



One.com A/S

Kalvebod Brygge 24
1560 Copenhagen V
CVR No. 28677138

Annual report 01.10.2021 - 30.09.2022

The Annual General Meeting adopted the
annual report on 28.02.2023

Ronni Woods Engelhardt
Chairman

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Entity details

Entity

One.com A/S

Kalvebod Brygge 24

1560 Copenhagen V

Business Registration No.: 28677138

Registered office: Copenhagen

Financial year: 01.10.2021 - 30.09.2022

Board of Directors

Jonas Zimling

Maria-Helene Toxværd

Ronni Woods Engelhardt

Executive Board

Ronni Woods Engelhardt

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of One.com A/S for the financial year 01.10.2021 - 30.09.2022.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2022 and of the results of its operations for the financial year 01.10.2021 - 30.09.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 28.02.2023

Executive Board

Ronni Woods Engelhardt

Board of Directors

Jonas Zimling

Maria-Helene Toxværd

Ronni Woods Engelhardt

Independent auditor's report

To the shareholder of One.com A/S

Opinion

We have audited the financial statements of One.com A/S for the financial year 01.10.2021 - 30.09.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2022 and of the results of its operations for the financial year 01.10.2021 - 30.09.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 28.02.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jan Larsen

State Authorised Public Accountant
Identification No (MNE) mne16541

Ulrik Winkler Jakobsen

State Authorised Public Accountant
Identification No (MNE) mne47242

Management commentary

Financial highlights

	2021/22	2020/21	2019/20	2018/19	2017/18
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	180,261	162,463	111,117	91,616	90,943
Operating profit/loss	50,504	36,519	10,138	6,998	5,678
Net financials	1,097	(2,297)	(2,558)	(2,975)	(1,447)
Profit/loss for the year	42,519	29,301	6,925	3,623	3,354
Total assets	157,880	163,189	146,393	133,060	91,685
Investments in property, plant and equipment	35,053	15,363	17,837	29,249	14,370
Equity	103,297	60,779	31,477	24,552	20,929
Ratios					
Return on equity (%)	51.83	63.52	24.72	15.93	17.42
Equity ratio (%)	65.43	37.24	21.50	18.45	22.83

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Total assets

Primary activities

The Company's activities are development and hosting of software to domain-related services, domain name registry activities, support services as well as administrative services.

Development in activities and finances

Profit for the year is DKK 42.519 thousand (2020/21: DKK 29.301 thousand). The increase in profit of the year is attributable to the growth in revenue of the Group and optimization of costs.

Profit/loss for the year in relation to expected developments

Profit for the year is meeting Management's expectations.

Uncertainty relating to recognition and measurement

There has been no uncertainty relating to recognition and measurement.

Outlook

A profit equal to the level attained this year is expected for 2022/23. In addition, the Company expects a positive cash flow.

The level of investment in hardware is expected to be in conformity with this financial year.

Knowledge resources

The ambition of the group is to be the 1st choice for prosumers to master a successful online presence.

We believe that every person and every company, without regard to skill and technical ability, must be able to build their own unique online presence. And we believe that the brands of group.ONE should be the first choice to provide that service.

It is essential for the group to attract, develop and retain high-quality members of staff with an appertaining high level of competence. The realisation of the group's goal of ensuring both quality knowledge and knowhow at each level of staff are being facilitated through recruitment procedures and a continuous development of existing staff and their competences. Throughout the year several experienced and highly qualified members of staff have been added to the group, which have further strengthened the groups knowledge and competence base

Environmental performance

The Company takes a proactive approach to its environmental impact.

In connection with its server operations, the Company has, for example, made sure that only renewable energy consisting of electricity generated by wind turbines is being used.

In addition, the Company is continuously aware of the environmental impact of purchasing and ongoing resource usage.

Research and development activities

The Company's employees are highly skilled and they constantly improve the initiatives effected in direct consequence of the demand by the customers.

Events after the balance sheet date

In December 2022 an agreement was signed by the majority shareholder Cinven Fund 6 to sell the majority of the shares in the group to OTPP (Ontario Teachers Pension Plan) and Cinven Fund 7. Closing of the agreement is expected by the end of Q1 2023.

The acquisition is expected to strengthen the overall financial strength and resilience of the group and will not have any negative financial impact of One.com A/S.

The change of shareholders are not expected to influence the evaluation of this annual report.

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2021/22

	Notes	2021/22 DKK	2020/21 DKK
Gross profit/loss		180,261,044	162,463,436
Staff costs	2	(96,234,027)	(96,268,486)
Depreciation, amortisation and impairment losses	3	(33,523,169)	(29,676,167)
Operating profit/loss		50,503,848	36,518,783
Income from investments in group enterprises		1,880,642	1,298,775
Other financial income	4	4,047,964	1,833,715
Other financial expenses	5	(2,951,073)	(4,131,129)
Profit/loss before tax		53,481,381	35,520,144
Tax on profit/loss for the year	6	(10,962,861)	(6,218,690)
Profit/loss for the year	7	42,518,520	29,301,454

Balance sheet at 30.09.2022

Assets

	Notes	2021/22 DKK	2020/21 DKK
Acquired licences		3,004,700	4,257,216
Goodwill		0	0
Intangible assets	8	3,004,700	4,257,216
Land and buildings		10,748,704	21,124,222
Other fixtures and fittings, tools and equipment		48,418,127	35,291,577
Property, plant and equipment	9	59,166,831	56,415,799
Investments in group enterprises		5,102,296	3,221,654
Other receivables		3,927,358	3,827,597
Financial assets	10	9,029,654	7,049,251
Fixed assets		71,201,185	67,722,266
Trade receivables		831,964	691,188
Receivables from group enterprises		25,143,685	52,110,699
Other receivables		3,663,995	5,091,660
Prepayments	11	9,729,548	8,788,393
Receivables		39,369,192	66,681,940
Cash		47,310,010	28,784,721
Current assets		86,679,202	95,466,661
Assets		157,880,387	163,188,927

Equity and liabilities

	Notes	2021/22 DKK	2020/21 DKK
Contributed capital	12	2,000,000	2,000,000
Reserve for net revaluation according to the equity method		4,929,482	3,048,840
Retained earnings		96,367,581	55,729,703
Equity		103,297,063	60,778,543
Deferred tax	13	1,901,217	3,361,711
Provisions		1,901,217	3,361,711
Lease liabilities		0	11,421,497
Non-current liabilities other than provisions	14	0	11,421,497
Current portion of non-current liabilities other than provisions	14	11,373,200	10,565,625
Trade payables		7,187,447	5,698,735
Payables to group enterprises		5,843,032	48,622,523
Joint taxation contribution payable		12,423,352	6,327,832
Other payables		10,728,162	12,701,406
Deferred income	15	5,126,914	3,711,055
Current liabilities other than provisions		52,682,107	87,627,176
Liabilities other than provisions		52,682,107	99,048,673
Equity and liabilities		157,880,387	163,188,927
Events after the balance sheet date	1		
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Statement of changes in equity for 2021/22

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	2,000,000	3,048,840	55,729,703	60,778,543
Profit/loss for the year	0	1,880,642	40,637,878	42,518,520
Equity end of year	2,000,000	4,929,482	96,367,581	103,297,063

Notes

1 Events after the balance sheet date

In December 2022 an agreement was signed by the majority shareholder Cinven Fund 6 to sell the majority of the shares in the group to OTPP (Ontario Teachers Pension Plan) and Cinven Fund 7. Closing of the agreement is expected by the end of Q1 2023.

The acquisition is expected to strengthen the overall financial strength and resilience of the group and will not have any negative financial impact of One.com A/S.

The change of shareholders are not expected to influence the evaluation of this annual report.

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Staff costs

	2021/22	2020/21
	DKK	DKK
Wages and salaries	93,587,157	93,798,609
Pension costs	2,056,473	1,376,835
Other social security costs	246,642	798,868
Other staff costs	343,755	294,174
	96,234,027	96,268,486
Average number of full-time employees	158	153

Referring to section 98b(3) of the Danish Financial Statement Act, remuneration to the Executive Board has not been disclosed.

3 Depreciation, amortisation and impairment losses

	2021/22	2020/21
	DKK	DKK
Amortisation of intangible assets	1,397,351	1,404,522
Depreciation of property, plant and equipment	32,182,844	28,165,594
Profit/loss from sale of intangible assets and property, plant and equipment	(57,026)	106,051
	33,523,169	29,676,167

4 Other financial income

	2021/22	2020/21
	DKK	DKK
Financial income from group enterprises	1,895,498	1,451,933
Other interest income	41,710	6,024
Exchange rate adjustments	2,110,756	207,960
Other financial income	0	167,798
	4,047,964	1,833,715

5 Other financial expenses

	2021/22	2020/21
	DKK	DKK
Financial expenses from group enterprises	458,652	1,347,840
Other interest expenses	2,232,988	1,562,431
Other financial expenses	259,433	1,220,858
	2,951,073	4,131,129

6 Tax on profit/loss for the year

	2021/22	2020/21
	DKK	DKK
Current tax	12,423,352	5,804,892
Change in deferred tax	(1,460,491)	413,798
	10,962,861	6,218,690

