
Netnames European Holdings ApS under tvangsopløsning

Jernbanegade 23 B, DK-4000 Roskilde

Annual Report for 1 January - 31 December 2018

CVR No 26 70 43 91

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
10/10 2019

Thomas Charles Porth
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 Netnames European Holdings ApS under tvangsopløsning for the financial year 1 January - 31 December 2018.

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 2018 of the Company and of the results of the Company operations for 2018.

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, 10 October 2019

Executive Board

James Allen Stoltzfus

Board of Directors

Thomas Charles Porth
Chairman

James Allen Stoltzfus

Paul Richard Ashworth

Independent Auditor's Report

To the Shareholder of Netnames European Holdings ApS under tvangsopløsning

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Netnames European Holdings ApS under tvangsopløsning for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity 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.

Independent Auditor's Report

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.

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

Independent Auditor's Report

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, 10 October 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jan Boje Andreassen

statsautoriseret revisor

mne2338

Company Information

The Company

Netnames European Holdings ApS under tvangsopløsning
Jernbanegade 23 B
DK-4000 Roskilde

CVR No: 26 70 43 91

Financial period: 1 January - 31 December

Municipality of reg. office: Roskilde

Board of Directors

Thomas Charles Porth , Chairman
James Allen Stoltzfus
Paul Richard Ashworth

Executive Board

James Allen Stoltzfus

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Financial Statements of Netnames European Holdings ApS under tvangsopløsning for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Annual Report has been prepared under the same accounting policies as last year.

Key activities

Netnames European Holdings ApS under tvangsopløsning operates within domain name handling and online monitoring of corporate brands, where the core service is domain name handling. The service comprises global registration and maintenance of customers' domain portfolios, including optimisation, security and protection of these.

Development in the year

The income statement of the Company for 2018 shows a loss of TDKK 11,807, and at 31 December 2018 the balance sheet of the Company shows equity of TDKK 167,252.

Targets and expectations for the year ahead

The group is undergoing a restructuring which is likely to affect the transfer pricing policy of the group, and is expected to be completed by the end of 2019. It is currently unclear how the structure will look and if there will be any impairments of the investments held by Netnames European Holdings ApS under tvangsopløsning.

Subsequent events

Ascio Technologies Inc, a 100% owned subsidiary, was sold on 18 March 2019 for USD \$29.4m. Apart from this, no events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2018 TDKK	2017 TDKK
Gross profit/loss		-396	-221
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-121	-133
Profit/loss before financial income and expenses		-517	-354
Income from investments in subsidiaries	1	-12.722	0
Financial income	2	1.702	1.650
Financial expenses		-15	-128
Profit/loss before tax		-11.552	1.168
Tax on profit/loss for the year	3	-255	-273
Net profit/loss for the year		-11.807	895

Distribution of profit

Proposed distribution of profit

Retained earnings		-11.807	895
		-11.807	895

Balance Sheet 31 December

Assets

	Note	2018 TDKK	2017 TDKK
Other fixtures and fittings, tools and equipment		69	187
Leasehold improvements		9	12
Property, plant and equipment	4	78	199
Investments in subsidiaries	5	134.638	147.360
Deposits	6	0	438
Fixed asset investments		134.638	147.798
Fixed assets		134.716	147.997
Trade receivables		627	11
Receivables from group enterprises		88.072	38.770
Other receivables		144	161
Deferred tax asset		175	175
Corporation tax		314	0
Receivables		89.332	39.117
Cash at bank and in hand		9	254
Currents assets		89.341	39.371
Assets		224.057	187.368

Balance Sheet 31 December

Liabilities and equity

	Note	2018 TDKK	2017 TDKK
Share capital		18.710	18.710
Retained earnings		148.542	160.349
Equity		167.252	179.059
Trade payables		689	596
Payables to group enterprises		56.116	7.626
Corporation tax		0	64
Other payables		0	23
Short-term debt		56.805	8.309
Debt		56.805	8.309
Liabilities and equity		224.057	187.368
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Statement of Changes in Equity

	Share capital TDKK	Retained earnings TDKK	Total TDKK
Equity at 1 January	18.710	160.349	179.059
Net profit/loss for the year	0	-11.807	-11.807
Equity at 31 December	18.710	148.542	167.252

Notes to the Financial Statements

	2018 <u>TDKK</u>	2017 <u>TDKK</u>	
1 Income from investments in subsidiaries			
Impairment loss	-12.722	0	
	<u>-12.722</u>	<u>0</u>	
2 Financial income	2018 <u>TDKK</u>	2017 <u>TDKK</u>	
Interest received from group enterprises	1.507	1.579	
Exchange gains	195	71	
	<u>1.702</u>	<u>1.650</u>	
3 Tax on profit/loss for the year	2018 <u>TDKK</u>	2017 <u>TDKK</u>	
Current tax for the year	255	236	
Deferred tax for the year	0	22	
Adjustment of tax concerning previous years	0	15	
	<u>255</u>	<u>273</u>	
4 Property, plant and equipment			
	Other fixtures and fittings, tools and equipment <u>TDKK</u>	Leasehold improvements <u>TDKK</u>	Total <u>TDKK</u>
Cost at 1 January	969	1.125	2.094
Cost at 31 December	969	1.125	2.094
Impairment losses and depreciation at 1 January	782	1.113	1.895
Depreciation for the year	118	3	121
Impairment losses and depreciation at 31 December	900	1.116	2.016
Carrying amount at 31 December	<u>69</u>	<u>9</u>	<u>78</u>

Notes to the Financial Statements

	2018 <u>TDKK</u>	2017 <u>TDKK</u>
5 Investments in subsidiaries		
Cost at 1 January	206.499	206.499
Cost at 31 December	<u>206.499</u>	<u>206.499</u>
Value adjustments at 1 January	-59.139	-59.139
Impairment loss	<u>-12.722</u>	<u>0</u>
Value adjustments at 31 December	<u>-71.861</u>	<u>-59.139</u>
Carrying amount at 31 December	<u>134.638</u>	<u>147.360</u>

6 Other fixed asset investments

	<u>Deposits</u> <u>TDKK</u>
Cost at 1 January	438
Disposals for the year	<u>-438</u>
Cost at 31 December	<u>0</u>
Carrying amount at 31 December	<u>0</u>

7 Contingent assets, liabilities and other financial obligations

Contingent liabilities

Lease - and rental obligations	832	2.648
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The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the Danish 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.

Notes to the Financial Statements

8 Related parties

Consolidated Financial Statements

The company's annual report is included in the consolidated financial statement of Corporate Service Company (Europe) Limited

Name	Place of registered office
Corporate Service Company (Europe) Limited	United Kingdom

Notes to the Financial Statements

9 Accounting Policies

The Annual Report of Netnames European Holdings ApS under tvangsopløsning for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2018 are presented in DKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Corporation Service Company (Europe) Limited, the Company has not prepared consolidated financial statements.

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.

Notes to the Financial Statements

9 Accounting Policies (continued)

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

Income Statement

Other external expenses

Other external expenses comprise expenses for premises as well as office expenses, etc.

Gross profit/loss

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of 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.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

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 wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

9 Accounting Policies (continued)

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	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.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment 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.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Notes to the Financial Statements

9 Accounting Policies (continued)

Receivables

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.