GoGift.com A/S

Mosedalvej 14, DK-2500 Valby

Annual Report for 2023

CVR No. 27 32 20 34

The Annual Report was presented and adopted at the Annual General Meeting of the company on 4/6 2024

Helle Bjørnskov Fischer
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of GoGift.com A/S for the financial year 1 January - 31 December 2023.

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 2023 of the Company and of the results of the Company operations for 2023.

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.

Valby, 30 May 2024

Executive Board

Henrik Ravn
CEO

Board of Directors

Allan Mathson Hansen Chairman	Thomas Rehling	Birgit Vibeke Schöler Høgsgaard

Independent Auditor's report

To the shareholder of GoGift.com A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company´s operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of GoGift.com A/S for the financial year 1 January - 31 December 2023, 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’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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, 30 May 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Christian Møller Gyrsting	Theis Engholm Slebo
State Authorised Public Accountant	State Authorised Public Accountant
mne44111	mne50653

pwc

Company information

The Company	GoGift.com A/S Mosedalvej 14 DK-2500 Valby CVR No: 27 32 20 34 Financial period: 1 January - 31 December Municipality of reg. office: Copenhagen
Board of Directors	Allan Mathson Hansen, chairman Thomas Rehling Birgit Vibeke Schöler Høgsgaard
Executive Board	Henrik Ravn
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit	112,343	80,325	77,297	57,282	28,471
Profit/loss of primary operations	56,304	26,179	29,001	18,195	-8,893
Profit/loss of financial income and expenses	1,434	5,516	-1,134	-3,744	-1,820
Net profit/loss for the year	45,191	24,511	21,913	12,866	-5,698
Balance sheet					
Balance sheet total	451,180	468,781	597,227	439,841	261,083
Equity	79,715	59,524	49,302	27,389	2,523
Number of employees	94	91	84	72	71
Ratios					
Solvency ratio	17.7%	12.7%	8.3%	6.2%	1.0%
Return on equity	64.9%	45.0%	57.1%	86.0%	-106.1%

In connection with changes to accounting policies, the comparative figures for 2019, 2020 and 2021 have not been restated. See the description under accounting policies.

Management's review

Key activities

GoGift.com A/S' main activities include the development and operation of gifting concepts.

Development in the year

2023 has been a year marked by macroeconomic downturn and negative FX impact, not least in the Nordic markets. Despite the market conditions, the Company managed to deliver growth and succeeded with a number of profitability initiatives. Result of the year after tax is a profit of TDKK 45,191 versus a profit of TDKK 24,511 in 2022.

The company has not been adversely affected by the ongoing conflicts in Ukraine in 2023.

Management has decided to change the Company's accounting policies for recognition of revenue to improve the true and fair view of the Company's assets, liabilities, financial position and result. The effect of the changes in accounting principles are described in more detail in note 17, Accounting Policies.

Comparative figures have been restated because of the changes in accounting principles.

The past year and follow-up on development expectations from last year

The new globally scalable IT systems and international compliance framework behind The Global Gift Card was put to the test and proven in 2023 with sales in more than 50 countries. Development of a global B2B Self-service gift card platform was also completed and launched according to plan.

The 2023 result is better than expected. This is mainly due to a change in behavior among gift card users together with higher interest rates. At the same time, it should be mentioned that the result has absorbed the negative exchange rate impact experienced in 2023.

Special risks - operating risks and financial risks

The Company does not have any specific industry or business risks.

The Company's deferred revenue is recognized based on historical data while also taking expected future development and trends on the redemption of gift cards into consideration. Consequently, the composition of deferred revenues is associated with uncertainty. It is the Management's assessment that deferred revenue is conservatively recognized and that the amount recognized is sufficient to cover the future commitment related to redemption of outstanding gift cards.

Foreign exchange risks

The Company has primarily sales in DKK, NOK, SEK, EUR, USD and GBP. The Company does not hedge currency risks and is therefore exposed to changes in these currencies. As a consequence of the Company's structure, net sales and expenditure in foreign currency are to a significant degree set off against each other, so that the Company is not exposed to major exchange rate risks.

Credit risks

The Company's credit risks are primarily related to trade receivables recognized in the balance sheet. The Company does not have significant risks relating to a single customer or business partner.

Targets and expectations for the year ahead

In 2024, there will be a strong focus on The Global Gift Card and a continued global roll-out, with growth expected in all markets. It will also be a year with continued focus on recently launched profitability initiatives, while making long-term strategic investments in tech and scalable global gifting concepts. The Company expects double-digit top-line growth and a positive adjusted result slightly better than 2023.

Management's review

Research and development

The Company will continue to develop its operations and maintain and expand its position within gift card sales and innovative gifting solutions.

