
GetWhy A/S

Langebrogade 4, DK-1411 Copenhagen

Annual Report for 2023

CVR No. 33 51 06 08

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 26/6 2024

Peter Werenberg
Chairman of the
general meeting



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Management's statement

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

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 26 June 2024

Executive Board

Casper Henningsen
CEO

Jonas Gudbjartur Alexandersson
CXO

Peter Munk Werenberg
CFO

Niklas Laugesen
Executive Officer

Board of Directors

Morten Christiansen
Chairman

Simon Sinding Jørgensen

Stig Hølledig

Philip Ralston Dur

Independent Auditor's report

To the shareholders of GetWhy A/S

Opinion

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

We have audited the Financial Statements of GetWhy A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

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

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

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

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

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

Hellerup, 26 June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Lars Almskou Ohmeyer

State Authorised Public Accountant

mne24817

Niels Henrik B. Mikkelsen

State Authorised Public Accountant

mne16675

Company information

The Company	GetWhy A/S Langebrogade 4 1411 Copenhagen CVR No: 33 51 06 08 Financial period: 1 January - 31 December Incorporated: 1 March 2011 Financial year: 13th financial year Municipality of reg. office: Copenhagen
Board of Directors	Morten Christiansen, chairman Simon Sinding Jørgensen Stig Hølleddig Philip Ralston Dur
Executive Board	Casper Henningsen Jonas Gudbjartur Alexandersson Peter Munk Werenberg Niklas Laugesen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management's review

Key activities

GetWhy is a technology company and global insight provider driven by democratization of insights.

The company's key activity is to deliver Human Insights (qualitative insights) to Enterprise Business to Consumer companies. GetWhy delivers insight via its video-based platform and proprietary Generative AI (Artificial Intelligence).

GetWhy is led by its vision to "Bettering the human experience, one "aha!" at a time" through its mission "To empower the creators of tomorrow with the insights they need to build winning products, services and experiences for the many people."

Development in the year

GetWhy realized growth in signed contract value of 219% against an expected growth of 150-250% which is considered very satisfying. GetWhy reported a net loss of DKK 48,8M, and as of December 31, 2023, the balance sheet reflected a negative equity of DKK 7,5M.

Gross profit was lower compared to the previous year, primarily due to a shift from a production-based revenue model to a subscription-based model, resulting in lower revenue recognition within the year.

In a strategic effort to capitalize on market opportunities, the company secured a DKK 20M loan. This funding was instrumental in advancing our market leading proprietary AI Model and scaling our commercial organization to solidify our position in the market and expand our market share.

As a result, the company experienced an increase in short-term debt, while equity decreased due to the negative retained earnings from investments in growth. GetWhy's financial situation has improved substantially after the end of the fiscal year raising capital in total of DKK +250M. See Note 1 and Subsequent Events.

GetWhy ended 2023 on a high note signing several large global consumer brands. With our proprietary Generative AI model and a market poised for disruption. GetWhy aims for high year-over-year ARR growth driven by rising demand and enthusiasm for its offerings. In accordance with the requirement of the Danish financial statements act the company has chosen not to disclose expectations for the year ahead.

Uncertainty relating to recognition and measurement

The preparation of the company's annual report involved several accounting assessments and estimates, made in accordance with legislative provisions. These estimates, based on management's sound and realistic judgments, are inherently subject to uncertainty. See note 2.

Subsequent events

After the balance sheet date, GetWhy raised DKK 31.1M from current shareholders to support business operations and continued growth. Furthermore, in May 2024, GetWhy welcomed a new major shareholder in Peakspan Capital, and received an investment of USD 34,5M (more than DKK 235M) in committed capital, as part of a strategic investment to support, accelerate, and expand GetWhy globally. No other events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Gross profit/loss		-553,206	5,791,181
Staff expenses	3	-39,323,423	-25,653,615
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-5,310,115	-4,767,331
Profit/loss before financial income and expenses		-45,186,744	-24,629,765
Financial income		18,446	5,481
Financial expenses	4	-6,016,131	-2,859,723
Profit/loss before tax		-51,184,429	-27,484,007
Tax on profit/loss for the year	5	2,336,470	1,478,922
Net profit/loss for the year		-48,847,959	-26,005,085
 Distribution of profit			
		2023	2022
		DKK	DKK
Proposed distribution of profit			
Retained earnings		-48,847,959	-26,005,085
		-48,847,959	-26,005,085

