

SimpleSite ApS
Central Business Registration No
10079861
Toldbodgade 31, 3. tv.
1253 Copenhagen K

Annual report 2015

The Annual General Meeting adopted the annual report on 04.05.2016

Chairman of the General Meeting


Name: Pia Skourup

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Entity details

Entity

SimpleSite ApS
Toldbodgade 31, 3. tv.
1253 Copenhagen K

Central Business Registration No: 10079861

Registered in: Copenhagen

Financial year: 01.01.2015 - 31.12.2015

Board of Directors

Henrik Richard Hasselbalch Busch, chairman

Jesper Lohmann

Kaare Agerholm Danielsen

Morten Elk

John Sebastian Vikkelsøe-Engelbrecht

Thomas Petersen

Executive Board

Morten Elk

Entity auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of SimpleSite ApS for the financial year 01.01.2015 - 31.12.2015.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

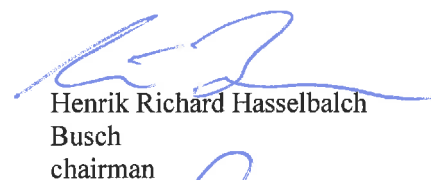
Copenhagen, 04.05.2016

Executive Board

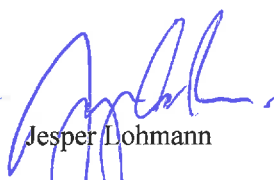


Morten Elk

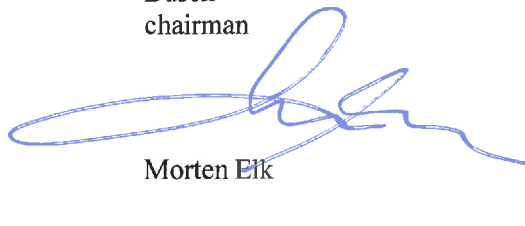
Board of Directors



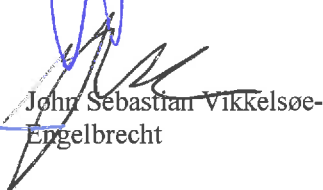
Henrik Richard Hasselbalch
Busch
chairman



Jesper Lohmann



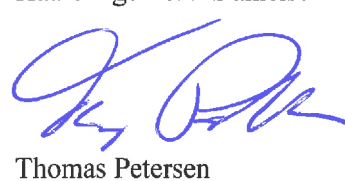
Morten Elk



John Sebastian Vikkelsøe-
Engelbrecht



Kaare Agerholm Danielsen



Thomas Petersen

Independent auditor's reports

To the owners of SimpleSite ApS

Report on the consolidated financial statements and parent financial statements

We have audited the consolidated financial statements and parent financial statements of SimpleSite ApS for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the consolidated financial statements and parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2015, and of the results of their operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Statement on the management commentary

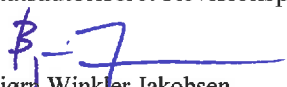
Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statement.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statement.

Copenhagen, 04.05.2016

Deloitte

Statsautoriseret Revisionspartnerselskab


Bjørn Winkler Jakobsen
State Authorised Public Accountant


Henrik Hartmann Olesen
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

The core activity of the Company is to develop and sell access to SimpleSite.com – a tool to create DIY web-sites which is delivered as a global SaaS solution (Software as a Service).

Development in activities and finances

The Company's revenue reached DKK 61.3 million in 2015 against DKK 55.4 million in 2014. The income statement for 2015 showed a loss after tax of DKK 3.2 million against a loss of DKK 2.5 million in 2014. In 2015, the Company invested heavily in the transition from Premium to Freemium, in the expansion of the number of paying subscribers as well as in a new generation of its product. The development is in line with Management's expectations.

Outlook

Management expects a positive development for 2016 in terms of revenue, total number of customers as well as results.

