
NetNames European Holdings ApS

Jernbanegade 23, DK-4000 Roskilde

Annual Report for 2019

CVR-nr. 26 70 43 91

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



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's statement	1
Independent Auditor's report	2
Management's Review	
Company information	4
Management's review	5
Financial Statements	
Income statement 1 January 2019 - 31 December 2019	6
Balance sheet 31 December 2019	7
Notes to the financial statement	9

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of NetNames European Holdings 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.

Roskilde, 24 August 2020

Executive Board

Paul Ashworth
Executive officer

Board of Directors

James Stoltzfus

Paul Ashworth

Independent Auditor's report

To the shareholder of NetNames European Holdings 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 NetNames European Holdings 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 Financials 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	NetNames European Holdings ApS Jernbanegade 23 DK-4000 Roskilde CVR No: 26 70 43 91 Financial period: 1 January - 31 December Incorporated: 16 July 2002 Financial year: 18th financial year Municipality of reg. office: Roskilde
Board of Directors	James Stoltzfus Paul Ashworth
Executive board	Paul Ashworth
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Management's review

Key activities

Netnames European Holdings ApS 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 2019 shows a profit of TDKK 153,551, and at 31 December 2019 the balance sheet of the Company shows positive equity of TDKK 436,763.

On 18 March 2019, the company sold 100% of its shareholding in Ascio Technologies Inc. (and any wholly owned subsidiaries). At the end of the year, the company sold its entire shareholdings in its remaining subsidiaries to NetNames Holdings Limited, a UK company in the same 100% wholly owned group. As part of the sale of Ascio Technologies Inc. and its subsidiaries, it was agreed that intercompany balances held at 18 March 2019 between these entities and NetNames European Holdings ApS would be written off at the date of sale.

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.

Post year end, it is the intention of the directors to dissolve the company after it sold all of its subsidiary shareholdings in 2019.

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

Income statement 1 January - 31 December

	Note	2019 TDKK	2018 TDKK
Gross profit/loss		-470	-396
Depreciation and impairment losses of property, plant and equipment		-19	-121
Profit/loss before financial income and expenses		-489	-517
Income from investments in subsidiaries	2	151,603	-12,722
Financial income	3	3,698	1,702
Financial expenses		-4	-15
Profit/loss before tax		154,808	-11,552
Tax on profit/loss for the year	4	-1,257	-255
Net profit/loss for the year		153,551	-11,807

Distribution of profit

	2019 TDKK	2018 TDKK
Proposed distribution of profit		
Proposed dividend for the year	100,738	0
Retained earnings	52,813	-11,807
	153,551	-11,807

Balance sheet 31 December

Assets

	Note	2019 TDKK	2018 TDKK
Other fixtures and fittings, tools and equipment		0	69
Leasehold improvements		0	9
Property, plant and equipment		0	78
Investments in subsidiaries	5	0	134,638
Fixed asset investments		0	134,638
Fixed assets		0	134,716
Trade receivables		238	627
Receivables from group enterprises		604,406	88,072
Other receivables		0	144
Deferred tax asset		0	175
Corporation tax		188	314
Receivables		604,832	89,332
Cash at bank and in hand		6,458	9
Current assets		611,290	89,341
Assets		611,290	224,057

Balance sheet 31 December

Liabilities and equity

	Note	2019 TDKK	2018 TDKK
Share capital		18,710	18,710
Retained earnings		317,315	148,542
Proposed dividend for the year		100,738	0
Equity	6	436,763	167,252
Trade payables		238	689
Payables to group enterprises		174,284	56,116
Other payables		5	0
Short-term debt		174,527	56,805
Debt		174,527	56,805
Liabilities and equity		611,290	224,057
Subsequent events	1		
Contingent assets, liabilities and other financial obligations	7		
Related parties	8		
Accounting Policies	9		

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.

2. Income from investments in subsidiaries

	<u>2019</u>	<u>2018</u>
	TDKK	TDKK
Impairment loss	-2,977	-12,722
Gain from sales of investments in subsidiaries	<u>154,580</u>	<u>0</u>
	<u>151,603</u>	<u>-12,722</u>

3. Financial income

	<u>2019</u>	<u>2018</u>
	TDKK	TDKK
Interest received from group enterprises	1,508	1,507
Exchange gains	<u>2,190</u>	<u>195</u>
	<u>3,698</u>	<u>1,702</u>

4. Income tax expense

	<u>2019</u>	<u>2018</u>
	TDKK	TDKK
Current tax for the year	513	255
Deferred tax for the year	175	0
Adjustment of tax concerning previous years	<u>569</u>	<u>0</u>
	<u>1,257</u>	<u>255</u>

Notes to the financial statement

	2019	2018
	TDKK	TDKK
5. Investments in subsidiaries		
Cost at 1 January	206,499	206,499
Additions for the year	4,668	0
Disposals for the year	-211,167	0
Cost at 31 December	<u>0</u>	<u>206,499</u>
Value adjustments at 1 January	-71,861	-59,139
Disposals for the year	74,838	0
Revaluations for the year, net	-2,977	-12,722
Value adjustments at 31 December	<u>0</u>	<u>-71,861</u>
Carrying amount at 31 December	<u>0</u>	<u>134,638</u>

6. Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	18,710	148,542	0	167,252
Contribution from group	0	115,960	0	115,960
Net profit/loss for the year	0	52,813	100,738	153,551
Equity at 31 December	<u>18,710</u>	<u>317,315</u>	<u>100,738</u>	<u>436,763</u>

Notes to the financial statement

2019	2018
TDKK	TDKK

7. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Lease- and rental obligations	0	832
	<u>0</u>	<u>832</u>

Other contingent liabilities

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.

8. Related parties and disclosure of consolidated financial statements

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 statement

9. Accounting policies

The Annual Report for NetNames European Holdings ApS for 2019 has been prepared in accordance with the Danish Financial Statements Act for companies in Class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in TDKK.

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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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

Other external expenses

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise 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 property, plant and equipment.

Notes to the financial statement

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. Gain/loss from sale of subsidiaries and writedown on investments in subsidiaries are recognised in the income statement.

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.

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 13,800 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of 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 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 statement

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, including the tax base of tax loss carry-forwards, 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.

Debt forgiveness from group companies is recognized in the equity.