CHRISTENSEN
KJÆRULFF
PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB

STORE KONGENSGADE 68
1264 KØBENHAVN K

CVR: 15 91 56 41

TLF: 33 30 15 15
E-MAIL: CK@CK.DK
WEB: WWW.CK.DK

Ageras A/S

Vesterbrogade 1E, 6., 1620 København V

Company reg. no. 33 96 63 69

Annual report

1 January - 31 December 2018

The annual report was submitted and approved by the general meeting on the 24 June 2019.

Siegfried Wolfgang Heimgärtner
Chairman of the meeting

Contents

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Ageras A/S for the financial year 1 January to 31 December 2018.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

København V, 24 June 2019

Managing Director

Rico Lohse Andersen
CEO

Board of directors

Siegfried Wolfgang Heimgärtner
Chairman

Julian Charles Lucas Bennet

Rico Lohse Andersen

Martin Hegelund Møller

Gilbert Benjamin Kamieniecky

Independent auditor's report

To the shareholders of Ageras A/S

Opinion

We have audited the annual accounts of Ageras A/S for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section “Auditor’s responsibilities for the audit of the annual accounts”. We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 24 June 2019

Christensen Kjærulff

Company reg. no. 15 91 56 41

John Mikkelsen
State Authorised Public Accountant
mne26748

Company data

The company	Ageras A/S Vesterbrogade 1E, 6. 1620 København V
	Company reg. no. 33 96 63 69 Established: 18 October 2011 Financial year: 1 January - 31 December
Board of directors	Siegfried Wolfgang Heimgärtner, 41063 Moenchengladbach, Viersener Strasse 333, Germany, Chairman Julian Charles Lucas Bennet, 34 Tremadoc RoadLondon, SW47LL Storbritannien Rico Lohse Andersen, Store Kongensgade 50, 2., 1264 København K Martin Hegelund Møller, Skindergade 29, 1., 1159 København K Gilbert Benjamin Kamieniecky, 48 Grosvenor StreetW1K3HW London Storbritannien
Managing Director	Rico Lohse Andersen, Store Kongensgade 50, 2., 1264 København K, CEO
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab Store Kongensgade 68 1264 København K
Parent company	Armadillo Investment Limited
Subsidiaries	Acasma AB, Stockholm Ageras AS, Oslo Ageras N.V., Amsterdam Ageras GmbH, Berlin Få Det Gjort.dk ApS, Copenhagen JUF.dk ApS, Copenhagen Leads2Leads N.V., Amsterdam Boekhouding Offerteservice B.V., Amsterdam

What is Ageras

At Ageras we make complex things simple, because we believe transparency in the market creates empowerment for clients and service providers. We are the creators of an ecosystem, which connects SME's to lawyers, accountants and bookkeepers.

For SME's pursuing the best advisor, our services are free. Our partners (accountants, bookkeepers and lawyers) pay a monthly subscription fee to work with their end-customers (our users) on the Ageras platform.

After being bootstrapped for the past 5 years, in 2017 we partnered with one of the most prestigious private equity funds in the technology space: Investcorp.

Together we have left impressionable footprints in Denmark, Sweden, Norway, the Netherlands, Germany and the United Kingdom. Throughout 2018, we kept investing in expanding our foothold and building new products for our users and partners and enjoy the continuous backing from our partners in Investcorp.

Who is Investcorp?

Investcorp has established a market leading position by investing in lower mid-market technology companies with a particular focus on founder-owned data, IT security, internet, mobility and fintech businesses. They have raised more than $1 billion in funding for technology investments.

The investment by Investcorp is expected to support Ageras' high standards of service delivered to our users and partners. Furthermore, the investment will help foster continued growth in the Scandinavian market, as well as the company's international footprint. It will also allow for expansion into new geographical areas, thus leveraging Ageras' strong brand, reputation for dependability and our insights into the professional service market.

Development in activities and financial matters

2018 at a glance

Let's run the numbers

The growth has continued in core markets such as Denmark, but has also evolved positively in newer markets such as Germany. Furthermore, we also see substantial increase in users across all geographical regions and markets. These are the positive results of our comprehensive investments in growth, automation and scalability as well as the hard work of all the Agerians.

