
CSC Digital Brand Services ApS

Jernbanegade 23, DK-4000 Roskilde

Annual Report for 2019

CVR-nr. 25 49 13 86

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 24/8 2020

Paul Ashworth
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of CSC Digital Brand Services ApS for the financial year 1 January - 31 December 2019.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 24 August 2020

Executive Board

James Allen Stoltzfus
Executive officer

Board of Directors

James Allen Stoltzfus

Paul Ashworth

Independent Auditor's report

To the shareholder of CSC Digital Brand Services ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of CSC Digital Brand Services ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company 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 Company'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 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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, 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.

Hellerup, 24 August 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jan Boje Andreassen

state authorised public accountant

mne2338

Company information

The Company	CSC Digital Brand Services ApS Jernbanegade 23 DK-4000 Roskilde CVR No: 25 49 13 86 Financial period: 1 January - 31 December Municipality of reg. office: Roskilde
Board of Directors	James Allen Stoltzfus Paul Ashworth
Executive board	James Allen Stoltzfus
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Management's review

Key activities

The entity operates within domain name handling and online monitoring of corporate brands, where domain name handling is the core service. The services include global registration and maintenance of customer's domain portfolios, and optimisation, security and protection of these.

Development in the year

The income statement of the Company for 2019 shows a profit of DKK 1,765,003, and at 31 December 2019 the balance sheet of the Company shows positive equity of DKK 27,484,288.

Subsequent events

Management continues to assess the impact of COVID-19 on the group's performance. Due to the nature of the business, the group is able to continue global trading regardless of regional lockdown; utilising its comprehensive IT network, systems and staff continuing to work while out of the office. Significant higher risks, like the expectation of further bad debts, are reviewed periodically to ensure the business and its leaders have the latest information to allow for the most informed decisions.

No other events materially affecting the assessment of the Annual Report have occurred after balance sheet date.

Income statement 1 January - 31 December

	Note	2019	2018
		DKK	DKK
Gross profit/loss		2,431,216	1,509,067
Staff expenses	2	-765,708	-1,492
Depreciation and impairment losses of property, plant and equipment		-11,822	-29,837
Profit/loss before financial income and expenses		1,653,686	1,477,738
Financial income	3	1,077,767	1,645,711
Financial expenses	4	-151,132	-20,152
Profit/loss before tax		2,580,321	3,103,297
Tax on profit/loss for the year	5	-815,318	-683,803
Net profit/loss for the year		1,765,003	2,419,494

Distribution of profit

	2019	2018
	DKK	DKK
Proposed distribution of profit		
Retained earnings	1,765,003	2,419,494
	1,765,003	2,419,494

Balance sheet 31 December

Assets

	Note	2019 DKK	2018 DKK
Other fixtures and fittings, tools and equipment		0	11,822
Leasehold improvements		0	0
Property, plant and equipment	6	<u>0</u>	<u>11,822</u>
Fixed assets		<u>0</u>	<u>11,822</u>
Trade receivables		5,178,719	4,434,904
Receivables from group enterprises		133,923,349	93,504,720
Deferred tax asset		0	13,557
Prepayments		44,985	15,809
Receivables		<u>139,147,053</u>	<u>97,968,990</u>
Cash at bank and in hand		<u>8,745,192</u>	<u>3,984,992</u>
Current assets		<u>147,892,245</u>	<u>101,953,982</u>
Assets		<u>147,892,245</u>	<u>101,965,804</u>

Balance sheet 31 December

Liabilities and equity

	Note	2019 DKK	2018 DKK
Share capital		5,000,000	5,000,000
Retained earnings		22,484,288	20,719,285
Equity	7	27,484,288	25,719,285
Deferred income		136,212	409,979
Long-term debt	8	136,212	409,979
Trade payables		773,108	870,945
Payables to group enterprises		113,112,394	66,449,665
Corporation tax		83,560	402,254
Other payables		447,513	505,565
Deferred income		5,855,170	7,608,111
Short-term debt		120,271,745	75,836,540
Debt		120,407,957	76,246,519
Liabilities and equity		147,892,245	101,965,804
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Notes to the financial statement

