Accounts payable)	6,560	12,833
	=====	=====

During 2001 the Company sold its domain name registration business to Verisign for a gross cash consideration of DKK 210,687. During 2000 and 2001, the Company purchased rights from Verisign for DKK 75,305 which allow the Company to sell Verisign products in a number of European countries (including Denmark, Sweden, Norway, Finland, Austria, Switzerland and Italy). During 2002 the balance on the amount capitalised for the rights acquired was written off due to the poor financial performance of the business.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

Nemeth & Sigetty A/S

Mr. Karoly Laszlo Nemeth is the Chairman of the board of directors of EuroTrust A/S and is also the joint owner of Nemeth & Sigetty A/S. Nemeth & Sigetty A/S provided legal services to the Company during the three years ended December 31, 2002. For the years ended December 31, 2000, 2001 and 2002 Nemeth & Sigetty A/S has been paid DKK 220, DKK 1,083 and DKK 1,115, respectively. The total outstanding payables due to Nemeth & Sigetty A/S as at December 31, 2001 and December 31, 2002 were DKK 638 and DKK 625 respectively.

14. Income Taxes

The Company and each of its subsidiaries file separate tax returns in their country of incorporation. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities as of December 31, 2001 and 2002 are as follows (in DKK):

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	December 31,	
	2001	2002
	----	----
Deferred tax assets		
Net operating loss carry forwards	60,585	95,547
Tax value of fixed assets in excess of book value of fixed assets	23,646	11,489
Other temporary differences	5,611	0
Deductible goodwill and intangible assets	0	21,488
Provisions	0	12,313
Capital losses on shares	0	8,400
Total deferred tax assets	89,842	149,237
Less: Valuation allowance	(89,486)	(148,531)
Net deferred tax assets	356	706
Deferred tax liabilities	0	0
Total net deferred tax assets	356	706

DKK 19.2 million of subsequently recognized tax benefits relating to the valuation allowance for deferred tax assets as of December 31, 2002 will be allocated to goodwill.

The recognized tax assets as of December 2001 and 2002 are related to temporary differences between the book and fiscal values of fixed assets in the profitable broadcasting segment.

The Company assessed the realization of the deferred tax assets based on available evidence, both positive and negative, to determine whether it is more likely than not that all or a portion of the deferred tax assets will be realized. The conclusion as to whether it is more likely than not that some portion of these assets will not be realized takes into consideration the following factors, among others:

- o Future earnings potential determined through the use of internal forecasts
- o The carry forward period associated with the deferred tax assets and

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

- o The nature of the income that can be used to realize the deferred tax assets

To the extent that the Company determines it is more likely than not that all or a portion of the deferred tax assets will not be realized, a valuation allowance is recorded.

The tax loss carry-forwards available at December 31, 2002 and their expiration years are as follows (in DKK):

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Expiration year	Denmark	Sweden	UK	France	Switzerland	Tot
-----	-----	-----	--	-----	-----	-----
2003	19,961					19,9
2004	31,576					31,5
2005	44,706					44,7
2006	83,566					83,5
2007				2,729		2,7
Indefinitely	127,941	2,796	2,135	--	3,081	135,9
	-----	-----	-----	-----	-----	-----
Total	307,750	2,796	2,135	2,729	3,081	318,4
	=====	=====	=====	=====	=====	=====

The accumulated tax loss carry forwards cannot be used by all group companies as only a limited number of companies are jointly taxed.

For financial reporting purposes, income before income taxes is as follows (in DKK):

	December 31,		
	2000	2001	2002
	----	----	----
Pretax income (loss):			
Denmark	(93,203)	19,028	(268,422)
Sweden	4,398	0	(2,844)
Norway	(2,958)	0	0
France	(2,936)	0	(3,616)
UK	(4,356)	(2,798)	45
Switzerland	0	0	(3,081)
Germany	0	0	0
	-----	-----	-----
	(99,055)	16,230	(277,918)
	=====	=====	=====
Significant components of the provision for income taxes are:			
Current: Denmark	(1,000)	(527)	(2,849)
Others	(284)	0	0
	-----	-----	-----
	(1,284)	(527)	(2,849)
	-----	-----	-----
Deferred: Denmark	(1,028)	503	350
Others	0	0	0
	-----	-----	-----
	(1,028)	503	350
	-----	-----	-----
Total:	(2,312)	(24)	(2,499)
	=====	=====	=====

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

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The reconciliation of income tax computed at the Danish statutory tax rate to income tax expense is:

	2000	2001	2002
	----	----	----
Danish income tax rate	32%	30%	30%
Non taxable gain on sold business	0%	(394) %	0%
Non deductible impairment charges	(10) %	108%	(10) %
Change in valuation allowance on deferred tax assets	(20) %	264%	(21) %
Other items, net	0%	(8) %	0%
	----	----	----
Reported income tax expense	2%	0%	(1) %
	====	====	====

15. Shareholders' equity

Treasury shares

During 2001 the Company decided to start a buy-back program of treasury shares. At December 31, 2002 the Company had 1,263,100 treasury shares. During the period from September 2002 to December 2002, a total of 92,400 shares were purchased by a shareholder and were then sold back to the Company at the same price as that originally paid by the shareholder. During 2002 the Company purchased an additional 603,250 treasury shares through its stockbroker.

In 2002 and 2001 the Company used treasury shares in connection with a business acquisition, see also note 7.

Transactions regarding treasury shares have been made at market prices.

2001 Share issuances

During 2001 the Company issued 6,306,000 common shares for cash in private placements resulting in total proceeds to the Company of DKK 122,411.

In 2001 the Company issued a total of 248,000 common shares as partial consideration for newly acquired businesses.

16. Earnings per share

Basic net (loss) income per share is computed by dividing net (loss) income (numerator) by the weighted-average number of shares of common stock outstanding during the period (denominator). Diluted net (loss) income per share gives effect to stock options considered to be potential common shares, if dilutive. Potential common shares consist of shares issuable upon the exercise of stock options computed using the treasury stock method.

The following table presents the computation of basic and diluted average common shares outstanding:

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

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	Year Ended December 31,		
	2000	2001	2002
Determination of basic and diluted shares:			
Weighted-average shares outstanding	16,968	24,185	26,162
Potential common shares--dilutive stock options	--	560	--
Basic and diluted average common shares outstanding	16,968	24,745	26,162

In 2002, the Company excluded 83 weighted-average common share equivalents with a weighted-average share price of \$0.84 and in 2000, the Company excluded 1,216 weighted-average common share equivalents with a weighted-average share price of \$11.48 from the potential common shares because their effect would have been anti-dilutive. Weighted-average common share equivalents do not include stock options with an exercise price that exceeded the average fair market value of the Company's common stock for the period.

17. Stock options

During 1997, the Company issued the following stock options.

Stock options

At the initial public offering in August 1997, the Company sold a total of 1,581,250 units, each consisting of one ADR and one stock option to purchase one ADR at a price of \$6.00. The stock options were exercisable during specific window periods through to expiry on June 30, 2002, unless earlier redeemed. The Company chose to redeem the outstanding stock options on June 30, 2000 and there were no outstanding stock options at December 31, 2000.

Representative's Stock options

In connection with the initial public offering, the Company issued a total of 137,500 stock options to the representative of several underwriters as part of the underwriting fees. The stock options, which give the holder the right to purchase one unit identical to the units sold at the initial public offering, at a price of \$6.00, were due to expire on June 30, 2002. At December 31, 2000 all of these stock options were exercised.

During 1999, the Company issued the following Stock options:

Private placement

As part of a private placement in April and May 1999 the Company issued 1,087,000 stock options exercisable until March 24, 2001 and May 3, 2001, respectively at a price of \$2.50 per share. All

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

of these stock options were exercised at December 31, 2000. In connection with

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this private placement the Company issued two-year stock options to advisors, enabling them to purchase a total of 238,875 common shares at prices ranging from \$1.90 to \$2.50 per share. At December 31, 2001 all of these stock options were exercised.

In connection with the private placement in August 1999 the Company issued 100,000 two-year stock options exercisable at \$3.125 per share, to advisors. All of these stock options were exercised at December 31, 1999.

During 2000, the Company issued 25,000 stock options exercisable at \$10 per share, to advisors. At December 31, 2002 all of these stock options were exercised.

Business acquisitions

As partial payment for businesses acquired in 2000 the Company issued a total of 1,450,200 stock options, exercisable within one to four years at various per share prices, ranging from \$1.78 to \$4.25. At December 31, 2002, 450,000 of these stock options had expired and none had been exercised. At December 31, 2002 a total of 1,000,200 stock options remain outstanding.

As partial payment for a business acquired in 2001 the Company issued a total of 1,000,000 stock options, exercisable within three years at a price of \$1.25 per share. These stock options vest based on the profitability of EuroTrust NetVaulting in 2002 and 2003. The stock options expire as of September 1, 2004 and as of December 31, 2002 all remain outstanding.

