



## SimpleSite ApS

Slåenbakken 17  
3460 Birkerød  
CVR No. 10079861

## Annual report 2021

The Annual General Meeting adopted the  
annual report on 18.05.2022

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**Morten Kenneth Elk**

Chairman of the General Meeting

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# Entity details

## Entity

SimpleSite ApS  
Slåenbakken 17  
3460 Birkerød

Business Registration No.: 10079861  
Registered office: Rudersdal  
Financial year: 01.01.2021 - 31.12.2021

## Board of Directors

Henrik Richard Hasselbalch Busch, Chairman  
Thomas Petersen  
Jesper Genter Lohmann  
Morten Kenneth Elk  
Kaare Agerholm Danielsen

## Executive Board

Morten Kenneth Elk

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
2300 Copenhagen S

# 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 01.01.2021 - 31.12.2021.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations for the financial year 01.01.2021 - 31.12.2021.

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.

Rudersdal, 18.05.2022

## Executive Board

**Morten Kenneth Elk**

## Board of Directors

**Henrik Richard Hasselbalch Busch**  
Chairman

**Thomas Petersen**

**Jesper Genter Lohmann**

**Morten Kenneth Elk**

**Kaare Agerholm Danielsen**

# Independent auditor's report

## To the shareholders of SimpleSite ApS

### Opinion

We have audited the consolidated financial statements and the parent financial statements of SimpleSite ApS for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

### Basis for opinion

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

### Management's responsibilities for the consolidated financial statements and the 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.

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

### Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error

and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 18.05.2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Bjørn Winkler Jakobsen**

State Authorised Public Accountant  
Identification No (MNE) mne32127

**Henrik Hartmann Olesen**

State Authorised Public Accountant  
Identification No (MNE) mne34143

# Management commentary

## Primary activities

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

## Description of material changes in activities and finances

The Group's gross profit reached DKK 18.3 million in 2021 against DKK 20.4 million in 2020. The income statement for 2021 showed a loss after tax of DKK 10.9 million against a profit of DKK 1.6 million in 2020. The year's loss was influenced by a impairment loss on completed projects and a change in the future business strategy.

Management considers the result to be as expected. The result in the income statement for 2022 is expected to DKK 10 – 20 million before tax as a consequence of the changes in the business strategy.

## Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.



# Consolidated income statement for 2021

	Notes	2021 DKK	2020 DKK
<b>Gross profit/loss</b>		<b>18,321,496</b>	<b>20,365,608</b>
Staff costs	1	(16,452,288)	(14,367,674)
Depreciation, amortisation and impairment losses	2	(14,836,899)	(3,973,879)
<b>Operating profit/loss</b>		<b>(12,967,691)</b>	<b>2,024,055</b>
Other financial income		15,220	0
Other financial expenses		(1,976,132)	(978,609)
<b>Profit/loss before tax</b>		<b>(14,928,603)</b>	<b>1,045,446</b>
Tax on profit/loss for the year	3	4,072,079	506,104
<b>Profit/loss for the year</b>		<b>(10,856,524)</b>	<b>1,551,550</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(10,856,524)	1,551,550
<b>Proposed distribution of profit and loss</b>		<b>(10,856,524)</b>	<b>1,551,550</b>

# Consolidated balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK	2020 DKK
Completed development projects	5	14,247,650	17,010,149
Development projects in progress	5	0	6,099,537
<b>Intangible assets</b>	4	<b>14,247,650</b>	<b>23,109,686</b>
Other fixtures and fittings, tools and equipment		0	7,770
<b>Property, plant and equipment</b>	6	<b>0</b>	<b>7,770</b>
Deposits		0	556,296
<b>Financial assets</b>	7	<b>0</b>	<b>556,296</b>
<b>Fixed assets</b>		<b>14,247,650</b>	<b>23,673,752</b>
Trade receivables		2,081,170	2,040,544
Receivables from group enterprises		0	319,203
Other receivables		136,178	152,923
Tax receivable	8	905,971	1,979,224
Joint taxation contribution receivable		133,779	95,212
Prepayments		0	235,117
<b>Receivables</b>		<b>3,257,098</b>	<b>4,822,223</b>
<b>Cash</b>		<b>4,337,945</b>	<b>5,110,317</b>
<b>Current assets</b>		<b>7,595,043</b>	<b>9,932,540</b>
<b>Assets</b>		<b>21,842,693</b>	<b>33,606,292</b>

## Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		139,180	139,180
Reserve for fair value adjustments of hedging instruments		0	106,770
Retained earnings		(6,151,721)	4,704,803
<b>Equity</b>		<b>(6,012,541)</b>	<b>4,950,753</b>
Deferred tax	9	589,172	3,850,877
<b>Provisions</b>		<b>589,172</b>	<b>3,850,877</b>
Subordinate loan capital		5,000,000	5,000,000
Debt to other credit institutions	11	5,888,902	6,510,000
Other payables	12	3,657,095	2,187,159
<b>Non-current liabilities other than provisions</b>	13	<b>14,545,997</b>	<b>13,697,159</b>
Current portion of non-current liabilities other than provisions	13	849,606	0
Trade payables	14	3,932,810	3,530,725
Payables to group enterprises		0	157,857
Other payables	15	7,903,638	7,373,485
Deferred income		34,011	45,436
<b>Current liabilities other than provisions</b>		<b>12,720,065</b>	<b>11,107,503</b>
<b>Liabilities other than provisions</b>		<b>27,266,062</b>	<b>24,804,662</b>
<b>Equity and liabilities</b>		<b>21,842,693</b>	<b>33,606,292</b>
Unrecognised rental and lease commitments	16		
Contingent liabilities	17		
Assets charged and collateral	18		
Subsidiaries	19		

# Consolidated statement of changes in equity for 2021

	Contributed capital DKK	Reserve for fair value adjustments of hedging instruments DKK	Retained earnings DKK	Total DKK
Equity beginning of year	139,180	106,770	4,704,803	4,950,753
Tax of entries on equity	0	30,113	0	30,113
Dissolution of reserves	0	(136,883)	0	(136,883)
Profit/loss for the year	0	0	(10,856,524)	(10,856,524)
<b>Equity end of year</b>	<b>139,180</b>	<b>0</b>	<b>(6,151,721)</b>	<b>(6,012,541)</b>

# Notes to consolidated financial statements

## 1 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	20,203,752	23,972,369
Pension costs	728,379	884,438
Other social security costs	229,584	265,808
Other staff costs	839,969	1,262,686
	<b>22,001,684</b>	<b>26,385,301</b>
Staff costs classified as assets	(5,549,396)	(12,017,627)
	<b>16,452,288</b>	<b>14,367,674</b>
Average number of full-time employees	<b>29</b>	<b>39</b>

## 2 Depreciation, amortisation and impairment losses

	2021 DKK	2020 DKK
Amortisation of intangible assets	5,487,436	3,838,685
Impairment losses on intangible assets	9,341,693	114,910
Depreciation on property, plant and equipment	7,770	20,284
	<b>14,836,899</b>	<b>3,973,879</b>

## 3 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	(705,197)	(1,778,450)
Change in deferred tax	(3,231,593)	1,387,032
Adjustment concerning previous years	(1,510)	(19,472)
Refund in joint taxation arrangement	(133,779)	(95,214)
	<b>(4,072,079)</b>	<b>(506,104)</b>

#### 4 Intangible assets

	<b>Completed development projects DKK</b>	<b>Development projects in progress DKK</b>
Cost beginning of year	35,549,959	6,099,537
Transfers	12,066,630	(12,066,630)
Additions	0	5,967,093
Disposals	(694,819)	0
<b>Cost end of year</b>	<b>46,921,770</b>	<b>0</b>
Amortisation and impairment losses beginning of year	(18,539,810)	0
Impairment losses for the year	(9,341,693)	0
Amortisation for the year	(5,487,436)	0
Reversal regarding disposals	694,819	0
<b>Amortisation and impairment losses end of year</b>	<b>(32,674,120)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>14,247,650</b>	<b>0</b>

#### 5 Development projects

The SimpleSite platform and related features are significant intangible assets. The cost price of development projects is derived from time spent by developers and Management expressed in cost of man hours and external development costs. On an ongoing basis, Management assesses the value of the assets. This assessment consists of a number of elements covering the future market potential and business case for SimpleSites future operations and growth expectations. The core software has been reviewed for impairment but no need for write-downs has been identified. The assessment of the value of the intangible assets resulted in a write-down for 2021 of DKK 9.3 million, refer to note 2.

#### 6 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK</b>
Cost beginning of year	106,992
<b>Cost end of year</b>	<b>106,992</b>
Depreciation and impairment losses beginning of year	(99,222)
Depreciation for the year	(7,770)
<b>Depreciation and impairment losses end of year</b>	<b>(106,992)</b>
<b>Carrying amount end of year</b>	<b>0</b>

## 7 Financial assets

	<b>Deposits DKK</b>
Cost beginning of year	556,296
Disposals	(556,296)
<b>Cost end of year</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>0</b>

## 8 Tax receivable

Tax receivables of DKK 705k comprise of expected tax credit for development costs for the income year 2021 determined in accordance with Danish Tax Assessment Act (Ligningsloven) section 8X to be settled in November 2022.

## 9 Deferred tax

	<b>2021 DKK</b>	<b>2020 DKK</b>
Intangible assets	3,134,483	5,084,131
Property, plant and equipment	(12,425)	(14,857)
Tax losses carried forward	(2,532,886)	(1,218,397)
<b>Deferred tax</b>	<b>589,172</b>	<b>3,850,877</b>

## 10 Subordinate loan capital

As of 31 December 2021, shareholders have provided subordinate loan capital of DKK 5 million, to increase growth and to finance the SimpleSite Group. The subordinate loans which are irredeemable from creditors carry interest on an ongoing basis.

## 11 Debt to other credit institutions

In 2021, the Group has second tranche of loan for growth of a total of DKK 5.9 million. The loan is backed by the Innov-Fin SME guarantee facility. The loan is to be settled in the period 2022 to 2027.

## 12 Other payables

	<b>2021 DKK</b>	<b>2020 DKK</b>
Holiday pay obligation	2,211,764	2,187,159
Other costs payable	1,445,331	0
	<b>3,657,095</b>	<b>2,187,159</b>

### 13 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK	Due after more than 12 months 2021 DKK	Outstanding after 5 years 2021 DKK
Subordinate loan capital	849,606	5,000,000	0
Debt to other credit institutions	0	5,888,902	1,059,689
Other payables	0	3,657,095	0
	<b>849,606</b>	<b>14,545,997</b>	<b>1,059,689</b>

### 14 Trade payables

Trade payables contains an amount of DKK 365 thousand which comprise expected accrued commission costs to be settled with marketing partners.

### 15 Other payables

	2021 DKK	2020 DKK
VAT and duties	2,152,158	2,011,049
Wages and salaries, personal income taxes, social security costs, etc. payable	643,889	2,221,284
Holiday pay obligation	72,993	841,089
Other costs payable	5,034,598	2,300,063
	<b>7,903,638</b>	<b>7,373,485</b>

### 16 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Total liabilities under rental or lease agreements until maturity	<b>76,000</b>	<b>747,000</b>

### 17 Contingent liabilities

The Group 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 Group is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed entities and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

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

### 18 Assets charged and collateral

The Group has pledged a company charge in the Parent Company of DKK 2.1 million as collateral for debt. At 31 December 2021, the company charge comprises the following assets with the following carrying amounts:

Other fixtures and fittings, tools and equipment, DKK 0 thousand



Trade receivables, DKK 2,081 thousand

The Parent Company has pledged its shares in one of its subsidiaries as collateral for debt. At 31 December 2021 the shares is recognised with carrying amount of DKK 139 thousand.

## 19 Subsidiaries

	<b>Registered in</b>	<b>Corporate form</b>	<b>Ownership %</b>	<b>Equity DKK</b>	<b>Profit/loss DKK</b>
123hjemmeside.no	Denmark	ApS	100,0	1,848,471	7,953
SimpleSite GM	Denmark	ApS	100,0	(14,197,588)	(2,154,611)
123hemsida.se	Denmark	ApS	100,0	385,770	8,490
123website.nl	Denmark	ApS	100,0	43,689	6,625
123kotisivu.fi	Denmark	ApS	100,0	(234,272)	2,758
123miweb.es	Denmark	ApS	100,0	(525,665)	1,146
123siteweb.fr	Denmark	ApS	100,0	(833,550)	3,531
123homepage.it	Denmark	ApS	100,0	(599,234)	816
123webseite.de	Denmark	ApS	100,0	(273,034)	101
123website SALB	Denmark	ApS	100,0	(2,603,630)	2,809