The year ended with an EBITDA of approx. DKK -9,5 million which management finds satisfactory as it is according to plans.

In April 2018 Investcorp made a follow-up investment, adding a substantial amount of additional equity and cash to the balance sheet.

Consolidation and product development

2018 was yet another successful year for Ageras, where the group truly manifested itself as the leading European platform for accounting services. We continue to match even more SME's with professional service providers, while simultaneously building software solutions that foster a better collaboration between both parties. With an IT and product development team larger and stronger than ever, we constantly look for ways to add value to the accountants and their end-customers.

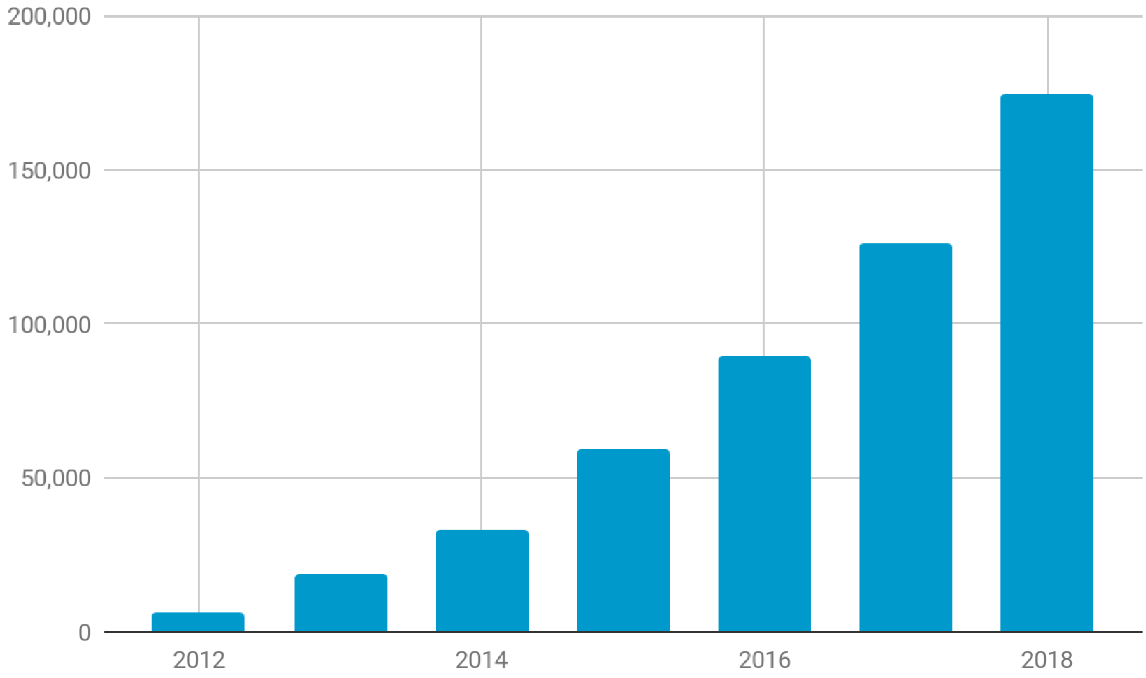
Ageras was founded with international ambitions, and it is therefore very gratifying to witness our product being cordially welcomed in new markets. Our acquisition of Leads2Leads and Boekhouding Offerteservice in The Netherlands continues to pay off at the expected pace, boosting our position in the market.

While it had a short-term financial impact to introduce our new subscription-based revenue model for our partners, we continuously see it to improve and grow month on month - while we, just as importantly, have a higher customer satisfaction than ever. Having a recurring revenue base also means that we can focus on where the value is: Improving the platform and building new products.

Our partners and users

SME's are starting to pursue alternatives to traditional accounting, and more SME's are beginning to realise the value of using a digital intermediary to find their best match. Therefore, our user base continues to grow with 48,000 new users coming to Ageras in 2018 wanting us to find them a new accountant or lawyer. That is a growth of 31% YoY.

