



## CEGO A/S

Lauritzens Plads 1, 4.  
9000 Aalborg  
CVR No. 29206651

## Annual report 2019

The Annual General Meeting adopted the  
annual report on 25.03.2020

---

**Peter Thorlund Haahr**

Chairman of the General Meeting

# Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2019	8
Balance sheet at 31.12.2019	9
Statement of changes in equity for 2019	11
Notes	12
Accounting policies	16

# Entity details

## Entity

CEGO A/S

Lauritzens Plads 1, 4.

9000 Aalborg

CVR No.: 29206651

Registered office: Aalborg

Financial year: 01.01.2019 - 31.12.2019

## Board of Directors

Peter Thorlund Haahr, chairman

Jesper Hørsholt

Anders Gautier Christensen

Jacob Frederik Christensen

## Executive Board

Jacob Frederik Christensen

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Østre Havnepromenade 26, 4th floor

9000 Aalborg

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of CEGO A/S for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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.

Aalborg, 25.03.2020

## Executive Board

**Jacob Frederik Christensen**

## Board of Directors

**Peter Thorlund Haahr**  
chairman

**Jesper Hørsholt**

**Anders Gautier Christensen**

**Jacob Frederik Christensen**

# Independent auditor's report

## To the shareholders of CEGO A/S

### Opinion

We have audited the financial statements of CEGO A/S for the financial year 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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 Entity in accordance with the International Ethics Standards Board of 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.

### 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.

Aalborg, 25.03.2020

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**René Winther Pedersen**

State Authorised Public Accountant  
Identification No (MNE) mne34173

# Management commentary

## Primary activities

The Company's principal activities comprise providing games and competitions on the Internet.

## Development in activities and finances

The Company's profit for the year amounts to DKK 97,173 thousand (2018: 58,621 thousand). According to Management, the results are considered satisfactory. A positive development of the results is expected for 2020.

## Events after the balance sheet date

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

Covid-19 is not expected to impact the financial statements of the Company.



# Income statement for 2019

	Notes	2019 DKK	2018 DKK
<b>Gross profit/loss</b>		<b>(298,842)</b>	<b>2,073,081</b>
Staff costs	2	(7,774,334)	(11,845,580)
Depreciation, amortisation and impairment losses		(18,045,711)	(10,852,743)
<b>Operating profit/loss</b>		<b>(26,118,887)</b>	<b>(20,625,242)</b>
Income from investments in group enterprises		117,752,503	74,681,969
Other financial income	3	2,237	189,248
Other financial expenses	4	(262,083)	(155,132)
<b>Profit/loss before tax</b>		<b>91,373,770</b>	<b>54,090,843</b>
Tax on profit/loss for the year	5	5,799,186	4,530,409
<b>Profit/loss for the year</b>		<b>97,172,956</b>	<b>58,621,252</b>
<b>Proposed distribution of profit and loss</b>			
Ordinary dividend for the financial year		21,000,000	46,900,000
Retained earnings		76,172,956	11,721,252
<b>Proposed distribution of profit and loss</b>		<b>97,172,956</b>	<b>58,621,252</b>