1. Subsequent events

Management continues to assess the impact of COVID-19 on the group's performance. Due to the nature of the business, the group is able to continue global trading regardless of regional lockdown; utilising its comprehensive IT network, systems and staff continuing to work while out of the office. Significant higher risks, like the expectation of further bad debts, are reviewed periodically to ensure the business and its leaders have the latest information to allow for the most informed decisions.

	<u>2019</u>	<u>2018</u>
	DKK	DKK
2. Staff Expenses		
Wages and salaries	682,614	0
Other staff expenses	83,094	1,492
	<u>765,708</u>	<u>1,492</u>
Average number of employees	<u>1</u>	<u>0</u>

	<u>2019</u>	<u>2018</u>
	DKK	DKK
3. Financial income		
Interest received from group enterprises	730,690	730,387
Exchange adjustments	347,077	915,324
	<u>1,077,767</u>	<u>1,645,711</u>

	<u>2019</u>	<u>2018</u>
	DKK	DKK
4. Financial expenses		
Other financial expenses	18,272	20,152
Exchange adjustments, expenses	132,860	0
	<u>151,132</u>	<u>20,152</u>

Notes to the financial statement

	2019	2018
	DKK	DKK
5. Income tax expense		
Current tax for the year	567,633	683,803
Deferred tax for the year	13,557	0
Adjustment of tax concerning previous years	234,128	0
	<u>815,318</u>	<u>683,803</u>

6. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	938,920	30,000
Disposals for the year	-938,920	-30,000
Cost at 31 December	<u>0</u>	<u>0</u>
Impairment losses and depreciation at 1 January	927,098	30,000
Depreciation for the year	11,822	0
Reversal of impairment and depreciation of sold assets	-938,920	-30,000
Impairment losses and depreciation at 31 December	<u>0</u>	<u>0</u>
Carrying amount at 31 December	<u>0</u>	<u>0</u>

7. Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	5,000,000	20,719,285	25,719,285
Net profit/loss for the year	0	1,765,003	1,765,003
Equity at 31 December	<u>5,000,000</u>	<u>22,484,288</u>	<u>27,484,288</u>

Notes to the financial statement

8. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2019</u>	<u>2018</u>
	DKK	DKK
Deferred income		
After 5 years	0	0
Between 1 and 5 years	136,212	409,979
Long-term part	<u>136,212</u>	<u>409,979</u>
Within 1 year	0	0
Other deferred income	5,855,170	7,608,111
Short-term part	<u>5,855,170</u>	<u>7,608,111</u>
	<u>5,991,382</u>	<u>8,018,090</u>

9. Contingent assets, liabilities and other financial obligations

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of NetNames European Holdings A/S, which is the management company for joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

10. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
Corporation Service Company (Europe) Limited	United Kingdom

Notes to the financial statement

11. Accounting policies

The Annual Report for CSC Digital Brand Services ApS for 2019 has been prepared in accordance with the Danish Financial Statements Act for companies in Class B.

The Financial Statements for 2019 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Net sales

Revenue from sale of service contracts and subscriptions are recognised over the term of the contracts and subscriptions.

Registration income is recognised at the date of registration, as the amount is either refundable or the object of significant future services. Renewal income is recognised at the time of renewal of the domain.

Part of the Entity's revenue originates from sale and handling of other entities' domains. Related sales proceeds are recognised under revenue.

Expenses for raw materials and consumables

Cost of sales comprises cost of sales for the financial year measured at cost.

Other external expenses

Other external expenses comprise 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.

Notes to the financial statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with . The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment 3 - 5 years

Leasehold improvements 5 years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,500 are expensed in the year of acquisition.

Notes to the financial statement

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.