Number of users



In spite of being bootstrapped, we became a *Børsen Gazelle* for being the 12th fastest growing company in

Denmark in 2017. We were also nominated for the EY Entrepreneur of the Year Award in 2017, where we won the *start-up* category in Copenhagen. In 2018 we added yet another award to our collection, as we humbly accepted the Best B2B E-commerce Business Award (revenue < 100 mio DKK).

As I am writing this, Ageras' Trustpilot score is above 9/10 in all markets, which is a clear indication of a superior user experience.

Events subsequent to the financial year and looking ahead

Ageras will continuously invest in the creation of a superior product for both users and partners. Therefore, we are investing in AI and machine learning, which will help us facilitate even better matches between users and partners.

We are also looking for potential acquisition targets that support our market position as the prime supplier of accounting software solutions for SME's and accountants.

We want to thank all users, partners - and of course the hard-working Agerians for their trust and contribution to yet another great year for Ageras.

Best regards,

Chief Executive Officer
Rico Andersen

Profit and loss account 1 January - 31 December

DKK in thousands.

Note		2018	2017
	Net turnover	25.254	16.171
	Other operating income	6.240	8.759
	Raw materials and consumables used	-8.728	-8.166
	Other external costs	-10.125	-6.498
	Gross results	**12.641**	**10.266**
1	Staff costs	-20.528	-28.686
	Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-3.524	-2.914
	Operating profit	**-11.411**	**-21.334**
	Income from equity investments in group enterprises	-1.875	7.744
	Other financial income	59	144
2	Other financial costs	-2.791	-1.879
	Results before tax	**-16.018**	**-15.325**
	Tax on ordinary results	1.317	3.058
	Results for the year	**-14.701**	**-12.267**
	Proposed distribution of the results:		
	Allocated from results brought forward	-14.701	-12.267
	Distribution in total	**-14.701**	**-12.267**

Balance sheet 31 December

DKK in thousands.

Note	Assets	2018	2017
	Fixed assets		
3	Software	12.424	8.654
4	Development projects in progress and prepayments for intangible fixed assets	5.985	6.526
	Intangible fixed assets in total	18.409	15.180
5	Other plants, operating assets, and fixtures and furniture	17	117
6	Decoration rented premises	639	748
	Tangible fixed assets in total	656	865
7	Equity investments in group enterprises	2.884	3.829
	Financial fixed assets in total	2.884	3.829
	Fixed assets in total	**21.949**	**19.874**

Balance sheet 31 December

DKK in thousands.

Note	Assets	2018	2017
	Current assets		
	Trade debtors	1.599	4.425
	Work in progress for the account of others	7.450	0
	Amounts owed by group enterprises	4.303	7.661
	Amounts owed by associated enterprises	353	628
	Receivable corporate tax	1.317	1.436
	Accrued income and deferred expenses	548	206
	Debtors in total	15.570	14.356
	Available funds	1.617	616
	Current assets in total	**17.187**	**14.972**
	Assets in total	**39.136**	**34.846**

Balance sheet 31 December

DKK in thousands.

Equity and liabilities

Note		2018	2017
	Equity		
8	Contributed capital	569	545
10	Reserve for development expenditure	14.170	10.941
11	Results brought forward	-8.059	-8.785
	Equity in total	**6.680**	**2.701**
	Provisions		
	Provisions concerning equity investments in group enterprises	674	242
	Provisions in total	**674**	**242**
	Liabilities		
	Bank debts	18.788	18.187
	Long-term liabilities in total	18.788	18.187
	Short-term part of long-term liabilities	3.899	3.139
	Bank debts	5.583	825
	Trade creditors	1.570	2.364
	Debt to group enterprises	84	3.900
	Other debts	1.858	3.488
	Short-term liabilities in total	12.994	13.716
	Liabilities in total	**31.782**	**31.903**
	Equity and liabilities in total	**39.136**	**34.846**

12 Mortgage and securities

13 Contingencies

Notes

DKK in thousands.