# Balance sheet at 31.12.2019

## Assets

	Notes	2019 DKK	2018 DKK
Completed development projects	7	0	10,796,824
Acquired intangible assets		15,218	74,384
Development projects in progress	7	0	3,659,231
<b>Intangible assets</b>	6	<b>15,218</b>	<b>14,530,439</b>
Other fixtures and fittings, tools and equipment		1,283,070	1,027,150
Leasehold improvements		240,901	131,721
<b>Property, plant and equipment</b>	8	<b>1,523,971</b>	<b>1,158,871</b>
Investments in group enterprises		60,529,521	95,894,036
Deposits		1,209,575	1,209,575
<b>Other financial assets</b>	9	<b>61,739,096</b>	<b>97,103,611</b>
<b>Fixed assets</b>		<b>63,278,285</b>	<b>112,792,921</b>
Trade receivables		109,341	202,402
Receivables from group enterprises		17,655	0
Deferred tax		214,922	0
Other receivables		28,902	588,103
Joint taxation contribution receivable		2,655,386	131,420
Prepayments		280,826	444,005
<b>Receivables</b>		<b>3,307,032</b>	<b>1,365,930</b>
<b>Cash</b>		<b>1,859,068</b>	<b>924,338</b>
<b>Current assets</b>		<b>5,166,100</b>	<b>2,290,268</b>
<b>Assets</b>		<b>68,444,385</b>	<b>115,083,189</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2019 DKK</b>	<b>2018 DKK</b>
Contributed capital		500,000	500,000
Reserve for net revaluation according to the equity method		22,639,520	22,373,322
Reserve for development expenditure		0	8,722,828
Retained earnings		98,138,890	13,509,307
Proposed extraordinary dividend		(96,121,000)	0
Proposed dividend		21,000,000	46,900,000
<b>Equity</b>		<b>46,157,410</b>	<b>92,005,457</b>
Deferred tax		0	2,928,875
Provisions for investments in group enterprises		6,060,942	6,173,219
<b>Provisions</b>		<b>6,060,942</b>	<b>9,102,094</b>
Bank loans		29,635	51,932
Trade payables		694,010	108,305
Payables to group enterprises		14,321,677	10,988,606
Other payables		1,180,711	2,826,795
<b>Current liabilities other than provisions</b>		<b>16,226,033</b>	<b>13,975,638</b>
<b>Liabilities other than provisions</b>		<b>16,226,033</b>	<b>13,975,638</b>
<b>Equity and liabilities</b>		<b>68,444,385</b>	<b>115,083,189</b>
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Assets charged and collateral	12		
Related parties with controlling interest	13		
Non-arm's length related party transactions	14		
Group relations	15		

# Statement of changes in equity for 2019

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Reserve for development expenditure DKK	Retained earnings DKK	Proposed extraordinary dividend DKK
Equity beginning of year	500,000	22,373,320	8,722,827	13,509,307	0
Ordinary dividend paid	0	0	0	0	0
Extraordinary dividend paid	0	0	0	0	(96,121,000)
Dividends from group enterprises	0	(130,121,000)	0	130,121,000	0
Transfer to reserves	0	130,387,200	(8,722,827)	(121,664,373)	0
Profit/loss for the year	0	0	0	76,172,956	0
<b>Equity end of year</b>	<b>500,000</b>	<b>22,639,520</b>	<b>0</b>	<b>98,138,890</b>	<b>(96,121,000)</b>

	Proposed dividend DKK	Total DKK
Equity beginning of year	46,900,000	92,005,454
Ordinary dividend paid	(46,900,000)	(46,900,000)
Extraordinary dividend paid	0	(96,121,000)
Dividends from group enterprises	0	0
Transfer to reserves	0	0
Profit/loss for the year	21,000,000	97,172,956
<b>Equity end of year</b>	<b>21,000,000</b>	<b>46,157,410</b>

# Notes

## 1 Events after the balance sheet date

Covid-19 is not expected to impact the financial statements of the Company.

## 2 Staff costs

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	6,978,391	13,380,128
Pension costs	979,535	1,541,149
Other social security costs	70,911	143,501
Other staff costs	1,944,466	2,207,383
	<b>9,973,303</b>	<b>17,272,161</b>
Staff costs classified as assets	(2,198,969)	(5,426,581)
	<b>7,774,334</b>	<b>11,845,580</b>
Average number of full-time employees	<b>18</b>	<b>33</b>

## 3 Other financial income

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Financial income from group enterprises	648	188,099
Fair value adjustments	1,589	1,104
Other financial income	0	45
	<b>2,237</b>	<b>189,248</b>

## 4 Other financial expenses

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Financial expenses from group enterprises	253,556	144,161
Other interest expenses	7,375	8,128
Fair value adjustments	740	2,843
Interest regarding tax paid on account	412	0
	<b>262,083</b>	<b>155,132</b>

## 5 Tax on profit/loss for the year

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	(2,655,386)	(3,651,420)
Change in deferred tax	(3,143,797)	(875,774)
Adjustment concerning previous years	(3)	(3,215)
	<b>(5,799,186)</b>	<b>(4,530,409)</b>