130,000 stock options with an exercise price of \$1.625 were also part of the consideration for the acquisition of 40% of Global Business Solutions A/S. The options vest if Global Business Solutions A/S realizes a profit. These options vested in 2002, but have not been exercised. The stock options expire as of January 31, 2004.

18. Stock Based Compensation

1997 Incentive Stock option Plan

In February 1997, the Company established an incentive plan for employees and directors of the Company. Under this plan an aggregate of 670,000 stock options, each to purchase one ordinary share at a price of \$4.00, were issued. The exercise price of the stock options was equal to the market price on the date of grant. The stock options expired on February 12, 2002.

Stock Options

In August 1997, the Company issued a total of 12,500 stock options, each entitling the holder to purchase one share at a price of \$4.00. The stock options are exercisable at any time through expiry on August 22, 2002 and the exercise price was equal to the market price on the date of grant. All stock options have been exercised.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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1999 Incentive Option Plan

In August 1999, the Board approved an incentive plan for employees and

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directors of the Company. Under this plan an aggregate of 1,425,000 options each to purchase one common share at a price of \$3.00 were issued. The exercise price of the stock options was equal to the market price on the date of grant. The stock options are exercisable during the year of grant through expiry on August 31, 2004. Of these options, 510,000 were outstanding at December 31, 2002.

In addition, during 1999 the Board authorized the grant of 494,500 options to selected employees and directors of the Company each to purchase one common share at various share prices ranging from \$2.75 to \$3.50. The exercise price of the options was equal to the market price on the date of grant. All of these options had expired at December 31, 2002.

The weighted average exercise price and weighted average remaining contractual life of outstanding options under this plan was \$3.00 and 1.7 years respectively as of December 31, 2002.

2000 Incentive Option Plan

In December 2000, the Board approved an incentive plan for employees and directors of the Company. Under this plan an aggregate of 1,100,000 options each to purchase one common share at a price of \$1.5312 were issued. The exercise price of the options was equal to the market price on the date of grant. The stock options are exercisable during the year of grant through expiry in December 2003. Of these options, 1,060,000 were outstanding at December 31, 2002.

In addition, during 2000 the Board authorized the grant of 190,000 options each to purchase one common share at various share prices ranging from \$4.0625 to \$7.50 to selected employees of the Company. The exercise price of the options was equal to the market price on the date of grant. All of these options had expired at December 31, 2002.

The weighted average exercise price and weighted average remaining contractual life of outstanding options under this plan was \$1.5312 and 1 year respectively as of December 31, 2002.

2001 Incentive Option Plan

During 2001, the Board authorized the grant and issue of 2,125,000 options each to purchase one common share at various share prices ranging from \$1.05 to \$1.71 to employees and directors of the Company. The exercise price of the stock options was equal to the market price on the date of grant. The stock options are exercisable during the year of grant through expiry dates ranging from August 31, 2003 to December 31, 2005. Of these options at December 31, 2002, 100,000 had been forfeited and 2,025,000 were outstanding.

In addition during 2001, the Board authorized the grant and issue of 45,000 options each to purchase one common share at a price of \$1.09. 15,000 of these options became exercisable during 2002, 15,000 vest in 2003 and the remainder vest in 2004. These options all expire on December 31, 2004.

The weighted average exercise price and weighted average remaining contractual life of outstanding and exercisable options under this plan was \$1.40 and 2.6 years respectively as of December 31, 2002.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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2002 Incentive Stock option Plan

During 2002, the Board authorized the grant and issue of 2,483,545 stock options each to purchase one common share at various share prices ranging from \$0.39 to \$1.31 to employees and directors of the Company. The exercise price of the options was equal to the market price on the date of grant. All of these options were outstanding at December 31, 2002. The stock options are exercisable during the year of grant through expiry dates ranging from March 31, 2004 to May 31, 2005.

The weighted average exercise price and weighted average remaining contractual life of outstanding options under this plan was \$0.82 and 2.3 years respectively as of December 31, 2002.

A summary of the Company's stock option activity, and related information for the three years ended December 31, 2002 is as follows:

	2000		2001	
	Number	Weighted average Exercise Price	Number	Weighted average Exercise Price
Outstanding, beginning of year	1,595	\$3.42	2,420	\$2.76
Granted	1,290	\$2.32	2,170	\$1.39
Exercised	465	\$3.46	0	0
Forfeitures	0	0	0	0
Expired	0	0	255	\$5.69
Outstanding, end of year	2,420	\$2.76	4,335	\$1.91
Exercisable, end of year	1,730	\$2.65	3,266	\$2.08
Weighted average fair value of options granted during the year		\$1.72		\$1.37

Weighted average remaining contractual life
Range of exercise prices

No compensation cost is recognized in income for any of the years presented above as the options can be exercised at a price equal to or greater than the price on the date of grant.

