



DANDOMAIN A/S

Normansvej 1
8920 Randers NV
Central Business Registration
No: 25476255

Annual report 2016/17

The Annual General Meeting adopted the annual report on 31.05.2018

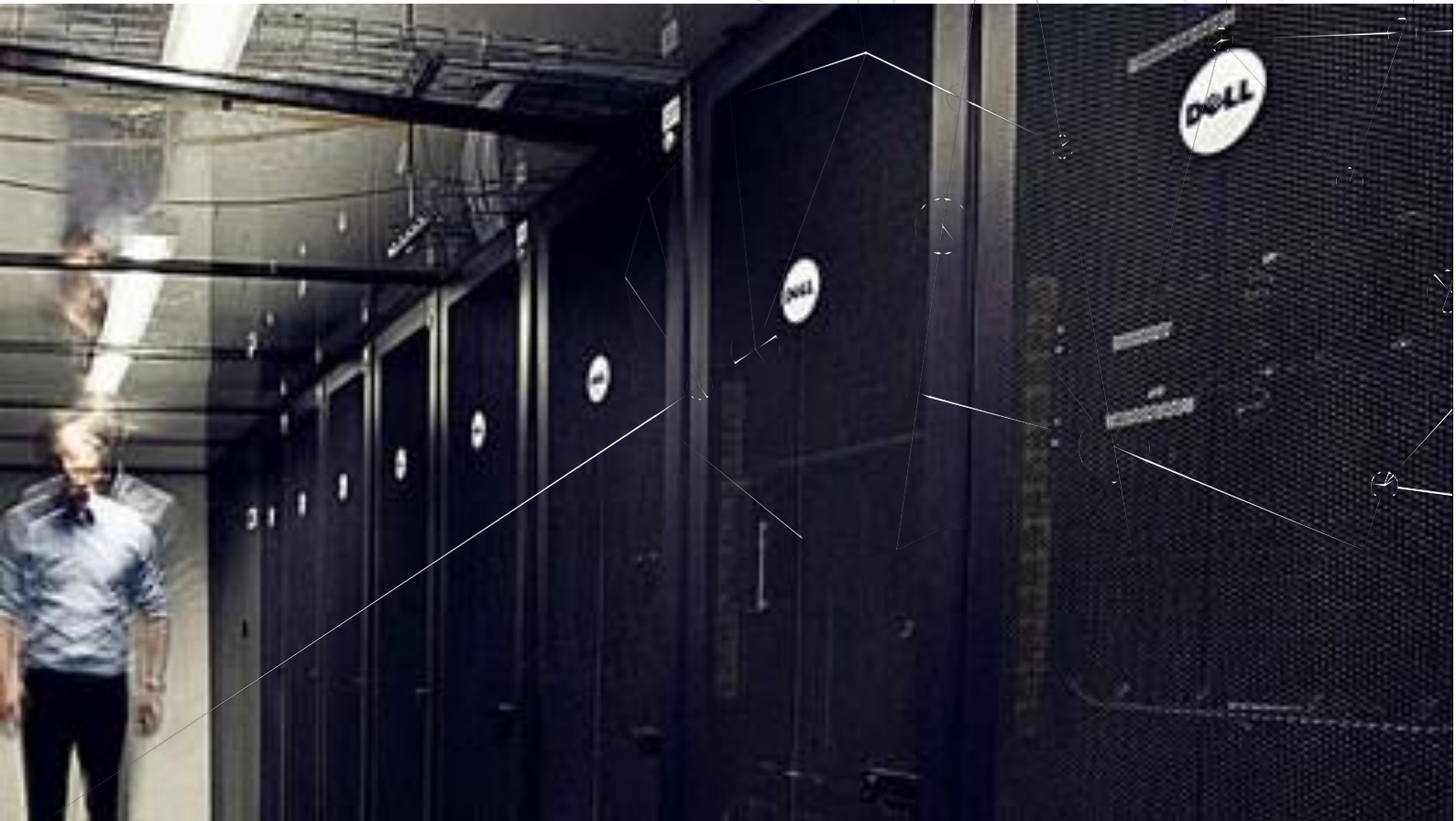
Chairman of the General Meeting



Name: Claus Røge Brandstrup

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Entity details

DanDomain A/S
Normansvej 1
8920 Randers NV

Central Business Registration No: 25476255
Registered in: Randers NV
Financial year: 01.07.2016 – 31.12.2017