		2018	2017
1.	**Staff costs**		
	Salaries and wages	19.208	25.167
	Pension costs	0	851
	Other costs for social security	318	425
	Other staff costs	1.002	2.243
		20.528	**28.686**
	Average number of employees	52	66
2.	**Other financial costs**		
	Other financial costs	2.791	1.879
		2.791	**1.879**
3.	**Software**		
	Cost 1 January 2018	13.143	13.143
	Transfers	6.526	0
	Cost 31 December 2018	**19.669**	**13.143**
	Amortisation and writedown 1 January 2018	-4.489	-2.379
	Amortisation for the year	-2.756	-2.110
	Amortisation and writedown 31 December 2018	**-7.245**	**-4.489**
	Book value 31 December 2018	**12.424**	**8.654**
4.	**Development projects in progress and prepayments for intangible fixed assets**		
	Cost 1 January 2018	6.526	0
	Additions during the year	5.985	6.526
	Transfers	-6.526	0
	Cost 31 December 2018	**5.985**	**6.526**
	Book value 31 December 2018	**5.985**	**6.526**

Notes

DKK in thousands.

		31/12 2018	31/12 2017
5.	**Other plants, operating assets, and fixtures and furniture**		
	Cost 1 January 2018	459	459
	Cost 31 December 2018	**459**	**459**
	Amortisation and writedown 1 January 2018	-342	-189
	Depreciation for the year	-100	-153
	Amortisation and writedown 31 December 2018	**-442**	**-342**
	Book value 31 December 2018	**17**	**117**

		31/12 2018	31/12 2017
6.	**Decoration rented premises**		
	Cost 1 January 2018	1.289	1.289
	Additions during the year	162	0
	Cost 31 December 2018	**1.451**	**1.289**
	Depreciation and writedown 1 January 2018	-541	-287
	Depreciation for the year	-271	-254
	Depreciation and writedown 31 December 2018	**-812**	**-541**
	Book value 31 December 2018	**639**	**748**

7. Equity investments in group enterprises

Group enterprises:

	Domicile	**Share of ownership**
Acasma AB	Stockholm	100 %
Ageras AS	Oslo	100 %
Ageras N.V.	Amsterdam	100 %
Ageras GmbH	Berlin	100 %
Få Det Gjort.dk ApS	Copenhagen	100 %
JUF.dk ApS	Copenhagen	100 %
Leads2Leads N.V.	Amsterdam	100 %
Boekhouding Offerteservice B.V.	Amsterdam	100 %

Notes

DKK in thousands.

		31/12 2018	31/12 2017
8.	**Contributed capital**		
	Contributed capital 1 January 2018	545	500
	Cash capital increase	88	45
	Cash capital reduction	-64	0
		569	**545**

		31/12 2018	31/12 2017
9.	**Share premium account**		
	Share premium account 1 January 2018	0	3.419
	Share premium account for the year	22.248	31.185
	Transferred to results brought forward	-22.248	-34.604
		0	**0**

		31/12 2018	31/12 2017
10.	**Reserve for development expenditure**		
	Reserve for development expenditure 1 January 2018	10.941	6.525
	Transferred from results brought forward	5.985	6.526
	Depreciation	-2.756	-2.110
		14.170	**10.941**

		31/12 2018	31/12 2017
11.	**Results brought forward**		
	Results brought forward 1 January 2018	-8.785	-26.749
	Adjustment due to changed procedures	0	594
	Profit or loss for the year brought forward	-14.701	-12.267
	Acquired treasury shares	-3.592	-477
	Exchange rate adjustment, foreign subsidiary	0	-74
	Transferred over the distribution of loss	-3.229	-4.416
	Transferred from share premium account	22.248	34.604
		-8.059	**-8.785**

DKK in thousands.

12. Mortgage and securities

For bank debts, the company has provided security in company assets. This security comprises goodwill, developement costs, receivable from sales and services, decoration rented premises, tools and equipment.

13. Contingencies

Contingent liabilities

Rental agreement liability

The company has provided a guarantee for rental agreement with The Confederation of Danish Industry (DI) of DKK 4.97 mio.

The annual report for Ageras A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

The profit and loss account

Net turnover

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Cost of sales

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

Other external costs

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Intangible fixed assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the profit and loss account as costs in the acquisition year.

Patents and licenses are measured at cost with deduction of accrued amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licenses are amortised over the contract period, however, for a maximum of 10 years.