7 Proposed distribution of profit and loss

	2021/22	2020/21
	DKK	DKK
Retained earnings	42,518,520	29,301,454
	42,518,520	29,301,454

8 Intangible assets

	Acquired licences DKK	Goodwill DKK
Cost beginning of year	12,244,773	250,000
Additions	144,835	0
Cost end of year	12,389,608	250,000
Amortisation and impairment losses beginning of year	(7,987,557)	(250,000)
Amortisation for the year	(1,397,351)	0
Amortisation and impairment losses end of year	(9,384,908)	(250,000)
Carrying amount end of year	3,004,700	0

9 Property, plant and equipment

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	40,534,434	90,360,716
Additions	0	35,053,266
Disposals	0	(1,849,713)
Cost end of year	40,534,434	123,564,269
Depreciation and impairment losses beginning of year	(19,410,212)	(55,069,139)
Depreciation for the year	(10,375,518)	(21,807,326)
Reversal regarding disposals	0	1,730,323
Depreciation and impairment losses end of year	(29,785,730)	(75,146,142)
Carrying amount end of year	10,748,704	48,418,127

Land and buildings include finance leases at a booked value of DKK 10,748,704.

10 Financial assets

	Investments in group enterprises DKK	Other receivables DKK
Cost beginning of year	172,644	3,827,597
Exchange rate adjustments	0	223,452
Additions	0	1,287,230
Disposals	0	(1,410,921)
Cost end of year	172,644	3,927,358
Revaluations beginning of year	3,049,010	0
Share of profit/loss for the year	1,880,642	0
Revaluations end of year	4,929,652	0
Carrying amount end of year	5,102,296	3,927,358

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
One.com INDIA Pvt. Ltd.	Gurgaon	Pvt. Ltd.	100	5,102,296	1,880,642

11 Prepayments

Prepayments comprise prepaid expenses. Prepayments are measured at cost.

12 Share capital

	Number	Par value DKK	Nominal value DKK
Ordinary shares	20,000	100	2,000,000
	20,000		2,000,000

13 Deferred tax

	2021/22 DKK	2020/21 DKK
Changes during the year		
Beginning of year	3,361,711	2,947,913
Recognised in the income statement	(1,460,494)	1,451,535
Adjustment prior year - recognised in the income statement	0	(1,037,737)
End of year	1,901,217	3,361,711

14 Non-current liabilities other than provisions

	Due within 12 months 2021/22 DKK	Due within 12 months 2020/21 DKK
Lease liabilities	11,373,200	10,565,625
	11,373,200	10,565,625

Due after more than 5 years: DKK 0.

15 Deferred income

Short-term deferred income comprises accruals relating to revenue.

16 Contingent liabilities

The Entity is involved in certain disputes of which the final financial outcome is not yet certain, however the amount is not expected to exceed DKK 2 million.

The Entity has provided surety for following group entities:

Redhalo Midco (UK) Limited: 173.5 million

The Entity participates in a Danish joint taxation arrangement where Isthmus Danish Bidco ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

17 Related parties with controlling interest

Cinven Sixth Fund
Level 4, Mill Court
La Charroterie
St Peter Port
Guernsey GY1 1EJ

Redhalo Jersey Topco Ltd.
11-15 Seaton Place
St Helier,
JE4 0QH
Jersey

Isthmus Holdco Ltd.
21 St James's Square
London
SW1Y 4JZ
United Kingdom

Redhalo Midco Ltd.
21 St James's Square
London
SW1Y 4JZ
United Kingdom

Redhalo Bidco Ltd.
21 St James's Square
London
SW1Y 4JZ
United Kingdom

Isthmus Danish Bidco ApS
Kalvebod Brygge 24
1650 Copenhagen V
Denmark

Performing a management function, the following entity also has a controlling interest:

Cinven Capital Management (VI)
Level 4, Mill Court
La Charroterie
St Peter Port
Guernsey GY1 1EJ

18 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Redhalo Midco (UK) Limited

21 St James's Square

London SW1Y 4JZ

United Kingdom

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Isthmus Danish Bidco ApS

Kalvebod Brygge 24

1560 Copenhagen V

Denmark

Copies of the consolidated financial statements of Redhalo Midco (UK) Limited and Isthmus Danish Bidco ApS may be obtained at the following address:

Kalvebod Brygge 24

1560 Copenhagen V

Denmark

Accounting policies

Reporting class

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

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 112 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

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

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of sales and other external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

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

Depreciation, amortisation and impairment losses

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

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area.

The amortisation period is usually five years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

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

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Buildings	4 years
Other fixtures and fittings, tools and equipment	2-5 years

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Lease liabilities

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

Other financial liabilities

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

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected

to be used under the joint taxation arrangement.

Deferred income

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

Cash flow statement

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