# Parent income statement for 2021

	Notes	2021 DKK	2020 DKK
<b>Gross profit/loss</b>		<b>21,031,572</b>	<b>21,764,976</b>
Staff costs	1	(16,452,288)	(14,367,674)
Depreciation, amortisation and impairment losses	2	(14,836,899)	(3,973,879)
<b>Operating profit/loss</b>		<b>(10,257,615)</b>	<b>3,423,423</b>
Income from investments in group enterprises		0	(40,748)
Other financial income		15,220	0
Other financial expenses		(1,976,132)	(978,150)
<b>Profit/loss before tax</b>		<b>(12,218,527)</b>	<b>2,404,525</b>
Tax on profit/loss for the year	3	3,482,385	199,190
<b>Profit/loss for the year</b>		<b>(8,736,142)</b>	<b>2,603,715</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(8,736,142)	2,603,715
<b>Proposed distribution of profit and loss</b>		<b>(8,736,142)</b>	<b>2,603,715</b>

# Parent balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK	2020 DKK
Completed development projects	5	14,247,650	17,010,149
Development projects in progress	5	0	6,099,537
<b>Intangible assets</b>	4	<b>14,247,650</b>	<b>23,109,686</b>
Other fixtures and fittings, tools and equipment		0	7,770
<b>Property, plant and equipment</b>	6	<b>0</b>	<b>7,770</b>
Investments in group enterprises		980,000	1,040,804
Deposits		0	556,296
<b>Financial assets</b>	7	<b>980,000</b>	<b>1,597,100</b>
<b>Fixed assets</b>		<b>15,227,650</b>	<b>24,714,556</b>
Trade receivables		2,081,170	2,040,544
Receivables from group enterprises		18,307,000	16,119,905
Other receivables		136,178	151,902
Tax receivable	8	708,360	1,775,468
Joint taxation contribution receivable		102,420	90,754
Prepayments		0	235,117
<b>Receivables</b>		<b>21,335,128</b>	<b>20,413,690</b>
<b>Cash</b>		<b>4,230,779</b>	<b>5,042,753</b>
<b>Current assets</b>		<b>25,565,907</b>	<b>25,456,443</b>
<b>Assets</b>		<b>40,793,557</b>	<b>50,170,999</b>

## Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		139,180	139,180
Reserve for fair value adjustments and hedging instruments		0	106,770
Reserve for development costs		11,113,165	14,874,073
Retained earnings		704,155	5,679,389
<b>Equity</b>		<b>11,956,500</b>	<b>20,799,412</b>
Deferred tax	9	1,101,320	4,002,301
<b>Provisions</b>		<b>1,101,320</b>	<b>4,002,301</b>
Subordinate loan capital	10	5,000,000	5,000,000
Debt to other credit institutions	11	5,888,902	6,510,000
Other payables	12	3,657,095	2,187,159
<b>Non-current liabilities other than provisions</b>	13	<b>14,545,997</b>	<b>13,697,159</b>
Current portion of non-current liabilities other than provisions	13	849,606	0
Trade payables	14	3,932,812	3,520,727
Payables to group enterprises		2,516,802	2,770,951
Other payables	15	5,890,520	5,380,449
<b>Current liabilities other than provisions</b>		<b>13,189,740</b>	<b>11,672,127</b>
<b>Liabilities other than provisions</b>		<b>27,735,737</b>	<b>25,369,286</b>
<b>Equity and liabilities</b>		<b>40,793,557</b>	<b>50,170,999</b>
Unrecognised rental and lease commitments	16		
Contingent liabilities	17		
Assets charged and collateral	18		