Income statement 1 January - 31 December

	Note	2023	2022
		TDKK	TDKK
Gross profit		**112,343**	**80,325**
Staff expenses	2	-53,080	-51,337
Amortisation and impairment losses of intangible assets		-2,959	-2,809
Profit/loss before financial income and expenses		**56,304**	**26,179**
Financial income	3	9,082	13,743
Financial expenses	4	-7,648	-8,227
Profit/loss before tax		**57,738**	**31,695**
Tax on profit/loss for the year	5	-12,547	-7,184
Net profit/loss for the year	6	**45,191**	**24,511**

Balance sheet 31 December

Assets

	Note	2023	2022
		TDKK	TDKK
Completed development projects		7,453	10,412
Intangible assets	7	**7,453**	**10,412**
Other fixtures and fittings, tools and equipment		0	0
Property, plant and equipment	8	**0**	**0**
Fixed assets		**7,453**	**10,412**
Finished goods and goods for resale		47,117	49,453
Inventories		**47,117**	**49,453**
Trade receivables		117,011	95,808
Receivables from group enterprises	9	250,577	275,438
Other receivables		23,185	12,133
Corporation tax		0	24,834
Prepayments	10	824	364
Receivables		**391,597**	**408,577**
Cash at bank and in hand		**5,013**	**339**
Current assets		**443,727**	**458,369**
Assets		**451,180**	**468,781**

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		TDKK	TDKK
Share capital	11	589	589
Other reserves		5,813	8,121
Retained earnings		48,313	25,814
Proposed dividend for the year		25,000	25,000
Equity		**79,715**	**59,524**
Provision for deferred tax	12	34,890	26,950
Provisions		**34,890**	**26,950**
Trade payables		261,982	309,804
Payables to group enterprises		5,081	5,466
Corporation tax		4,764	0
Other payables		8,973	8,033
Deferred income	13	55,775	59,004
Short-term debt		**336,575**	**382,307**
Debt		**336,575**	**382,307**
Liabilities and equity		**451,180**	**468,781**
Uncertainty relating to recognition and measurement	1		
Contingent assets, liabilities and other financial obligations	14		
Related parties	15		
Subsequent events	16		
Accounting Policies	17		

Statement of changes in equity

	Share capital	Other reserves	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January 2023	589	8,121	25,814	25,000	59,524
Ordinary dividend paid	0	0	0	-25,000	-25,000
Net profit/loss for the year	0	-2,308	22,499	25,000	45,191
Equity at 31 December 2023	**589**	**5,813**	**48,313**	**25,000**	**79,715**

	Share capital	Other reserves	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January 2022	589	9,308	39,404	0	49,301
Net effect from change of accounting policy	0	0	-14,288	0	-14,288
Adjusted equity at 1 January 2022	589	9,308	25,116	0	35,013
Net profit/loss for the year	0	-1,187	698	25,000	24,511
Equity at 31 December 2022	**589**	**8,121**	**25,814**	**25,000**	**59,524**

Notes to the Financial Statements

1. Uncertainty relating to recognition and measurement

The Company's trade payables and deferred revenue is recognised based on historical data while also taking expected future development and trends on the redemption of gift cards into consideration. Consequently, the composition of trade payables and deferred revenue is associated with uncertainty.

2. Staff Expenses

	2023	2022
	TDKK	TDKK
Wages and salaries	48,460	46,792
Pensions	3,979	3,642
Other social security expenses	641	903
	53,080	**51,337**

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Average number of employees	**94**	**91**

3. Financial income

	2023	2022
	TDKK	TDKK
Interest received from group enterprises	6,246	1,360
Exchange gains	2,836	12,383
	9,082	**13,743**

4. Financial expenses

	2023	2022
	TDKK	TDKK
Interest paid to group enterprises	181	0
Other financial expenses	318	280
Exchange loss	7,149	7,947
	7,648	**8,227**

Notes to the Financial Statements

5. Income tax expense

	2023	2022
	TDKK	TDKK
Current tax for the year	4,764	1,334
Deferred tax for the year	7,940	5,641
Adjustment of tax concerning previous years	-157	-25,959
Adjustment of deferred tax concerning previous years	0	26,168
	12,547	**7,184**

6. Profit allocation

	2023	2022
	TDKK	TDKK
Proposed dividend for the year	25,000	25,000
Transfer for the year to other reserves	-2,308	-1,187
Retained earnings	22,499	698
	45,191	**24,511**

7. Intangible fixed assets

	Completed development projects
	TDKK
Cost at 1 January	28,372
Disposals for the year	-8,849
Cost at 31 December	19,523
Impairment losses and amortisation at 1 January	17,960
Amortisation for the year	2,959
Reversal of impairment and amortisation of sold assets	-8,849
Impairment losses and amortisation at 31 December	12,070
Carrying amount at 31 December	**7,453**

Completed development projects relates to the gift card system.