Executive Board

Stefan Rosenlund

Board of Directors

Jonas Marcel E. Dhaenens, chairman
Ole Pallesen Jensen
Stefan Rosenlund
Claus Røge Brandstrup

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus 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 DanDomain A/S for the financial year 01.07.2016 - 31.12.2017.

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

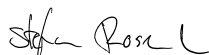
In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.07.2016 - 31.12.2017.

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.

Skanderborg, 31.05.2018

Executive Board



Stefan Rosenlund

Board of Directors



Jonas Marcel E. Dhaenens, chairman



Ole Pallesen Jensen



Stefan Rosenlund



Claus Røge Brandstrup

Independent auditor's report

To the shareholders of DanDomain A/S

Opinion

We have audited the financial statements of DanDomain A/S for the financial year 01.07.2016 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies and the cash flow statement. The financial statements are prepared 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 31.12.2017 and of the results of its operations and the cash flows for the financial year 01.07.2016 – 31.12.2017 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 financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Management's responsibilities for the financial statements

Management is responsible for the preparation of 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the 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 financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



Independent auditor's report

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 Entity to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.



Independent auditor's report

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

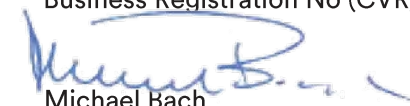
Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the 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.

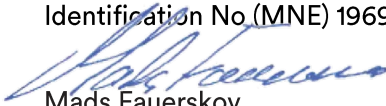
Aarhus, 31.05.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No (CVR) 33 96 35 56



Michael Bach
State Authorised Public Accountant
Identification No (MNE) 19691



Mads Fauerskov
State Authorised Public Accountant
Identification No (MNE) 35428



Management commentary

FINANCIAL HIGHLIGHTS

T.DKK

	2016/17	2015/16	2014/15	2013/14	2012/13
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INCOME STATEMENT

Revenue	122.454	75.662	77.784	71.359	70.443
Gross profit/loss	87.836	52.620	54.962	52.093	-
Operating profit/loss	24.262	7.724	14.743	19.620	25.428
Net financials	454	589	1.731	620	485
Profit/loss for the year	20.791	6.458	12.668	15.269	19.304

T.DKK

BALANCE SHEET

Total assets	76.110	54.055	77.894	67.277	61.493
investments in property, plant and equipment	5.986	3.721	4.154	2.858	-
Equity	29.174	8.383	26.925	14.257	10.988

RATIOS

Gross margin (%)	71,7	69,5	70,7	73,0	0,0
Net margin (%)	17,0	8,5	16,3	21,4	27,4
Return on equity (%)	74,1	36,6	61,2	121,0	445,2
Solvency ratio (%)	38,3	15,5	34,6	21,2	17,9
Revenue per employee	1.801	983	1.010	1.034	1.329
Employees in average	68	77	77	69	53

2016/17 comprise a period of 18 months why the figures from earlier years are not directly comparable

The Company has from the financial year 2013/14 added further financial highlights regarding Gross profit/loss, investment in property, plant and equipment and gross margin. Due to immateriality the financial highlights regarding 2012/13 has not been adjusted.

Management commentary

FINANCIAL HIGHLIGHTS

Financial highlights are defined and calculated as follows:

RATIOS	CALCULATION FORMULA	DESCRIPTION
Gross margin (%)	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	The entity's operating gearing
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The entity's operating profitability
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Avr. equity}}$	The entity's return on capital invested in the Entity by the owners
Solvency ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity
Revenue per employee	$\frac{\text{Revenue}}{\text{Avr. number of employees}}$	The entity's productivity

Management commentary

PRIMARY ACTIVITIES

The Company's primary business area is to offer and deliver hosting and highly standardized solutions to SMEs and private consumers. The company's primary focus is to provide domain registration, web- / mailhosting, cloud/it-hosting and webshops.