Events after the balance sheet date

No significant events have occurred after the balance sheet date to this date which would materially influence the Company's financial position.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Accounting policies

Profits or losses from divestment of equity investments

Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortised goodwill and estimated divestment or winding-up expenses.

Foreign currency translation

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

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts when sold.

An amount equaling the expenses required to perform the remaining services is allocated to the part of the subscription income that relates to future periods.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets.

Accounting policies

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income taxes

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

The Parent is jointly taxed with all Danish subsidiaries and other consolidated Danish entities. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirect attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Accounting policies

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3 to 5 years
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Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are measured at cost and are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Accounting policies

Deferred tax relating to re-taxation of previously deducted losses of foreign subsidiaries is recognised based on a specific assessment of the purpose of the individual subsidiary,

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

Consolidated income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Revenue		61,313,418	55,350,173
Other external expenses		<u>(49,560,877)</u>	<u>(45,523,612)</u>
Gross profit/loss		11,752,541	9,826,561
Staff costs	1	(13,245,028)	(10,553,027)
Depreciation, amortisation and impairment losses	2	<u>(1,821,059)</u>	<u>(1,612,453)</u>
Operating profit/loss		(3,313,546)	(2,338,919)
Other financial income		0	5,596
Other financial expenses		<u>(917,086)</u>	<u>(733,479)</u>
Profit/loss from ordinary activities before tax		(4,230,632)	(3,066,802)
Tax on profit/loss from ordinary activities	3	<u>1,011,762</u>	<u>532,016</u>
Profit/loss for the year		<u>(3,218,870)</u>	<u>(2,534,786)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(3,218,870)</u>	<u>(2,534,786)</u>
		(3,218,870)	(2,534,786)

Consolidated balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Completed development projects		5,582,002	4,648,601
Development projects in progress		<u>1,828,098</u>	<u>1,273,000</u>
Intangible assets	4	<u>7,410,100</u>	<u>5,921,601</u>
Other fixtures and fittings, tools and equipment		<u>47,435</u>	<u>113,124</u>
Property, plant and equipment	5	<u>47,435</u>	<u>113,124</u>
Fixed assets		<u>7,457,535</u>	<u>6,034,725</u>
Trade receivables		2,449,255	3,258,283
Receivables from group enterprises		14,741	0
Other short-term receivables		369,835	230,975
Income tax receivable	7	746,317	498,328
Prepayments		<u>134,720</u>	<u>142,950</u>
Receivables		<u>3,714,868</u>	<u>4,130,536</u>
Cash		<u>3,545,797</u>	<u>3,591,308</u>
Current assets		<u>7,260,665</u>	<u>7,721,844</u>
Assets		<u><u>14,718,200</u></u>	<u><u>13,756,569</u></u>

Consolidated balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Contributed capital		136,150	125,000
Retained earnings		<u>123,752</u>	<u>(4,723,861)</u>
Equity		<u>259,902</u>	<u>(4,598,861)</u>
Provisions for deferred tax	8	<u>508,206</u>	<u>660,484</u>
Provisions		<u>508,206</u>	<u>660,484</u>
Subordinate loan capital	9	<u>3,000,000</u>	<u>6,000,000</u>
Non-current liabilities other than provisions		<u>3,000,000</u>	<u>6,000,000</u>
Trade payables		5,820,844	6,484,905
Payables to group enterprises		204,718	145,719
Other payables		2,747,947	3,168,548
Deferred income		<u>2,176,583</u>	<u>1,895,774</u>
Current liabilities other than provisions		<u>10,950,092</u>	<u>11,694,946</u>
Liabilities other than provisions		<u>13,950,092</u>	<u>17,694,946</u>
Equity and liabilities		<u>14,718,200</u>	<u>13,756,569</u>
Subsidiaries	6		
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		

Consolidated statement of changes in equity for 2015

	Contributed capital DKK	Share premi- um DKK	Retained ear- nings DKK	Total DKK
Equity beginning of year	125,000	0	(4,723,861)	(4,598,861)
Increase of capital	11,150	7,988,850	0	8,000,000
Other adjustments	0	0	77,633	77,633
Transfer to reserves	0	(7,988,850)	7,988,850	0
Profit/loss for the year	0	0	(3,218,870)	(3,218,870)
Equity end of year	136,150	0	123,752	259,902

Notes to consolidated financial statements

	2015	2014
	DKK	DKK
1. Staff costs		
Wages and salaries	12,111,541	9,614,398
Other social security costs	163,014	130,797
Other staff costs	970,473	807,832
	13,245,028	10,553,027
	2015	2014
	DKK	DKK
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	1,755,370	1,537,917
Depreciation of property, plant and equipment	65,689	74,536
	1,821,059	1,612,453
	2015	2014
	DKK	DKK
3. Tax on profit/loss from ordinary activities		
Tax on current year taxable income	(758,656)	(726,192)
Change in deferred tax for the year	(152,278)	160,439
Adjustment concerning previous years	(100,828)	33,737
	(1,011,762)	(532,016)
	Completed	Development
	development	projects in
	projects	progress
	DKK	DKK
4. Intangible assets		
Cost beginning of year	8,336,075	1,273,000
Transfer to and from other items	1,273,000	(1,273,000)
Additions	1,415,771	1,828,098
Cost end of year	11,024,846	1,828,098
Amortisation and impairment losses beginning of year	(3,687,474)	0
Amortisation for the year	(1,755,370)	0
Amortisation and impairment losses end of year	(5,442,844)	0
Carrying amount end of year	5,582,002	1,828,098

Notes to consolidated financial statements

	Other fixtures and fittings, tools and equipment DKK
5. Property, plant and equipment	
Cost beginning of year	530,623
Disposals	(96,375)
Cost end of year	434,248
Depreciation and impairment losses beginning of the year	(417,499)
Depreciation for the year	(65,689)
Reversal regarding disposals	96,375
Depreciation and impairment losses end of the year	(386,813)
Carrying amount end of year	47,435

	Registered in	Equity interest %	Equity DKK	Profit/loss DKK
6. Subsidiaries				
123hjemmeside.no ApS	Denmark	100.0	1,757,888	24,448
SimpleSite GM ApS	Denmark	100.0	(11,096,700)	904,078
123hemsida.se ApS	Denmark	100.0	231,170	(41,436)
123website.nl ApS	Denmark	100.0	(14,779)	15,656
123kotisivu.fi ApS	Denmark	100.0	(258,263)	6,298
123miweb.es ApS	Denmark	100.0	(537,184)	3,689
123siteweb.fr ApS	Denmark	100.0	(872,820)	12,899
123homepage.it ApS	Denmark	100.0	(612,651)	3,471
123webseite.de ApS	Denmark	100.0	(284,355)	2,349
123website SALB ApS	Denmark	100.0	(2,682,278)	24,710

7. Short-term income tax receivable

Income tax and income tax receivable represent tax credits for the income year 2015 provided on the tax value of the Group's development activities.

Notes to consolidated financial statements

	<u>2015</u> <u>DKK</u>	<u>2014</u> <u>DKK</u>
8. Deferred tax		
Intangible assets	1,630,223	1,327,986
Property, plant and equipment	(33,032)	(33,710)
Tax losses carried forward	(1,088,985)	(633,792)
	<u>508,206</u>	<u>660,484</u>

9. Subordinate loan capital

As of 31 December 2015, two shareholders have provided subordinate loan capital of DKK 3 million to increase growth and to finance the SimpleSite Group. The subordinate loans which are irredeemable from creditors carry interest on an ongoing basis. In 2015, the subordinate loan capital of DKK 6 million as well as additional drawn credit facilities of DKK 2 million have been converted into share capital in SimpleSite ApS.

	<u>2015</u> <u>DKK</u>	<u>2014</u> <u>DKK</u>
10. Unrecognised rental and lease commitments		
Commitments under rental agreements or leases until expiry	<u>394,000</u>	<u>191,000</u>

11. Contingent liabilities

The Group is not incumbent on contingent liabilities.