## 6 Intangible assets

	<b>Completed development projects DKK</b>	<b>Acquired intangible assets DKK</b>	<b>Development projects in progress DKK</b>
Cost beginning of year	68,876,239	985,477	3,659,231
Transfers	3,659,231	0	(3,659,231)
Additions	1,125,241	0	1,597,374
<b>Cost end of year</b>	<b>73,660,711</b>	<b>985,477</b>	<b>1,597,374</b>
Amortisation and impairment losses beginning of year	(58,079,415)	(911,093)	0
Impairment losses for the year	(10,132,229)	0	(1,597,374)
Amortisation for the year	(5,449,067)	(59,166)	0
<b>Amortisation and impairment losses end of year</b>	<b>(73,660,711)</b>	<b>(970,259)</b>	<b>(1,597,374)</b>
<b>Carrying amount end of year</b>	<b>0</b>	<b>15,218</b>	<b>0</b>

## 7 Development projects

By the end of 2019 it has been decided to write down the value of completed and projects in progress, because management does not expect the projects to generate a positive impact on the financial statements in the future.

## 8 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improvements DKK</b>
Cost beginning of year	6,593,657	1,603,610
Additions	938,716	234,259
Disposals	(45,912)	0
<b>Cost end of year</b>	<b>7,486,461</b>	<b>1,837,869</b>
Depreciation and impairment losses beginning of year	(5,566,507)	(1,471,889)
Depreciation for the year	(682,796)	(125,079)
Reversal regarding disposals	45,912	0
<b>Depreciation and impairment losses end of year</b>	<b>(6,203,391)</b>	<b>(1,596,968)</b>
<b>Carrying amount end of year</b>	<b>1,283,070</b>	<b>240,901</b>

## 9 Financial assets

	<b>Investments in group enterprises DKK</b>	<b>Deposits DKK</b>
Cost beginning of year	3,850,000	1,209,575
Additions	40,000	0
<b>Cost end of year</b>	<b>3,890,000</b>	<b>1,209,575</b>
Revaluations beginning of year	92,044,036	0
Share of profit/loss for the year	117,752,503	0
Dividend	(153,121,000)	0
Investments with negative equity value depreciated over receivables	76,259	0
Investments with negative equity value transferred to provisions	(112,277)	0
<b>Revaluations end of year</b>	<b>56,639,521</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>60,529,521</b>	<b>1,209,575</b>

<b>Investments in subsidiaries</b>	<b>Registered in</b>	<b>Corporate form</b>	<b>Equity interest %</b>
Spilnu.dk A/S	Aalborg	A/S	100,0
Magnet Gaming ApS	Aalborg	ApS	100,0
Datoselskabet af 03.09.2019 ApS	Aalborg	ApS	100,0

## 10 Unrecognised rental and lease commitments

	2019 DKK	2018 DKK
Liabilities under rental or lease agreements until maturity in total	3,003,649	5,520,533

## 11 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where CEGO Holding ApS serves as the administration company (with Danske Spil until July 31, 2019). According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore secondarily liable for income taxes, etc for the jointly taxed entities, which is limited to the equity interest by which the entity participates in the Group. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

The Entity has agreed to support the subsidiary Magnet Gaming ApS and must transfer necessary funds if needed.

The Company has issued a letter of subordination to the subsidiary Magnet Gaming ApS, by which the Company subordinates its receivable from Magnet Gaming ApS as of 31 December 2019 and all future receivables vis-à-vis all other creditors in Magnet Gaming ApS. The letter of subordination applies for the period until 31 December 2020.

## 12 Assets charged and collateral

None.

## 13 Related parties with controlling interest

CEGO Midco ApS, Aalborg (parent company)  
CEGO Holding ApS, Aalborg (ultimate parent company)

## 14 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

## 15 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
CEGO Holding ApS, Aalborg



# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

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

## Consolidated financial statements

Referring to 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.

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

### Revenue

Revenue from the sale of licences is recognised in the income statement when delivery is made and risk has passed 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.

**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 writedowns of receivables recognised in current assets.

**Staff costs**

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

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, 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, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and 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 securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and 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****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.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced

as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project.. The amortisation periods used are 5 years.

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.

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.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

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:

Other fixtures and fittings, tools and equipment	1-7 years
Leasehold improvements	1-7 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

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.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

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

Goodwill is the positive difference between cost of investments 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. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 5 years.

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.

### **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. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

### **Joint taxation contributions receivable or payable**

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for 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.

### **Prepayments**

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

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

### **Other provisions**

Other provisions comprise provision to the negative equity value of a subsidiary.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the

liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

**Other financial liabilities**

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