DEVELOPMENT IN ACTIVITIES AND FINANCES

The fiscal year 2016/2017 has been extended to 18 months to align with other companies in the group and that has made the comparability to historical periods difficult.

Revenue for the period ended on dkk 122.453.634 and profit after tax dkk 20.791.490 compared to dkk 75.661.946 in revenue and dkk 6.458.181 in profit after tax the year before. These numbers are not directly comparable, given the difference in periods, where 2015/2016 was 12 months and 2016/2017 was 18 months.

Despite the difference in periods in the two accounting periods, management is satisfied with the general development in activities as well as the financial performance for the fiscal year.

During 2016/2017 the company has performed a significant organizational re-structuring, which has impacted both cost and profit positively, and is expected to drive increased profit in the years to come.

OUTLOOK

Management expects revenue for 2018 to be on a comparable level as 2016/2017, when normalizing for the difference in accounting periods. Revenue for 2018 is expected to end in the range between 80 m.dkk and 82 m.dkk and profit after tax in the range between 27 m.dkk and 30 m.dkk

The strong uplift in profit after tax is following the organizational re-structuring mentioned above.

The financial performance in the first months of 2018 supports the outlook for the year and management is satisfied with the development, both compared to historical periods and the budget.

PARTICULAR RISKS

Management is not aware of anything of particular risk to the company's presence is the Danish SME hosting market and also no risk that impacts the growth plans for the coming years.

Management commentary

INTELLECTUAL CAPITAL RESOURCES

Being part of a knowledge-intensive group, it is crucial for DanDomain to have highly skilled employees with an extensive know-how within the business. Future earnings in the group is dependent on the right mix of employees. That is why DanDomain has an ambition to hire the best people and also continuously train the existing workforce within their specific center of competence.

ENVIRONMENTAL PERFORMANCE

DanDomain has the ambition to run the most energy efficient business. DanDomain is doing so by re-using equipment to the largest extent possible, but with having in mind that the operations should run on the most energy efficient way. Especially the use of electricity consumption is a key metric for the group, which has also been recognized via several governmental subsidies taking its base in optimization of energy consumption.

RESEARCH AND DEVELOPMENT ACTIVITIES

Software is being developed which comprise software, including control panels, payment systems and internal systems developed to create more efficiency and simplified processes and also to sell solutions to customers all together to create a better customer experience. Development projects in progress amounts to t.dkk. 907 as of 31 December 2017.

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.

Income statement

DKK	Notes	2016/17	2015/16
Revenue		122.453.634	75.661.946
Cost of sales		-24.678.652	-13.908.415
Other external expenses		-9.938.953	-9.133.092
Gross profit/loss		87.836.029	52.620.439
Staff costs	1	-49.025.863	-34.917.860
Depreciation, amortisation and impairment losses	2	-14.548.254	-9.978.352
Operating profit/loss		24.261.912	7.724.227
Other financial income	3	1.172.387	927.804
Other financial expenses	4	-717.936	-338.850
Profit/loss before tax		24.716.363	8.313.181
Tax on profit/loss for the year	5	-3.924.873	-1.855.000
Profit/loss for the year	6	20.791.490	6.458.181

Balance sheet – assets

DKK	Notes	31.12.2017	30.06.2016
Intangible assets			
Acquired intangible assets		116.420	-
Completed development projects		6.692.329	8.281.967
Development projects in progress		907.183	3.191.051
Total intangible assets	7	7.715.932	11.473.018
Property, plant and equipment			
Other fixtures and fittings, tools and equipment		3.420.811	5.869.901
Leasehold improvements		464.996	171.436
Total property, plant and equipment	8	3.885.807	6.041.337
Fixed asset investments			
Deposit		622.932	548.251
Total fixed asset investments	9	622.932	548.251
Total fixed assets		12.224.671	18.062.606
Receivables			
Trade receivables		9.598.923	11.520.096
Receivables from group enterprises		41.138.479	23.270.221
Income tax receivable		-	82.448
Deferred tax	10	103.797	-
Other short-term receivables		563.419	911.556
Total receivables		51.404.618	35.784.321
Cash		12.480.310	207.918
Total current assets		63.884.928	35.992.239
Total assets		76.109.599	54.054.845