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Completed development projects		50,524,141	44,958,034
Acquired patents		0	37,591
Acquired customer contracts		544,280	0
Goodwill		617,805	0
Development projects in progress		0	0
Prepayment		272,284	270,109
Intangible assets	6	51,958,510	45,265,734
Other fixtures and fittings, tools and equipment		448,130	308,639
Leasehold improvements		683,587	0
Property, plant and equipment	7	1,131,717	308,639
Deposits	8	3,000,092	2,873,279
Fixed asset investments		3,000,092	2,873,279
Fixed assets		56,090,319	48,447,652
Trade receivables		20,116,665	5,958,002
Other receivables		95,092	0
Corporation tax		2,241,378	1,478,811
Prepayments		2,863,180	1,302,639
Receivables		25,316,315	8,739,452
Cash at bank and in hand		858,152	8,737,595
Current assets		26,174,467	17,477,047
Assets		82,264,786	65,924,699

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital	9	3,113,143	2,710,023
Share premium account		0	0
Reserve for development costs		50,523,857	35,067,266
Retained earnings		-61,104,529	-23,916,054
Equity		-7,467,529	13,861,235
Other provisions		683,587	0
Provisions		683,587	0
Credit institutions		23,113,994	22,519,827
Other payables		2,097,480	1,735,402
Long-term debt	10	25,211,474	24,255,229
Credit institutions	10	22,496,590	90,034
Trade payables		8,651,803	4,254,311
Deposits		2,734,123	2,818,540
Other payables	10	8,947,196	2,774,971
Deferred income	11	21,007,542	17,870,379
Short-term debt		63,837,254	27,808,235
Debt		89,048,728	52,063,464
Liabilities and equity		82,264,786	65,924,699
Going concern	1		
Uncertainty relating to recognition and measurement	2		
Contingent assets, liabilities and other financial obligations	12		
Accounting Policies	13		

Statement of changes in equity

	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	2,710,023	0	35,067,266	-23,916,054	13,861,235
Cash capital increase	403,120	27,116,075	0	0	27,519,195
Effect from merger and acquisition	0	0	432,238	-432,238	0
Other equity movements	0	0	9,890,605	-9,890,605	0
Development costs for the year	0	0	10,188,051	-10,188,051	0
Depreciation, amortisation and impairment for the year	0	0	-5,054,303	5,054,303	0
Net profit/loss for the year	0	0	0	-48,847,959	-48,847,959
Transfer from share premium account	0	-27,116,075	0	27,116,075	0
Equity at 31 December	3,113,143	0	50,523,857	-61,104,529	-7,467,529

Notes to the Financial Statements

1. Going concern

As per 31 December 2023, the Company's equity is negative with DKK 7,468k, and working capital is negative by DKK 37,663k.

After the balance sheet date the Company has received a capital increase of DKK 31.1m from its existing shareholders. In addition, the Company has received a capital increase from a new investor which ensures that the Company has sufficient funding to ensure going concern.

2. Uncertainty relating to recognition and measurement

In general, management makes judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Management continuously reassesses these estimates and judgments based on several factors under the given circumstances.

The value of all capitalised research & development costs is amortised over their useful lives. Every year, the management evaluates an impairment assessment to make sure the total value of the capitalised projects is fair. The estimated value of intangible assets is based on management estimates and assumptions and by nature subject to uncertainty.

3. Staff Expenses

	2023	2022
	DKK	DKK
Wages and salaries	37,074,169	23,997,470
Pensions	1,836,212	1,336,373
Other social security expenses	413,042	319,772
	<u>39,323,423</u>	<u>25,653,615</u>
Average number of employees	<u>51</u>	<u>39</u>

4. Financial expenses

	2023	2022
	DKK	DKK
Other financial expenses	5,972,242	2,577,565
Exchange loss	43,889	282,158
	<u>6,016,131</u>	<u>2,859,723</u>

Notes to the Financial Statements

	2023	2022
	DKK	DKK
5. Income tax expense		
Current tax for the year	-2,336,470	-1,478,922
	-2,336,470	-1,478,922

6. Intangible fixed assets

	Completed development projects	Acquired patents	Acquired customer contracts	Goodwill	Development projects in progress	Prepayment
	DKK	DKK	DKK	DKK	DKK	DKK
Cost at 1 January	62,670,356	648,861	0	0	0	270,109
Additions for the year	432,238	0	593,763	673,969	10,188,081	2,175
Transfers for the year	10,188,081	0	0	0	-10,188,081	0
Cost at 31 December	<u>73,290,675</u>	<u>648,861</u>	<u>593,763</u>	<u>673,969</u>	<u>0</u>	<u>272,284</u>
Impairment losses and amortisation at 1 January	17,712,231	611,270	0	0	0	0
Amortisation for the year	5,054,303	37,591	49,483	56,164	0	0
Impairment losses and amortisation at 31 December	<u>22,766,534</u>	<u>648,861</u>	<u>49,483</u>	<u>56,164</u>	<u>0</u>	<u>0</u>
Carrying amount at 31 December	<u>50,524,141</u>	<u>0</u>	<u>544,280</u>	<u>617,805</u>	<u>0</u>	<u>272,284</u>