Notes to the Financial Statements

8. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	TDKK
Cost at 1 January	2,236
Disposals for the year	-2,236
Cost at 31 December	0
Impairment losses and depreciation at 1 January	2,236
Reversal of impairment and depreciation of sold assets	-2,236
Impairment losses and depreciation at 31 December	0
Carrying amount at 31 December	**0**

9. Receivables from group enterprises

	2023	2022
	TDKK	TDKK
Cash pool	249,860	274,927
Other receivables	717	511
	250,577	**275,438**

Egmont International Holding A/S (INT) has entered an agreement on a cash pool arrangement with Nordea, where INT is the account holder and GoGift.com A/S is the sub-account holder together with the group's other affiliated companies. The agreed terms in the cash pool arrangement gives Nordea the right to be able to settle withdrawals and deposits with each other, whereby it is only the net balance of the total cash pool accounts that constitutes INT's balance with Nordea.

10. Prepayments

Prepayments comprise prepaid expenses relating to subsequent years.

11. Share capital

The share capital consists of 589 shares of a nominal value of TDKK 1,000. No shares carry any special rights.

The share Capital has remained unchanged for the last 6 years.

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
12. Provision for deferred tax		
Deferred tax liabilities at 1 January	26,950	-4,859
Amounts recognised in the income statement for the year	7,940	31,809
Deferred tax liabilities at 31 December	**34,890**	**26,950**

13. Deferred income

The item consists of issued gift cards and payments received regarding income in subsequent years.

	2023	2022
	TDKK	TDKK
14. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Rent and lease obligations, period of non-terminability 12 months	256	251
Other contract obligations, period of 1-36 months	321	0

Other 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 Egmont International Holding A/S, which is the management company of the 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.

Notes to the Financial Statements

15. Related parties and disclosure of consolidated financial statements

	Basis
Controlling interest	
Nordisk Film A/S	Parent company
Egmont International Holding A/S	Parent company of Nordisk Film A/S
Egmont Fonden	Ultimate parent

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

There have been no transactions with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Ultimate Parent Company:

Name	Place of registered office
Egmont Fonden	Vognmagergade 11, 1120 København K *Ultimate parent*

16. Subsequent events

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

Notes to the Financial Statements

17. Accounting policies

The Annual Report of GoGift.com A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Financial Statements for 2023 are presented in TDKK.

Changes in accounting policies

The Company's accounting policies have been changed and the recognition and measurement principles according to IFRS 15 has been implemented with effect from 1 January 2022, as it is Management's assessment that the changed accounting policies for recognition of revenue improves the true and fair view of the Company's assets, liabilities, financial position and result.

The comparative figures for 2022 have been restated to present prior reporting period in accordance with the IFRS 15 recognition and measurement principles.

Other than the changes in revenue recognition method mentioned above, the accounting policies applied remain unchanged from previous years.

The effect of the changes in accounting principles for the annual report is as follows:
- Revenue (Gross profit/loss) for 2022 is increased by TDKK 168 and deferred income is decreased by TDKK 131.
- The tax on profit/loss for the year is increased by TDKK 37 for 2022.
- The total effect on profit/loss and equity in 2022 is positive by TDKK 131.
- Equity at 1 January 2022 is decreased by TDKK 14,288.
- Deferred tax at 1 January 2022 is decreased by TDKK 4,030.
- Deferred income at 1 January 2022 is increased by TDKK 18,318.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of, the Company has not prepared a cash flow statement.

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

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

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.

Notes to the Financial Statements

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 transaction date rates are recognised in financial income and expenses in the income statement.

Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

Income statement

Revenue

The Company has chosen IFRS 15 as interpretation for revenue recognition and measurement.

Revenue through the Company's online platform relating to customers purchase and redeem of third-party gift cards, is by Management assessed that the Company acts as agent and the third-party being the principal. The gross revenue received from the customer less the amount paid to the third-party service providers is recognized as revenue.

Sale of gift cards are initially recognised as deferred income and subsequently recognised as revenue over the redemption period, including the expected amount of not redeemed gift cards (breakage).

When consideration is received before control is transferred it is recognised as a contract liability and presented as deferred income. Deferred income relating to gift cards is assessed for gift cards which are not expected to be redeemed (breakage). Breakage is recognized over the redemption period based on expectations of how many gift cards that will not be redeemed.

Revenue from sale of physical goods is recognised at point in time when control is transferred, usually when the goods are delivered, net of discounts as the performance obligation has been satisfied.

Revenue is measured excluding VAT and taxes and including all types of discounts provided to customers.

Cost of goods sold

Cost of sales includes the cost of goods used in generating the year's revenue, where the Company acts as principal.

Other external expenses

Other external expenses comprise distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, cost of goods sold 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.

Amortisation, depreciation and impairment losses

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

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.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments.

Tax on profit/loss for the year

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

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with the parent company. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Intangible fixed assets

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 years.

Property, plant and equipment

Other 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 added revaluations and 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	2-5 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value. Inventories includes acquired gift cards, gift card certificates and physical finished goods.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

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 and subscriptions.

Equity

Other reserves (Reserve for development costs)

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under the equity.

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Notes to the Financial Statements

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

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.

Financial Highlights

Explanation of financial ratios

Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity