Deloitte.

CEGO A/S

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

Annual report 2021

The Annual General Meeting adopted the annual report on 06.04.2022

Jef Nymand Hounsgaard
Chairman of the General Meeting

Contents

Entity details

Entity

CEGO A/S

Lauritzens Plads 1, 4.

9000 Aalborg

Business Registration No.: 29206651

Registered office: Aalborg

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Johan Jesper Kärrbrink, Chairman of the Board

Peter Thorlund Haahr

Jacob Frederik Christensen

Anders Gautier Christensen

Executive Board

Allan Auning-Hansen

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 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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, 06.04.2022

Executive Board

Allan Auning-Hansen

Board of Directors

Johan Jesper Kärrbrink
Chairman of the Board

Peter Thorlund Haahr

Jacob Frederik Christensen

Anders Gautier 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 01.01.2021 - 31.12.2021, 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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 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 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.

Aalborg, 06.04.2022

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

René Winther Pedersen
State Authorised Public Accountant
Identification No (MNE) mne34173

Management commentary

Primary activities

CEGO A/S (henceforth: CEGO Group) develops and operates online casino products, through its subsidiaries, focusing on the Casual Segment. The CEGO Group currently have online casino activities in Denmark, Sweden and UK. The Group operates subject to license requirements and exposed to competition under local gambling jurisdictions.

The purpose of CEGO A/S is to own shares in other companies and business related hereto.

Development in activities and finances

During 2021 the CEGO group obtained a license in the UK market and started offering its online casino products on happytiger.co.uk in the fourth quarter of 2021. The CEGO Group is now present with its online casino in three markets which besides UK counts Denmark with spilnu.dk and Sweden with lyckost.se.

Lyckost.se is now an established online casino brand in Sweden following the launch in 2020. During 2021 the in-house build Bingo product was launched in Sweden and has been well received by the Swedish players.

The Online Casino activities involving the offering of slot machines, Bingo and Casino runs on an in-house build platform. The platform has been optimized, supporting a continuously strong costumer experience in the future and commercial initiatives designed to multi-market operations.

The CEGO Group in-house studio has successfully developed and launched 7 unique in-house slot machines in 2021 targeted casual players and added additional third-party games to its product offering.

The subsidiary Superpog ApS was divested in Q3 2021.

Responsible gambling

The CEGO Group primary objective is to offer casual, fun, and entertaining games. We take on an active role in creating a healthy environment where players feel safe and taken care of. Responsibility in gambling is therefore an inherent part of our core values and the way we work.

All employees receive responsible gambling training, and it is an integrated part of our daily work. All employees have responsibility in mind when creating marketing content, new games, etc. Furthermore, the Customer Support Team is trained to have attention on responsible behaviour in the communication with the players. We always communicate that gambling should be fun, entertaining, and responsible.

Being responsible is not a single action or intervention, but the sum of a series of initiatives. In the Group these initiatives are all implemented based on our overall approach which is to be aware of and understand our players to help them prevent potential unhealthy gambling patterns. We strive to do that in an incident based, respectful and personalised approach. One of the ways we do that is to perform Care Calls to players. Our Care Calls are performed by our in-house psychologist or personnel trained by experts in the field of problem gambling.

We use a game scanner to monitor the behaviour of our players. We use this information in dialogue with the player to help them to proactively support change in their behaviour if the behaviour no longer supports playing for fun. Furthermore, we continuously follow the newest research to update our processes and support our players in the best possible way.

Overall, the CEGO Group seeks to create a secure environment for our players that encourages and enables them to continuously have a healthy approach towards gambling.

Profit/loss for the year in relation to expected developments

Profit for the year is DKK 66.9 million. As expected, profit for the year is impacted by the increase in Gambling Duty from 20% to 28% in Denmark, in combination with investments in new market growth.

Outlook

Management expects further investments in growth in 2022 leading to a decrease in profits compared to 2021.

Knowledge resources

The CEGO Group is devoted to staying in a forefront position in the utilization of new technologies in platform operations, product development and compliance. The expertise of the Group’s personnel is essential to all areas of the business and the Group.

Research and development activities

The CEGO Group capitalizes development costs on internal development projects related to Games and Platform development. In 2021 the CEGO Group capitalized DKK 21.2 million on development projects. The capitalization is solely related to salaries allocated to the projects.

Statutory report on diversity

Our culture is based on entrepreneurship, agility, a flat hierarchy and, above all, an open-mindedness towards new actions, ways of working and new colleagues. At CEGO Group, we embrace all aspects of diversity with the right skillset and mindset.

In 2021, an additional 23 employees have joined the CEGO Group, whereas 11 employees have left. 25% of the new joiners are female. Six of the employees leaving the company did so because of the divestment of the subsidiary Superpog A/S. The current gender composition is 80% male and 20% female, but closer to 50/50 in departments other than it-development.

Over the past two year the workforce has increased 25% and the average seniority in CEGO Group is more than 5 years.

Employee wellbeing

In the CEGO Group, we highly prioritise our employees’ well-being, as we believe that thriving employees enrich our culture and drive the best results for the individual as well as the company. Like many other companies, The Group and our way of work have been impacted by Covid-19. We adapted to the work from home situation quickly. Our focus was to sustain our culture in an online environment by facilitating various online social activities for all employees such as Friday afternoon online parties, online get-togethers in groups, care calls from HR, etc.

Once back at the office, we reinitiated our many social activities, which are an important part of our culture, ranging from weekly board game nights to physical workout and in-house sports tournaments. We also prioritise physical and mental wellbeing by offering flexible working conditions, easy access to health insurance, free gym access, etc.

The CEGO Group sick leave percentage in 2021 was 2,5%, reflecting a year with Covid-19 cases.

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		**31,531,388**	**15,721,040**
Staff costs	1	(27,908,886)	(13,601,484)
Depreciation, amortisation and impairment losses		(1,166,182)	(820,380)
Operating profit/loss		**2,456,320**	**1,299,176**
Income from investments in group enterprises		66,108,613	117,038,655
Other financial income	2	893,381	7,395
Other financial expenses	3	(1,797,509)	(304,996)
Profit/loss before tax		**67,660,805**	**118,040,230**
Tax on profit/loss for the year	4	(782,819)	(233,542)
Profit/loss for the year		**66,877,986**	**117,806,688**
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		75,000,000	100,000,000
Extraordinary dividend distributed in the financial year		0	82,717,000
Retained earnings		(8,122,014)	(64,910,312)
Proposed distribution of profit and loss		**66,877,986**	**117,806,688**

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Acquired intangible assets		0	0
Intangible assets	5	**0**	**0**
Other fixtures and fittings, tools and equipment		857,789	1,140,985
Leasehold improvements		789,188	171,281
Property, plant and equipment	6	**1,646,977**	**1,312,266**
Investments in group enterprises		148,340,138	97,561,841
Deposits		1,232,075	1,209,575
Other receivables		1,838,991	0
Financial assets	7	**151,411,204**	**98,771,416**
Fixed assets		**153,058,181**	**100,083,682**
Receivables from group enterprises		45,965,965	70,268,997
Deferred tax		96,163	164,468
Other receivables		356,099	2,499
Income tax receivable		0	2,223,834
Prepayments		1,033,227	413,156
Receivables		**47,451,454**	**73,072,954**
Cash		**2,926,308**	**3,078,765**
Current assets		**50,377,762**	**76,151,719**
Assets		**203,435,943**	**176,235,401**

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		500,000	500,000
Retained earnings		36,625,084	9,747,098
Proposed dividend		75,000,000	100,000,000
Equity		**112,125,084**	**110,247,098**
Other payables		866,302	804,021
Non-current liabilities other than provisions	8	**866,302**	**804,021**
Bank loans		27,307	72,122
Trade payables		2,004,373	865,680
Payables to group enterprises		85,419,226	60,434,388
Joint taxation contribution payable		375,498	166,540
Other payables		2,618,153	3,645,552
Current liabilities other than provisions		**90,444,557**	**65,184,282**
Liabilities other than provisions		**91,310,859**	**65,988,303**
Equity and liabilities		**203,435,943**	**176,235,401**
Unrecognised rental and lease commitments	9		
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Statement of changes in equity for 2021

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	500,000	0	9,747,098	100,000,000	110,247,098
Effect of divestments of entities etc	0	1,269,424	(1,269,424)	0	0
Ordinary dividend paid	0	0	0	(100,000,000)	(100,000,000)
Group contributions etc	0	0	35,000,000	0	35,000,000
Dividends from group enterprises	0	(65,000,000)	65,000,000	0	0
Transfer to reserves	0	(778,297)	778,297	0	0
Profit/loss for the year	0	64,508,873	(72,630,887)	75,000,000	66,877,986
Equity end of year	**500,000**	**0**	**36,625,084**	**75,000,000**	**112,125,084**

Dividends from group enterprises include dividends of 65 mDKK, whereby 15 mDKK has been approved at the general meeting of Magnet Gaming ApS and 50 mDKK has been approved at the general meeting of Spilnu.dk. Both dividends have been approved with the approvals of the 2021 annual reports for the companies.