Balance sheet - equity and liabilities

DKK	Notes	31.12.2017	30.06.2016
Equity			
Contributed capital		1.000.000	1.000.000
Reserve for development expenditures		3.361.120	-
Retained earnings		24.813.179	7.382.809
Total equity		29.174.299	8.382.809
Provisions			
Deferred tax		-	1.411.000
Total provisions	10	-	1.411.000
Non-current liabilities other than provision			
Finance lease liabilities		2.904.594	1.345.590
Income tax payable		-	144.000
Total non-current liabilities other than provision	11	2.904.594	1.489.590
Current liabilities other than provisions			
Current portion of long-term liabilities other than provisions	11	2.063.692	1.193.343
Bank loans		-	757
Trade payables		4.158.384	5.736.538
Income tax payable		5.501.222	-
Other payables	12	5.257.600	8.231.205
Deferred income	13	27.049.808	27.609.603
Total current liabilities other than provisions		44.030.706	42.771.446
Liabilities other than provisions		46.935.300	44.261.036
Total equity and liabilities		76.109.599	54.054.845
Unrecognized rental and lease commitments	14		
Contingent liabilities	15		
Assets charged and collateral	16		
Related parties with control	17		
Transactions with related parties	18		

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Reserve for development expenditures	Total
Equity beginning of year	1.000.000	7.382.809	-	8.382.809
Profit/loss for the year	-	17.430.370	3.361.120	20.791.490
Equity end of year	1.000.000	24.813.179	3.361.120	29.174.299

Cash flow statement

DKK	Notes	2016/17	2015/16
Operating profit/loss		24.261.912	7.724.227
Depreciation, amortization and impairment losses		14.548.254	9.978.352
Working capital changes	19	-20.710.502	21.752.559
Cash flow from ordinary operating activities		18.099.664	39.455.138
Financial income received		1.172.387	927.804
Financial expenses paid		-717.936	-338.850
Income taxes refunded/(paid)		-	-7.717.743
Cash flow from operating activities		18.554.115	32.326.349
Acquisition etc of intangible assets		-5.662.612	-5.657.893
Acquisition etc of property, plant and equipment		-5.985.612	-3.721.229
Sale etc of property, plant and equipment		3.012.586	-
Acquisition of fixed asset investments		-74.681	-
Cash flow from investing activities		-8.710.319	-9.379.122
Loans raised			
Instalments on loans etc			
Incurrence of lease obligations		4.974.450	1.931.716
Reductions of lease commitments		-2.545.097	-815.374
Dividends		-	-25.000.000
Cash flow from financing activities		2.429.353	-23.883.658
Increase/decrease in cash and cash equivalents		12.273.149	-936.431
Cash and cash equivalents beginning of year		207.161	1.143.592
Cash and cash equivalents end of year		12.480.310	207.161
Cash and cash equivalents at year end are composed of:			
Cash		12.480.310	207.918
Short-term debt to banks		-	-757
Cash and cash equivalents end of year		12.480.310	207.161

Notes

DKK	2016/17	2015/16
1. Staff costs		
Wages and salaries	48.257.128	33.549.118
Pension costs	3.661.314	4.121.980
Other social security costs	1.317.990	1.129.653
Other staff costs	1.232.541	984.858
Staff costs transferred to assets	-5.443.110	-4.867.749
	49.025.863	34.917.860
Average number of employees	68	77

	Remune- ration of management 2016/17	Remune- ration of management 2015/16
Total amount for management categories	1.913.595	1.058.167
	1.913.595	1.058.167

DKK	2016/17	2015/16
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	9.354.700	5.843.311
Depreciation of property, plant and equipment	5.193.554	4.135.041
	14.548.254	9.978.352

