Deloitte.

Group Online A/S

Metalbuen 66
2750 Ballerup
CVR No. 29414815

Annual report 2021

The Annual General Meeting adopted the annual report on 20.04.2022

Morten Bachke Knudsen
Chairman of the General Meeting

Contents

Entity details

Entity

Group Online A/S

Metalbuen 66

2750 Ballerup

Business Registration No.: 29414815

Registered office: Ballerup

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Jens Albert Harsaae, Chairman

Rasmus Philip Buhl Lokvig, Deputy chairman

Jacob Sloth Bennedsen

Jesper Eiby Christoffersen

Tanja Hammer Krogstrup

Jens Jørgen Hahn-Petersen

Executive Board

Jesper Eiby Christoffersen

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 Group Online 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.

Ballerup, 20.04.2022

Executive Board

Jesper Eiby Christoffersen

Board of Directors

Jens Albert Harsaae
Chairman

Rasmus Philip Buhl Lokvig
Deputy chairman

Jacob Sloth Bennedsen

Jesper Eiby Christoffersen

Tanja Hammer Krogstrup

Jens Jørgen Hahn-Petersen

Independent auditor's report

To the shareholder of Group Online A/S

Opinion

We have audited the financial statements of Group Online 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.

Copenhagen, 20.04.2022

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Nikolaj Thomsen
State Authorised Public Accountant
Identification No (MNE) mne33276

Brian Schmit Jensen
State Authorised Public Accountant
Identification No (MNE) mne40050

Management commentary

Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
Key figures					
Gross profit/loss	121,298	102,323	86,211	85,663	93,445
Operating profit/loss	30,172	22,673	33,043	29,225	31,047
Net financials	(161)	(56)	31	74	73
Profit/loss for the year	23,331	17,675	25,790	22,823	24,277
Total assets	210,337	173,811	57,085	60,094	60,858
Investments in property, plant and equipment	375	2,237	0	0	0
Equity	124,817	96,537	12,805	26,039	26,216
Average number of employees	159	112	117	128	135
Ratios					
Return on equity (%)	21.08	32.33	132.79	87.35	124.00
Equity ratio (%)	59.34	55.54	22.43	43.33	43.08

The key financial figures and ratios for 2021 and 2020 are presented as the consolidated figures for Group Online A/S, Danaweb International A/S, Optimeo A/S and Plico A/S. Previous years are presented as Group Online A/S stand alone.

Material errors in previous years corrected in 2021 have in financial highlights only been adjusted for 2021 and 2020. Prior years (2019-2017) has not been adjusted.

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
Group Online A/S is the leading provider of websites and online marketing for small and medium-sized companies in Denmark. The primary activities include website production, search engine optimization, email solutions and advertising at Google and Facebook.

Development in activities and finances
Gross profit for the year amount to DKK 121.3 million and the result after tax amounted to DKK 23.3 million. Equity amounted to DKK 120.9 million at 31 December 2021. Management consider the results satisfactory.

During 2021, the Company was merged with Danaweb International A/S, Optimeo A/S and Plico A/S to ensure a simple group structure. The comparative figures are restated, see accounting policies section for further discription.

Profit/loss for the year in relation to expected developments
EBITDA for 2021 amounts to 38.3 million and below Managements expectation of DKK 40 - 45 million which is due to the merger with Danaweb International A/S, Optimeo A/S and Plico A/S and extraordinary costs.

Outlook
Management expect to grow sales, however, due to investments in the organisation EBITDA is expected in the range of DKK 35-40 million.

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.

Income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Gross profit/loss		**121,298**	**102,323**
Staff costs	3	(83,043)	(73,923)
Depreciation, amortisation and impairment losses	4	(8,083)	(5,727)
Operating profit/loss		**30,172**	**22,673**
Income from investments in group enterprises		162	44
Other financial income	5	527	693
Other financial expenses	6	(688)	(749)
Profit/loss before tax		**30,173**	**22,661**
Tax on profit/loss for the year	7	(6,842)	(4,986)
Profit/loss for the year	8	**23,331**	**17,675**

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Completed development projects	10	4,202	6,010
Acquired intangible assets		117	181
Acquired rights		16,782	19,929
Goodwill		19,393	20,470
Development projects in progress	10	1,307	205
Intangible assets	9	**41,801**	**46,795**
Other fixtures and fittings, tools and equipment		78	610
Leasehold improvements		1,529	1,497
Property, plant and equipment	11	**1,607**	**2,107**
Investments in group enterprises		667	551
Deposits		2,151	2,115
Financial assets	12	**2,818**	**2,666**
Fixed assets		**46,226**	**51,568**
Trade receivables		25,899	34,859
Contract work in progress	13	135,432	67,847
Receivables from group enterprises		0	1,838
Other receivables		247	1,077
Prepayments	14	446	1,157
Receivables		**162,024**	**106,778**
Cash		**2,087**	**15,465**
Current assets		**164,111**	**122,243**
Assets		**210,337**	**173,811**

Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital		3,700	2,500
Reserve for net revaluation according to the equity method		420	304
Reserve for development expenditure		4,297	4,848
Retained earnings		116,400	88,885
Equity		**124,817**	**96,537**
Deferred tax	15	14,212	7,370
Provisions		**14,212**	**7,370**
Other payables		7,276	7,289
Non-current liabilities other than provisions	16	**7,276**	**7,289**
Bank loans		3,701	0
Contract work in progress	13	9,935	0
Trade payables		5,217	5,842
Payables to group enterprises		7,660	0
Tax payable		4,735	5,048
Other payables		24,182	25,726
Deferred income	17	8,602	25,999
Current liabilities other than provisions		**64,032**	**62,615**
Liabilities other than provisions		**71,308**	**69,904**
Equity and liabilities		**210,337**	**173,811**
Events after the balance sheet date	1		
Uncertainty relating to recognition and measurement	2		
Unrecognised rental and lease commitments	18		
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Statement of changes in equity for 2021

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	2,500	304	4,848	93,719	101,371
Corrections of material errors	0	0	0	(4,834)	(4,834)
Adjusted equity, beginning of year	**2,500**	**304**	**4,848**	**88,885**	**96,537**
Effect of mergers and business combinations	700	0	0	(700)	0
Increase of capital	500	0	0	4,495	4,995
Value adjustments	0	(8)	0	0	(8)
Other entries on equity	0	(38)	0	0	(38)
Dissolution of reserves	0	0	(551)	551	0
Profit/loss for the year	0	162	0	23,169	23,331
Equity end of year	**3,700**	**420**	**4,297**	**116,400**	**124,817**

Notes

1 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.

2 Uncertainty relating to recognition and measurement

The recognition of revenue is to some extent impacted by management estimates and judgement for contract work in progress in relation to determining stage of completion and expected profitability of the individual projects, and hence, revenue recognised in subsequent years may be impacted by changes in estimates to the revenue recognised in previous years. Revenue recognised from contract work in progress in 2021 has not been impacted by any significant changes to the revenue recognised in previous years.

3 Staff costs

	2021 DKK'000	2020 DKK'000
Wages and salaries	82,553	73,602
Pension costs	819	657
Other social security costs	860	816
Other staff costs	1,025	1,063
	85,257	**76,138**
Staff costs classified as assets	(2,214)	(2,215)
	83,043	**73,923**

Average number of full-time employees	173	167

	Remuneration of Management 2021 DKK'000	Remuneration of Management 2020 DKK'000
Total amount for management categories	3,128	2,026
	3,128	**2,026**

Persuant to Section 98b(iii) of the Danish Financial Statements Act, remuneration to the members of the Executive Board is not separately disclosed.

4 Depreciation, amortisation and impairment losses

	2021 DKK'000	2020 DKK'000
Amortisation of intangible assets	7,208	5,215
Depreciation of property, plant and equipment	637	512
Impairment losses on property, plant and equipment	238	0
	8,083	**5,727**

5 Other financial income

	2021 DKK'000	2020 DKK'000
Financial income from group enterprises	0	114
Other interest income	527	233
Exchange rate adjustments	0	346
	527	**693**

6 Other financial expenses

	2021 DKK'000	2020 DKK'000
Financial expenses from group enterprises	0	162
Other interest expenses	688	587
	688	**749**

7 Tax on profit/loss for the year

	2021 DKK'000	2020 DKK'000
Current tax	0	508
Change in deferred tax	6,842	4,705
Adjustment concerning previous years	0	(227)
	6,842	**4,986**

8 Proposed distribution of profit and loss

	2021 DKK'000	2020 DKK'000
Retained earnings	23,331	17,675
	23,331	**17,675**

9 Intangible assets

	Completed development projects DKK'000	Acquired intangible assets DKK'000	Acquired rights DKK'000	Goodwill DKK'000	Development projects in progress DKK'000
Cost beginning of year	47,719	3,092	20,978	21,547	205
Transfers	205	0	0	0	(205)
Additions	907	0	0	0	1,307
Cost end of year	**48,831**	**3,092**	**20,978**	**21,547**	**1,307**
Amortisation and impairment losses beginning of year	(41,709)	(2,911)	(1,049)	(1,077)	0
Amortisation for the year	(2,920)	(64)	(3,147)	(1,077)	0
Amortisation and impairment losses end of year	**(44,629)**	**(2,975)**	**(4,196)**	**(2,154)**	**0**
Carrying amount end of year	**4,202**	**117**	**16,782**	**19,393**	**1,307**

10 Development projects

As previous years the company has capitalized development costs. The company's development projects consists of internally developed software products used in the design and creation of webpages. The development cost is expected to add significant value til customer handling proces.

Costs are capitalized as incurred if this relates to the development projects. The company possess the resources and skills to complete the development.