19. Pensions

During 2000, 2001 and 2002, the company has recognized expenses for pension contributions paid to pension institutes on behalf of employees totalling DKK 2.4 million, DKK 1.7 million and DKK 1.5 million, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

20. Non-cash financing and investing activities

Capital lease obligations of DKK 8,069 and DKK 525 were incurred in 2001

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and 2002 respectively, when the Company entered into leases for machinery and equipment and cars.

In 2002 the Company used 804,498 treasury shares with a market value of DKK 5,000 as consideration for the purchase of a 15% interest in the subsidiary EuroTrust NetVaulting A/S.

In 2001 248,000 shares of common stock at a price of DKK 3,962 and treasury stock with a market value of DKK 1,165 were issued as partial consideration for acquired businesses.

21. Commitments

The Company has entered into an agreement to pay minimum royalties and annual fees to VeriSign, which are non-cancellable until December 20, 2006. The minimum royalties and annual fees pursuant to these agreements amount to approximately DKK 230,632 (\$32,565) over the remaining 4 year period. These commitments were amended in February 2003. See note 24 describing the amendments to the agreement with VeriSign.

The Company issues product guarantees in accordance with Danish law, normally covering the subscription period of services provided to customers. The Company has not incurred any costs in fulfilling these guarantees and no provisions for future guarantee costs have been made as of December 31, 2002.

22. Contingent liabilities

As a result of the Company's acquisition of its French subsidiary, EuroTrust France SAS (f/k/a Alphasys SAS) members of the pre-acquisition management team have been replaced with members designated by the company. In connection with that, a claim has been filed against EuroTrust by those members we replaced claiming that they, as a group, are the beneficial owners of 10% of the share capital of EuroTrust France SAS. The Company will vigorously defend this claim to the fullest extent of the law. As of the date of this Annual Report, the claim is still pending.

Two former employees have filed a claim against the Company for the amount of approximately DKK 3.5 million alleging that they had been unfairly dismissed. As of December 31, 2002, the Company set aside a reserve DKK 1,700 to cover the estimated liability from this claim. The Company will vigorously defend this claim to the fullest extent of the law. As of the date of this Annual Report, the claim is still pending.

23. Segment Reporting

The Company's Chief Operating Decision-maker, as defined in SFAS No. 131, is considered to be Aldo Pedersen, EuroTrust's CEO. The Chief Operating Decision-maker reviews separate consolidated financial information for the Internet services business segment, the Broadcast media business segment and prior to 2002 other segments. Each of the Company's business segments are managed separately because they offer and distribute distinct services to different customer segments. The Company therefore considers that it has three reportable segments under SFAS 131 (i) Internet services, (ii)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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Broadcast media and (iii) other. Other represents the travel business, which was disposed of as of April 1, 2000. The print and online media segment was disposed of in December 2001 and is, therefore, treated as a discontinued operation.

The Chief Operating Decision-maker evaluates performance and allocates resources based on profit or loss from operations before interest, gains and losses on the Company's investment portfolio, and income taxes. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies. It is the Company's policy that trade between the segments is entered into on an arms-length basis.

Reportable segment information for each geographical and business segment for each of the years ended December 31, 2000, 2001 and 2002 is presented in the following tables:

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EUROTUST A/S

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(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

Revenues	2000		2001		2002	
	DKK	%	DKK	%	DKK	%
Denmark (1)	125,932	67%	100,016	66%	110,992	82%
Norway	16,104	8%	19,117	12%	4,967	4%
Sweden	44,456	24%	29,703	19%	2,874	2%
France	577	0%	2,310	2%	9,636	7%
Other	1,559	1%	768	1%	7,320	5%
	-----		-----		-----	
	188,628	100%	151,914	100%	135,789	100%
	-----		-----		-----	

- (1) The amounts for 2000 and 2001 do not include revenues from the print and online media business because that business was sold in 2001 and is reflected as loss from discontinued operations.