DKK	2016/17	2015/16
3. Other financial income		
Financial income arising from group enterprises	1.138.479	893.069
Other financial income	33.908	34.735
	1.172.387	927.804

Notes

DKK	2016/17	2015/16
4. Other financial expenses		
Interest expenses	9.152	42.492
Other financial expenses	708.784	296.358
	717.936	338.850

DKK	2016/17	2015/16
5. Tax on profit/loss for the year		
Tax on current year taxable income	6.278.011	1.713.000
Change in deferred tax for the year	-1.514.797	142.000
Adjustments concerning previous years	-838.341	-
	3.924.873	1.855.000

Adjustments concerning previous years concerns a tax recovery as a consequence of incorrect accrual of revenue identified in the financial year 2014/15.

DKK	2016/17	2015/16
6. Proposed distribution of profit/loss		
Retained earnings	17.430.370	-18.541.819
Extraordinary dividend	-	25.000.000
Reserve for development expenditures	3.361.120	-
	20.791.490	6.458.181

Dividend distributed after 31 December 2017	17.000.000	-
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Notes

DKK	Acquired intangible assets	
7. Intangible assets		
Additions		219.502
Disposals		-65.000
Cost end of year		154.502
Amortisation for the year		-38.082
Amortisation and impairment losses end of year		-38.082
Carrying amount end of year		116.420
	Completed develop- ment projects	Develop- ment projects in progress
DKK		
7. Intangible assets, continued		
Cost beginning of year	26.473.928	3.191.051
Additions	-	5.443.110
Transfers	7.726.978	-7.726.978
Cost end of year	34.200.906	907.183
Amortisation and impairment losses beginning of year	-18.191.959	-
Amortisation for the year	-9.316.618	-
Amortisation and impairment losses end of year	-27.508.577	-
Carrying amount end of year	6.692.329	907.183

Notes

Development projects

Development projects in progress amounts to t.dkk. 907 as of 31 December 2017 and is to be finalized during first half year 2018.

Development projects comprise software, primarily regarding the webshop solution. Software and solutions are developed with base in market and customer demands and therefore has proven potential already prior to the development of the project.

The developed software is divided into separate projects where the individual projects are identifiable and follow their own course, including start-up, progress and completion.

The developed software must be seen as an integrated part of the company's DNA, whereby revenue and earnings follow the company's overall budgets and forecasts. Due to the financial performance there are no identified indicators of a need for impairment.

DKK	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
8. Property, plant and equipment		
Cost beginning of year	18.933.895	7.370.380
Additions	5.483.624	501.988
Disposals	-3.215.550	-
Cost end of year	21.201.969	7.872.368
Depreciation and impairment losses beginning of year	-13.063.994	-7.198.944
Depreciation for the year	-4.985.126	-208.428
Reversal regarding disposals	267.962	-
Depreciation and impairment losses end of year	-17.781.158	-7.407.372
Carrying amount end of year	3.420.811	464.996
Recognized assets not owned by entity	2.122.697	-

Notes

DKK	Deposit
9. Fixed asset investments	
Cost beginning of year	548.251
Additions	74.681
Cost end of year	622.932
<hr/>	
Carrying amount end of year	622.932

DKK	31.12.2017	30.06.2016
10. Deferred tax		
Intangible assets	-1.671.892	-2.524.064
Property, plant and equipment	1.775.689	1.075.447
Receivables	-	37.617
	103.797	-1.411.000

DKK	Instalments within 12 months 2016	Instalments within 12 months 2017	Instalment s beyond 12 months 2017
11. Long-term liabilities other than provision			
Finance lease liabilities	1.193.343	2.063.692	2.904.594
	1.193.343	2.063.692	2.904.594

No long-term liabilities beyond 5 years.

Notes

DKK	31.12.2017	30.06.2016
12. Other payables		
VAT and duties	1.014.923	785.407
Wages and salaries, personal income taxes, social security costs, etc payable	2.948.627	6.693.797
Other costs payable	1.294.050	752.001
	5.257.600	8.231.205

13. Deferred income

Deferred income comprise received income for recognition in subsequent financial years. Deferred income are measured at cost.