11 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	6,432	1,678
Additions	0	375
Cost end of year	**6,432**	**2,053**
Depreciation and impairment losses beginning of year	(5,822)	(181)
Impairment losses for the year	(238)	0
Depreciation for the year	(294)	(343)
Depreciation and impairment losses end of year	**(6,354)**	**(524)**
Carrying amount end of year	**78**	**1,529**

12 Financial assets

	Investments in group enterprises DKK'000	Deposits DKK'000
Cost beginning of year	247	2,115
Additions	0	36
Cost end of year	**247**	**2,151**
Revaluations beginning of year	304	0
Exchange rate adjustments	(8)	0
Amortisation of goodwill	(39)	0
Share of profit/loss for the year	201	0
Other adjustments	(38)	0
Revaluations end of year	**420**	**0**
Carrying amount end of year	**667**	**2,151**

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Danaweb AB	Sweden	AB	100

13 Contract work in progress

	2021 DKK'000	2020 DKK'000
Contract work in progress	185,391	91,685
Progress billings regarding contract work in progress	(49,959)	(23,838)
	135,432	**67,847**

14 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and subscriptions.

15 Deferred tax

	2021 DKK'000	2020 DKK'000
Intangible assets	3,467	3,855
Property, plant and equipment	(227)	(222)
Receivables	24,250	4,877
Provisions	0	224
Tax losses carried forward	(12,472)	0
Other taxable temporary differences	(806)	(1,364)
Deferred tax	**14,212**	**7,370**

Changes during the year	2021 DKK'000	2020 DKK'000
Beginning of year	7,370	2,665
Recognised in the income statement	6,842	4,705
End of year	**14,212**	**7,370**

16 Non-current liabilities other than provisions

	Due after more than 12 months 2021 DKK'000	Outstanding after 5 years 2021 DKK'000
Other payables	7,276	5,520
	7,276	**5,520**

Other payables consists of holiday pay obligation.

17 Deferred income

Deferred income consists of revenue to be recognized in furture periods as the recognition criteria has not been completed yet.

18 Unrecognised rental and lease commitments

	2021 DKK'000	2020 DKK'000
Liabilities under rental or lease agreements until maturity in total	19,195	23,903

19 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where "CC Globe Invest 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.

20 Assets charged and collateral

Cash of TDKK 135 is restricted as security for rental commitments.

21 Related parties with controlling interest

The following shareholders hold a significant influence on the Company:
- CC Globe Holding II A/S, Metalbuen 66, 2750 Ballerup (Denmark)
- CC Globe Holding I ApS, Metalbuen 66, 2750 Ballerup (Denmark)
- CC Globe Invest ApS, Metalbuen 66, 2750 Ballerup (Denmark)
- CataCap II K/S, Øster Allé 42, 7., 2100 København Ø (Denmark)

22 Transactions with related parties

All transactions with related parties which have not been according with market conditions will be disclosed. The merger of Group Online A/S, Danaweb International A/S, Optimeo A/S and Plico A/S has not been on market conditions. There has been no other transactions in the financial year not on market conditions.

23 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
CC Globe Invest ApS

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
CC Globe Holding II A/S

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.

Reclassifications of items of the income statements and balance sheet have been made in the comparison year which have not affected profit.

Contribution of existing company
The Entity has been merged with Danaweb International A/S, Optimeo A/S and Plico A/S. The uniting-of-interests method has been applied in drawing up the opening balance sheet. When the opening balance sheet is drawn up applying the uniting-of-interests method, the assets and liabilities of the contributed company are recognised at carrying amounts based on the Entity's accounting policies as if the Entity had always owned the contributed companies. Any difference between the consideration agreed and the carrying amount of the net assets contributed is recognised in equity. The comparative figures are restated.

Consolidated financial statements
Referring to 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Material errors in previous years
The accrual of income was incorrect in prior financial years. The error is corrected retrospectively and the comparative figures for 2020 have been adjusted accordingly. The adjustment has effected deferred income by DKK 6,198 thousands and deferred tax by 1,364 thousands. The income statement is not effected in 2020. The equity at 1 January 2021 is negatively adjusted with DKK 4,834 thousands.

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.

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised in intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, work in progress, own work capitalised and 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.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

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, and gains and losses from the sale of intangible assets and 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 interest income, including interest income on receivables from group enterprises, 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, 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.

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. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. For other amounts of goodwill, useful life has been 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. Useful lives are reassessed annually. The amortisation periods used are 20 years.

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 intangible assets, and acquired intellectual property rights.

Development projects on clearly defined and identifiable 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 market or apply the 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.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

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. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Assets are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 10 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 and leasehold improvements 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:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

Estimated useful lives and residual values are reassessed annually.

Other fixtures and fittings, tools and equipment and leasehold improvements 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 in 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. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. For other amounts of goodwill, useful life has been 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. 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.

Contract work in progress
Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

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.

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

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

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

Deferred income

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

Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, no consolidated cashflow statement have been prepared. A cashflow statement has been prepared for the Group CC Globe Holding II A/S (central business registration number: 40858865) that comprises the Entity and the subsidiaries.