The segmented data are as follows:

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EUROTUST A/S

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

	Years ended December 31,		
	2000	2001	2002
	-----	-----	-----
	DKK	DKK	DKK

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Internet services:			
Revenue	94,999	72,183	63,769
Operating expenses:			
Cost of revenue	56,423	34,526	55,484
Cost of revenue from related parties	0	7,376	24,988
Selling and marketing expenses	53,584	57,690	38,391
Selling and marketing expenses with related parties	0	1,436	908
General and administrative expenses	43,457	45,429	33,834
General and administrative expenses from related parties	220	1,083	1,115
Depreciation, amortization and write down and impairment	26,301	90,572	161,289
	-----	-----	-----
Total operating expenses	179,985	238,112	316,009
	-----	-----	-----
Operating income (loss)	(84,986)	(165,929)	(252,240)
	-----	-----	-----
Capital expenditure	55,806	105,972	9,210
	-----	-----	-----
Total assets	303,016	389,056	99,962
	-----	-----	-----
Broadcast media			
Revenue	83,005	79,731	72,020
Operating expenses:			
Cost of revenue	56,692	55,710	40,534
Cost of revenue from related parties	0	0	0
Selling and marketing expenses	8,218	8,980	10,150
Selling and marketing expenses with related parties	0	0	0
General and administrative expenses	11,237	10,140	9,934
General and administrative expenses from related parties	0	0	0
Depreciation, amortization and write down and impairment	18,009	34,980	4,828
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Total operating expenses	94,156	109,810	65,446
	-----	-----	-----
Operating income (loss)	(11,151)	(30,079)	6,574
	-----	-----	-----
Capital expenditure	3,135	34,646	8,261
	-----	-----	-----
Total assets	54,035	56,555	68,255
	-----	-----	-----
Other			
Revenue	10,624	0	0
Operating expenses:			
Cost of revenue	11,547	0	0
Cost of revenue from related parties	0	0	0
Selling and marketing expenses	2,196	0	0
Selling and marketing expenses with related parties	0	0	0
General and administrative expenses	2,469	0	0
General and administrative expenses from related parties	0	0	0
Depreciation, amortization and write down and impairment	517	0	0
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Total operating expenses	16,729	0	0
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Operating income (loss)	(6,105)	0	0
Capital expenditure	0	0	0
Total assets	0	0	0
Consolidated			
Revenue	188,628	151,914	135,789
Operating expenses:			
Cost of revenue	124,662	90,236	96,018
Cost of revenue from related parties	0	7,376	24,988
Selling and marketing expenses	63,998	66,670	48,541
Selling and marketing expenses with related parties	0	1,436	908
General and administrative expenses	57,163	55,569	43,768
General and administrative expenses from related parties	220	1,083	1,115
Depreciation, amortization and write down and impairment	44,827	125,552	166,117
Total operating expenses	290,870	347,922	381,455
Operating income (loss)	(102,242)	(196,008)	(245,666)
Capital expenditure	58,941	140,618	17,471
Total assets	357,051	445,611	168,217

DKK amounts have been converted into US\$ at an exchange rate of \$1=DKK 7.0822.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK and US\$ amounts in thousands, except per share amounts and where otherwise indicated)

24. Subsequent events

In February 2003 the Affiliate Agreement with VeriSign was amended, which, among other things, extended the term of the agreement for an additional 4 years through December 31, 2010 and reduced the minimum royalty payments and annual fee due to VeriSign for the year ending December 31, 2003 from DKK 49,667 (\$7,012) to DKK 16,289 (\$2,300). It has not been agreed what the minimum annual royalty payments are to be after December 31, 2003. The amendment states that the minimum annual royalty payments for the calendar years following 2003 shall be agreed by the Company and VeriSign no less than 60 days prior to the end of the calendar year 2003. It has been agreed with VeriSign that the annual fees will be reduced for 2004 and beyond.

As a result of the amendment to the affiliate agreement with VeriSign, the accrued royalties and annual fees of DKK 12,833 payable to VeriSign as of December 31, 2002 were reduced to DKK 2,833 in the first quarter of 2003 resulting in a corresponding decrease in cost of revenue in the first quarter of 2003.

Due to negotiations with a lessor we ceased making lease payments in April 2003. The monthly lease obligation amount to DKK 309 and the total

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outstanding amount as of March 2003 was DKK 4,015. As a result we are technically in default of the terms of this lease contract. The Company have agreed with the lessor to commence payments again in September 2003.

On May 28, 2003 the Company signed a private placement agreement with a potential investor. The terms of the agreement state that the Company can, at any time from the date of signature through May 28, 2004, demand that the potential investor subscribe to ordinary shares in the Company for a minimum value of DKK 15 million. The capital contribution is payable eight days after written request is made by the Company.

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