# Parent statement of changes in equity for 2021

	Contributed capital DKK	Reserve for fair value adjustments of hedging instruments DKK	Reserve for development costs DKK	Retained earnings DKK	Total DKK
Equity beginning of year	139,180	106,770	14,874,073	5,679,389	20,799,412
Tax of entries on equity	0	30,113	0	0	30,113
Transfer to reserves	0	0	(3,760,908)	3,760,908	0
Dissolution of reserves	0	(136,883)	0	0	(136,883)
Profit/loss for the year	0	0	0	(8,736,142)	(8,736,142)
<b>Equity end of year</b>	<b>139,180</b>	<b>0</b>	<b>11,113,165</b>	<b>704,155</b>	<b>11,956,500</b>

# Notes to parent financial statements

## 1 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	20,203,752	23,972,369
Pension costs	728,379	884,438
Other social security costs	229,584	265,808
Other staff costs	839,969	1,262,686
	<b>22,001,684</b>	<b>26,385,301</b>
Staff costs classified as assets	(5,549,396)	(12,017,627)
	<b>16,452,288</b>	<b>14,367,674</b>
Average number of full-time employees	<b>29</b>	<b>39</b>

## 2 Depreciation, amortisation and impairment losses

	2021 DKK	2020 DKK
Amortisation of intangible assets	5,487,436	3,838,685
Impairment losses on intangible assets	9,341,693	114,910
Depreciation on property, plant and equipment	7,770	20,284
	<b>14,836,899</b>	<b>3,973,879</b>

## 3 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	(507,586)	(1,574,694)
Change in deferred tax	(2,870,869)	1,485,732
Adjustment concerning previous years	(1,510)	(19,472)
Refund in joint taxation arrangement	(102,420)	(90,756)
	<b>(3,482,385)</b>	<b>(199,190)</b>

#### 4 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	35,549,959	6,099,537
Transfers	12,066,630	(12,066,630)
Additions	0	5,967,093
Disposals	(694,819)	0
<b>Cost end of year</b>	<b>46,921,770</b>	<b>0</b>
Amortisation and impairment losses beginning of year	(18,539,810)	0
Impairment losses for the year	(9,341,693)	0
Amortisation for the year	(5,487,436)	0
Reversal regarding disposals	694,819	0
<b>Amortisation and impairment losses end of year</b>	<b>(32,674,120)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>14,247,650</b>	<b>0</b>

#### 5 Development projects

The SimpleSite platform and related features are significant intangible assets. The cost price of development projects is derived from time spent by developers and Management expressed in cost of man hours and external development costs. On an ongoing basis, Management assesses the value of the assets. This assessment consists of a number of elements covering the future market potential and business case for SimpleSites future operations and growth expectations. The core software has been reviewed for impairment but no need for write-downs has been identified. The assessment of the value of the intangible assets resulted in a write-down for 2021 of DKK 9,3 million, refer to note 2.

#### 6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	106,992
<b>Cost end of year</b>	<b>106,992</b>
Depreciation and impairment losses beginning of year	(99,222)
Depreciation for the year	(7,770)
<b>Depreciation and impairment losses end of year</b>	<b>(106,992)</b>
<b>Carrying amount end of year</b>	<b>0</b>

## 7 Financial assets

	<b>Investments in group enterprises DKK</b>	<b>Deposits DKK</b>
Cost beginning of year	1,131,552	556,296
Disposals	(151,552)	(556,296)
<b>Cost end of year</b>	<b>980,000</b>	<b>0</b>
Impairment losses beginning of year	(90,748)	0
Reversal regarding disposals	90,748	0
<b>Impairment losses end of year</b>	<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>980,000</b>	<b>0</b>

### Investments in group enterprises

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

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

Specification of investments in subsidiaries appears from the notes to the consolidated financial statements.

## 8 Tax receivable

Tax receivables of DKK 508k comprise of expected tax credit for development costs for the income year 2021 determined in accordance with Danish Tax Assessment Act (Ligningsloven) section 8X to be settled in November 2022.

## 9 Deferred tax

	<b>2021 DKK</b>	<b>2020 DKK</b>
Intangible assets	3,134,483	5,084,131
Property, plant and equipment	(12,425)	(14,857)
Liabilities other than provisions	(2,020,738)	(1,066,973)
<b>Deferred tax</b>	<b>1,101,320</b>	<b>4,002,301</b>

## 10 Subordinate loan capital

As of 31 December 2021, shareholders have provided subordinate loan capital of DKK 5 million, to increase growth and to finance the SimpleSite Group. The subordinate loans which are irredeemable from creditors carry interest on an ongoing basis.