Notes

1 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	21,249,897	10,277,695
Pension costs	2,282,730	1,444,900
Other social security costs	353,207	122,293
Other staff costs	4,023,052	1,756,596
	27,908,886	**13,601,484**

Average number of full-time employees	**32**	**17**

2 Other financial income

	2021 DKK	2020 DKK
Financial income from group enterprises	893,381	7,395
	893,381	**7,395**

3 Other financial expenses

	2021 DKK	2020 DKK
Financial expenses from group enterprises	1,728,218	289,546
Other interest expenses	31,120	13,060
Exchange rate adjustments	35,657	2,390
Other financial expenses	2,514	0
	1,797,509	**304,996**

4 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	375,498	166,540
Change in deferred tax	68,305	53,802
Adjustment concerning previous years	339,016	13,200
	782,819	**233,542**

5 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	522,942
Disposals	(122,942)
Cost end of year	**400,000**
Amortisation and impairment losses beginning of year	(522,942)
Reversal regarding disposals	122,942
Amortisation and impairment losses end of year	**(400,000)**
Carrying amount end of year	**0**

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	8,029,417	1,888,508
Additions	556,743	944,150
Cost end of year	**8,586,160**	**2,832,658**
Depreciation and impairment losses beginning of year	(6,888,432)	(1,717,227)
Depreciation for the year	(839,939)	(326,243)
Depreciation and impairment losses end of year	**(7,728,371)**	**(2,043,470)**
Carrying amount end of year	**857,789**	**789,188**

7 Financial assets

	Investments in group enterprises DKK	Deposits DKK	Other receivables DKK
Cost beginning of year	53,970,000	1,209,575	0
Transfers	0	0	(339,688)
Additions	35,040,000	22,500	2,178,679
Disposals	(40,000)	0	0
Cost end of year	**88,970,000**	**1,232,075**	**1,838,991**
Revaluations beginning of year	43,591,841	0	0
Share of profit/loss for the year	64,508,873	0	0
Dividend	(50,000,000)	0	0
Reversal regarding disposals	1,269,424	0	0
Revaluations end of year	**59,370,138**	**0**	**0**
Carrying amount end of year	**148,340,138**	**1,232,075**	**1,838,991**

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Spilnu.dk A/S	Aalborg	A/S	100.0
Magnet Gaming ApS	Aalborg	ApS	100.0
Lyckost ApS	Aalborg	ApS	100.0
Happytiger ApS	Aalborg	ApS	100.0
Datoselskabet af 04.03.2021 ApS	Aalborg	ApS	100.0

8 Non-current liabilities other than provisions

	Due after more than 12 months 2021 DKK	Outstanding after 5 years 2021 DKK
Other payables	866,302	768,548
	866,302	**768,548**

9 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Liabilities under rental or lease agreements until maturity in total	**1,517,034**	**1,309,283**

10 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where CEGO Holding ApS serves as the administration company. 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.

11 Assets charged and collateral

None.

Collateral provided for group enterprises

The Entity has provided guarantee for Lyckost ApS's bank debt. The maximum limit of the guarantee is 800 tDKK. Bank loans in Lyckost ApS amount to 0 tDKK.

12 Related parties with controlling interest

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

13 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.
The company has received a tax-free group subsidy from the parent company CEGO Midco ApS, of 35,000 tDKK in the financial year.

During the financial year, the company provides tax-free group subsidies to its subsidiaries of 35,000 tDKK.
Group subsidy granted to the following subsidiaries:

- Happytiger of 8,000 tDKK.
- Lyckost ApS of 22,000 tDKK.
- Datoselskabet af 04.03.2021 ApS of 5,000 tDKK.

14 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 a few 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, other operating income and external expenses.

Revenue
Revenue 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.

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, 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.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licenses 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 write downs 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.

Tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

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 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.