DKK	2016/17	2015/16
14. Unrecognised rental and lease commitments		
Commitments under rental or leases until expiry	2.541.480	727.810

15. Contingent liabilities

The Company is part of a Danish joint taxation which has been with two difference tax principals during the year due to shift in ownership:

Tax principal:	Period:
KERO Holding ApS	01.07.16 – 14.12.16
Sentia Holding ApS	15.12.16 – 31.12.17

According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc. for the jointly taxed companies and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

The total net liability is incorporated in the accounts for the above-mentioned tax principals.

Notes

16. Assets charged and collateral

No guarantees, securities or like.

17. Related parties with control

Related parties with a controlling interest: Combell N.V., Skaldenstraat 121, 9042 Gent.

18. Transactions with related parties

Information about transactions with related parties are only listed in the annual report if these transactions have not been carried out on a market term basis. There have not been conducted such transactions in the financial year.

DKK	2016/17	2015/16
19. Change in working capital		
Increase/decrease in receivables	-15.598.948	20.703.795
Increase/decrease in trade payables etc.	-5.111.554	1.048.764
	-20.710.502	21.752.559

Accounting policies

Reporting class

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

The financial year 2016/17 comprise 18 months why the 2016/17 figures are not fully comparable to 2015/16.

Change in accounting principles

Accounting policies have changed as a consequence of changes to the Danish Financial Statements Act in the following areas:

Development costs

For development costs recognized in the balance sheet, an amount corresponding to the development costs recognized after 01.07.16 is included in the "Reserve for development expenditure" under equity. The reserve is reduced by current depreciation.

In accordance with the transitional provisions of the Danish Financial Statements Act, it is only for development costs that are recognized for the first on time on 01.07.16 or later that a corresponding amount is recognized in the item "Reserve for development expenditure".

Effect of change of practice

The changes in accounting policies has no impact on assets, liabilities, financial position and profit or loss.

Apart from the above area, the annual report has been prepared in accordance with the same accounting policies as last year.

Recognition and measurement

Assets are recognized 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 recognized 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.



Accounting policies

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

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 recognized 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 recognized in the income statement when delivery is made to the buyer.

Revenue is recognized net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Costs of raw materials and consumables comprise domains, internet access, software, etc. as well as costs directly attributable to realization of revenue for the year.

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.

Staff costs

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



Accounting policies

Depreciation, amortization and impairment losses

Depreciation, amortization and impairment losses relating to intangible assets and property, plant and equipment comprise depreciation and amortization for the financial year, calculated on the basis of the useful lives of the individual assets as well as gains and losses from the sale of property, plant and equipment.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies, etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, 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 recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. 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

Acquired intangible assets

Acquired rights are measured at cost less accumulated amortization. Rights are amortized on a straight-line basis over the estimated useful life of 3 years.

Acquired intangible assets is written down to the lower of recoverable amount and carrying amount.

Development projects

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilization, 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 recognized as intangible assets. Other development costs are recognized as costs in the income statement as incurred. When recognizing development projects as intangible assets, an amount equaling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortized and written down.

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

Completed development projects are amortized on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. For development projects protected by intellectual property rights, the maximum amortization period is the remaining duration of the relevant rights. The amortization period used are 3 years.

Accounting policies

Property, plant and equipment

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

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

The basis of depreciation is cost less estimated residual value after the end of useful life. 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
Leasehold improvements	3-5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Deferred tax

Deferred tax is recognized 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 recognized in the balance sheet at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets.

Cash

Cash comprises bank deposits and cash.

Dividend

Dividend is recognized as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

Finance lease commitments

Lease commitments relating to assets held under finance leases are recognized in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortized cost. The difference between present value and nominal amount of the lease payments is recognized in the income statement as a financial expense over the term of the leases.

Accounting policies

Operating leases

Lease payments on operating leases are recognized on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Income tax receivable or payable

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

Deferred income

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

Cash flow statement

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

Cash flows from operating activities are presented using the indirect method and calculated as

the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases,

instalments on interest-bearing debt, and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank debt.