## 11 Debt to other credit institutions

In 2021, the Company has loan for growth of a total of DKK 5.9 million. The loan is backed by the InnovFin SME guarantee facility. The loan is to be settled in the period 2022 to 2027.



**12 Other payables**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Holiday pay obligation	2,211,764	2,187,159
Other costs payable	1,445,331	0
	<b>3,657,095</b>	<b>2,187,159</b>

**13 Non-current liabilities other than provisions**

	<b>Due within 12</b>	<b>Due after</b>	<b>Outstanding</b>
	<b>months</b>	<b>more than 12</b>	<b>after 5 years</b>
	<b>2021</b>	<b>months</b>	<b>2021</b>
	<b>DKK</b>	<b>2021</b>	<b>DKK</b>
	<b>DKK</b>	<b>DKK</b>	<b>DKK</b>
Subordinate loan capital	849,606	5,000,000	0
Debt to other credit institutions	0	5,888,902	1,059,689
Other payables	0	3,657,095	0
	<b>849,606</b>	<b>14,545,997</b>	<b>1,059,689</b>

**14 Trade payables**

Trade payables contains an amount of DKK 365 thousand which comprise expected accrued commission costs to be settled with marketing partners.

**15 Other payables**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
VAT and duties	2,152,158	2,011,049
Wages and salaries, personal income taxes, social security costs, etc. payable	643,889	2,221,284
Holiday pay obligation	72,993	841,089
Other costs payable	3,021,480	307,027
	<b>5,890,520</b>	<b>5,380,449</b>

**16 Unrecognised rental and lease commitments**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Total liabilities under rental or lease agreements until maturity	<b>76,000</b>	<b>747,000</b>

**17 Contingent liabilities**

The Entity has issued a letter of support to all of the Group's subsidiaries by which the Parent is irrevocably obligated to support the entities in fulfilling all obligations until 1 June 2023.

The Entity 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 Entity is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed entities and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and

dividends for these entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

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

### **18 Assets charged and collateral**

The Company has pledged a company charge of DKK 2 million as collateral for debt. At 31 December 2021, the company charge comprises the following assets with the following carrying amounts:

Other fixtures and fittings, tools and equipment, DKK 0 thousand

Trade receivables, DKK 2,081 thousand

The Company has pledged its shares in one of its subsidiaries as collateral for debt. At 31 December 2021 the shares is recognised with carrying amount of DKK 139 thousand.

# 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 a few provisions for reporting class C.

The accounting policies applied to these consolidated financial statements and parent 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 the 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.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

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.

### **Derivative financial instruments**

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value, which has been calculated as the discounted value of expected future net cash flows by using an approximate risk-free interest rate adjusted for any factors that a potential market participant would attribute value to when acquiring the instrument. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in reserve for fair value adjustments of hedging instruments in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

### **Income statement**

#### **Gross profit or loss**

Gross profit or loss comprises revenue and external expenses.

#### **Revenue**

Revenue from the sale of services is recognised in the income statement when the services are made available to the buyer (access to own website) for the period purchased. Revenue is recognised net of VAT, duties and sales discounts. The expenses required to deliver sold subscriptions in future periods are accrued for.

#### **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 writedowns 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.

#### **Depreciation, amortisation 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 as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

#### **Income from investments in group enterprises**

Income from investments in group enterprises comprises dividends etc. received from the individual group enterprises in the financial year.

**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, amortisation of financial assets 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, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

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 of its Danish group enterprises and other Danish consolidated companies. The current Danish income tax is allocated among the jointly taxed companies 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. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under reserve for development costs that is reduced as the development projects are amortised and written down.

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 indirectly 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.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 5 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

**Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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	3-5 years
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Estimated useful lives and residual values are reassessed annually.

Items of 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. Investments are written down to the lower of recoverable amount and carrying amount.

**Receivables**

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

**Tax payable or receivable**

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

**Joint taxation contributions payable or receivable**

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed 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 the tax-based value of assets and liabilities, for which the tax-based value 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.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the

basis of an actual assessment of the purpose of each subsidiary.

**Other financial liabilities**

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

**Deferred income**

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