Parent income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Revenue		18,587,994	22,348,053
Other external expenses		<u>(8,037,858)</u>	<u>(9,562,821)</u>
Gross profit/loss		10,550,136	12,785,232
Staff costs	1	(13,245,028)	(10,553,027)
Depreciation, amortisation and impairment losses		<u>(1,821,059)</u>	<u>(1,612,453)</u>
Operating profit/loss		(4,515,951)	619,752
Income from investments in group enterprises		0	2,350,000
Other financial expenses		<u>(917,086)</u>	<u>(722,083)</u>
Profit/loss from ordinary activities before tax		(5,433,037)	2,247,669
Tax on profit/loss from ordinary activities	2	<u>1,258,005</u>	<u>928,128</u>
Profit/loss for the year		<u>(4,175,032)</u>	<u>3,175,797</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(4,175,032)</u>	<u>3,175,797</u>
		<u>(4,175,032)</u>	<u>3,175,797</u>

Parent balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Completed development projects		5,582,002	4,648,601
Development projects in progress		1,828,098	1,273,000
Intangible assets	3	<u>7,410,100</u>	<u>5,921,601</u>
Other fixtures and fittings, tools and equipment		47,435	113,124
Property, plant and equipment	4	<u>47,435</u>	<u>113,124</u>
Investments in group enterprises		980,000	980,000
Fixed asset investments	5	<u>980,000</u>	<u>980,000</u>
Fixed assets		<u>8,437,535</u>	<u>7,014,725</u>
Trade receivables		2,449,255	3,215,949
Receivables from group enterprises		15,418,235	14,328,706
Other short-term receivables		369,835	249,208
Income tax receivable		759,684	177,140
Prepayments		134,720	122,899
Receivables		<u>19,131,729</u>	<u>18,093,902</u>
Cash		<u>3,515,859</u>	<u>3,242,858</u>
Current assets		<u>22,647,588</u>	<u>21,336,760</u>
Assets		<u>31,085,123</u>	<u>28,351,485</u>

Parent balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Contributed capital	6	136,150	125,000
Retained earnings		<u>15,473,724</u>	<u>11,659,906</u>
Equity		<u>15,609,874</u>	<u>11,784,906</u>
Provisions for deferred tax	7	<u>739,840</u>	<u>1,220,902</u>
Provisions		<u>739,840</u>	<u>1,220,902</u>
Subordinate loan capital	8	<u>3,000,000</u>	<u>6,000,000</u>
Non-current liabilities other than provisions		<u>3,000,000</u>	<u>6,000,000</u>
Trade payables		5,820,844	1,278,446
Payables to group enterprises		2,690,406	4,641,417
Other payables		2,747,947	2,943,442
Deferred income		<u>476,212</u>	<u>482,372</u>
Current liabilities other than provisions		<u>11,735,409</u>	<u>9,345,677</u>
Liabilities other than provisions		<u>14,735,409</u>	<u>15,345,677</u>
Equity and liabilities		<u>31,085,123</u>	<u>28,351,485</u>
Unrecognised rental and lease commitments	9		
Contingent liabilities	10		

Parent statement of changes in equity for 2015

	Contributed capital DKK	Share premi- um DKK	Retained ear- nings DKK	Total DKK
Equity beginning of year	125,000	0	11,659,906	11,784,906
Increase of capital	11,150	7,988,850	0	8,000,000
Transfer to reserves	0	(7,988,850)	7,988,850	0
Profit/loss for the year	0	0	(4,175,032)	(4,175,032)
Equity end of year	136,150	0	15,473,724	15,609,874

Notes to parent financial statements

	2015	2014
	DKK	DKK
1. Staff costs		
Wages and salaries	12,111,541	9,614,398
Other social security costs	163,014	130,797
Other staff costs	970,473	807,832
	13,245,028	10,553,027
	2015	2014
	DKK	DKK
2. Tax on profit/loss from ordinary activities		
Tax on current year taxable income	(772,023)	(1,122,304)
Change in deferred tax for the year	(481,062)	160,439
Adjustment concerning previous years	(4,920)	33,737
	(1,258,005)	(928,128)

Income tax and income tax receivable represent tax credits provided on the tax value of the Group's development activities.