Completed development projects include continued development, testing and expansion of platforms to deliver Customer Empowered Business. Costs for the development of the platforms are depreciated over 10 years, as they are completed. Management has not found any indications of impairment in relation to the carrying amount, but refers to note 2 on uncertainty in recognition and measurement.

7. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	890,346	0
Additions for the year	252,155	683,587
Cost at 31 December	<u>1,142,501</u>	<u>683,587</u>
Impairment losses and depreciation at 1 January	581,707	0
Depreciation for the year	112,664	0
Impairment losses and depreciation at 31 December	<u>694,371</u>	<u>0</u>
Carrying amount at 31 December	<u>448,130</u>	<u>683,587</u>

Notes to the Financial Statements

8. Other fixed asset investments

	Deposits
	DKK
Cost at 1 January	2,873,280
Additions for the year	126,812
Cost at 31 December	<u>3,000,092</u>
Carrying amount at 31 December	<u>3,000,092</u>

9. Share capital

The share capital consists of 62,262,860 shares of a nominal value of DKK 3.113.143. No shares carry any special rights.

The board of directors is authorized under the articles of association of the company to issue warrants and has introduced a warrant program for the executive management and a small number of individual contributors in the company. The warrant program has been unanimously approved by all shareholders and the board of directors has unanimously confirmed each warrant grant made under the warrant program. The total number of warrants issued under the program is 12,419,475 with a nominal value of 620,974 shares. The maturity period is 5 years and expires in 2028.

10. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Credit institutions

	2023	2022
	DKK	DKK
After 5 years	0	0
Between 1 and 5 years	23,113,994	22,519,827
Long-term part	23,113,994	22,519,827
Other short-term debt to credit institutions	22,496,590	90,034
	<u>45,610,584</u>	<u>22,609,861</u>

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
10. Long-term debt		
Other payables		
After 5 years	0	0
Between 1 and 5 years	2,097,480	1,735,402
Long-term part	2,097,480	1,735,402
Other short-term payables	8,947,196	2,774,971
	<u>11,044,676</u>	<u>4,510,373</u>

11. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

	<u>2023</u>	<u>2022</u>
	DKK	DKK
12. Contingent assets, liabilities and other financial obligations		

Charges and security

Pledge and security

As security for all balances with credit institutions, the company has pledged a corporate mortgage of a nominal DKK 10,000k. The corporate mortgage comprises the following assets, the carrying amount of which at the balance sheet date is:

Intangible fixed assets DKK 51,959k.

Other plant, equipment and fixtures and fittings DKK 448k.

Receivables from sales and services DKK 20,117k.

Contingent assets

The company has an unrecognized tax asset of DKK 17,501k as a result of the development of their tax loss carryforwards. The tax asset is not recognised as there are no convincing evidence that the tax losses will be realised in future earnings.

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
12. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	2,947,271	5,702,038
Between 1 and 5 years	9,804	2,862,887
	<u>2,957,075</u>	<u>8,564,925</u>

Other contingent liabilities

The company is per 31 December 2023 involved in a single lawsuit. The outcome of this is not expected to have a significant impact on the company's financial resources.

Notes to the Financial Statements

13. Accounting policies

The Annual Report of GetWhy A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an outflow of cash and cash equivalents, offered to the Executive Board and a number of senior employees is not recognised in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

Income statement

Revenue

Revenue from the sale of services is recognised when the risks and rewards relating to the services sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Notes to the Financial Statements

Direct expenses

Direct expenses primarily include operating expenses used to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, work on own account recognised in assets, other operating income, direct expenses and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment as well as rental income.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

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

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 3 years, determined on the basis of Management's experience with the individual business areas.

Development projects

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

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

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

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 10 year.

Other intangible fixed assets

Patents and acquired customer contracts are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Patents are amortised over the remaining patent period or a shorter useful life. The amortisation period is 6 years. Customer contracts are amortised over 3 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment 5-6 years

Leasehold improvements are depreciated accordingly with the Company's rental contract.

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

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

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Other fixed asset investments

Other fixed asset investments consist of deposit.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums and subscriptions.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

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

Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.

Notes to the Financial Statements

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.