Gain and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Gain or loss are recognised in the profit and loss account as other operating income or other operating expenses respectively.

Goodwill

Acquired goodwill is measured at cost with deduction of accumulated amortisation. As it is not possible to determine a reliable estimate of the useful life, the amortisation period is set at 10 years.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	Useful life
Other plants, operating assets, fixtures and furniture	*3-5 years*

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Leasing contracts

At the first recognition in the balance sheet, leasing contracts concerning tangible fixed assets by which the company holds all essential risks and advantages attached to the proprietary right (financial leasing) are measured either at fair value or at the present value of the future leasing services, whichever value is lower. When calculating the present value, the internal interest rate of the leasing contract or alternatively the borrowing rate of the enterprise is used as discount rate. Afterwards, financially leased assets are treated in the same way as other similar tangible assets.

The capitalised residual leasing liability is recognised in the balance sheet as a liability, and the interest part of the leasing contract is recognised in the profit and loss account over the term of the contract.

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

Decoration of rented premises

Decoration of rented premises are measured at cost with deduction of accrued depreciation. Depreciation takes place on a straight-line basis over the estimated useful life of the asset, which is set at 5 years.

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Group enterprises and associated enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

Profit or loss in connection with the sale of group enterprises are measured as the difference between the sales amount and the book value of net assets at the time of the sale, inclusive of remaining consolidated goodwill and expected costs for sale and cession. Profit and loss are recognised in the profit and loss account under net financials.

In connection with the acquisition of new group enterprises and associated enterprises, the acquisition method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for decided restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of the revaluations carried out is taken into consideration.

Positive differences (goodwill) between cost and fair value of identifiable, acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises, and they are amortised over their estimated useful life. The useful life is determined on the basis of the management's experience with the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a long-range earnings potential. The book value of goodwill is evaluated currently and written down in the profit and loss account in those cases where the book value exceeds the expected future net income from the enterprise or the activity, to which the goodwill is attached.

Other securities and equity investments

Securities and equity investments recognised under fixed assets comprise listed bonds and shares which are measured at fair value on the balance sheet date. Listed securities are measured at market price.

Other unlisted securities are measured at cost. Writedown takes place to the recoverable amount, if this value is lower than the book value.

Deposits

Deposits are measured at amortised cost and represent rent deposits, etc.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Work in progress for the account of others

Contract work in progress is measured at the selling price of the work performed, however with deduction of invoicing on account and expected losses. Contract work in progress is characterised by the manufactured goods featuring a high level of individualisation in the design. Furthermore, it is a requirement that before work is commenced, a binding contract is to be been entered into, implying penalty or damages in case of subsequent cancellation.

The selling price is measured on the basis of the stage of completion on the balance sheet date and the total expected income from the individual contracts. The stage of completion is determined on the basis of an evaluation of the work performed, usually determined as the ratio of the costs incurred to the total expected cost of the contract in question.

When it is probable that the total contract costs will exceed the total contract revenue, the expected contract loss is immediately recognised as costs and provisions.

If the results of a contract can not be estimated reliably, the selling price is only recognised on a cost basis, however, to the extent that it is probable that the costs will be recovered.

Contracts for which the selling price of the work performed exceeds invoicing on account and expected losses are recognised as trade debtors. Contracts for which invoicing on account and expected losses exceed the selling price are recognised as liabilities.

Prepayments from customers are recognised under liabilities.

Costs in connection with sales work and the achievement of contracts are recognised in the profit and loss account when incurred.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Reserves for development costs

Reserves for development costs comprise recognised development costs with deduction of related deferred tax liabilities. The reserves can not be used as dividend or for payment of losses. The reserves are reduced or dissolved if the recognised development costs are amortised or abandoned. This takes place by direct transfer to the distributable reserves of the equity.

Corporate tax and deferred tax

Current tax receivable and tax 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 previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Ageras A/S is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, Ageras A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Payable and receivable joint taxation contributions are recognised in the balance sheet as "Receivable corporate tax" or “Payable corporate tax".

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry?over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set?off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

Liabilities relating to investment properties are measured at amortised cost.

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