	Completed development projects DKK	Development projects in progress DKK
3. Intangible assets		
Cost beginning of year	8,336,075	1,273,000
Transfer to and from other items	1,273,000	(1,273,000)
Additions	1,415,771	1,828,098
Cost end of year	11,024,846	1,828,098
Amortisation and impairment losses beginning of year	(3,687,474)	0
Amortisation for the year	(1,755,370)	0
Amortisation and impairment losses end of year	(5,442,844)	0
Carrying amount end of year	5,582,002	1,828,098

Notes to parent financial statements

	Other fixtures and fittings, tools and equipment DKK
4. Property, plant and equipment	
Cost beginning of year	530,623
Disposals	<u>(96,375)</u>
Cost end of year	<u>434,248</u>
Depreciation and impairment losses beginning of the year	(417,499)
Depreciation for the year	(65,689)
Reversal regarding disposals	<u>96,375</u>
Depreciation and impairment losses end of the year	<u>(386,813)</u>
Carrying amount end of year	<u>47,435</u>
	Investments in group enterprises DKK
5. Fixed asset investments	
Cost beginning of year	<u>980,000</u>
Cost end of year	<u>980,000</u>
Carrying amount end of year	<u>980,000</u>

When entering into new markets, it usually takes the companies approx. one to three years to become established. During this period, the companies invest in a paying subscription customer base via marketing and income from this investment is thus regained.

The investments in group entities are recognised in the Parent at cost and therefore, the results of the Group enterprises do not reflect the results and equity of the Parent.

	Number	Par value DKK	Nominal value DKK
6. Contributed capital			
Shares	<u>2,723</u>	50	<u>136,150</u>
	<u>2,723</u>		<u>136,150</u>

Notes to parent financial statements

	<u>2015</u> <u>DKK</u>	<u>2014</u> <u>DKK</u>	<u>2013</u> <u>DKK</u>	<u>2012</u> <u>DKK</u>	<u>2011</u> <u>DKK</u>
Changes in contributed capital					
Contributed capital beginning of year	125,000	125,000	125,000	125,000	125,000
Increase of capital	11,150	0	0	0	0
Contributed capital end of year	<u>136,150</u>	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>

	<u>2015</u> <u>DKK</u>	<u>2014</u> <u>DKK</u>
7. Deferred tax		
Intangible assets	1,630,223	1,327,986
Property, plant and equipment	(33,032)	(33,710)
Tax losses carried forward	<u>(857,351)</u>	<u>(73,374)</u>
	<u>739,840</u>	<u>1,220,902</u>

8. Subordinate loan capital

As of 31 December 2015, two shareholders have provided subordinate loan capital of DKK 3 million to increase growth and to finance the SimpleSite Group. The subordinate loans which are irredeemable from creditors carry interest on an ongoing basis. In 2015, the subordinate loan capital of DKK 6 million as well as additional drawn credit facilities of DKK 2 million have been converted into share capital in SimpleSite ApS.

	<u>2015</u> <u>DKK</u>	<u>2014</u> <u>DKK</u>
9. Unrecognised rental and lease commitments		
Commitments under rental agreements or leases until expiry	<u>394,000</u>	<u>191,000</u>

10. Contingent liabilities

SimpleSite ApS has issued a letter of indemnity to all of the Group's subsidiaries by which the Parent is irrevocably obligated to support the entities in fulfilling all obligations 12 months from signing this annual report for 2015.

The Company participates in a Danish joint taxation arrangement in which M. Elk Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc. for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

In addition to the above, the Company is not incumbent on any contingent liabilities.