ACT.Global A/S

Kajakvej 2, 2770 Kastrup

Company reg. no. 35 03 50 44

Annual report

1 July 2018 - 30 June 2019

The annual report has been submitted and approved by the general meeting on the 29 January 2020.

Jens Blomgren-Hansen
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 ACT.Global A/S for the financial year 1 July 2018 to 30 June 2019.

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 30 June 2019 and of the company's results of its activities in the financial year 1 July 2018 to 30 June 2019.

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.

Kastrup, 28 January 2020

Managing Director

Carsten Jensen

Board of directors

Carsten Jensen	Carlos Christensen	Geza Balint

Independent auditor's report

To the shareholders of ACT.Global A/S

Opinion

We have audited the annual accounts of ACT.Global A/S for the financial year 1 July 2018 to 30 June 2019, 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 30 June 2019 and of the results of the company's operations for the financial year 1 July 2018 to 30 June 2019 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.

Emphasis of matter

We draw attention to note 1 to the financial statements which describes the managements assessment of the company's financial risk and going concern assumptions, which may be associated with significant uncertainty. Our opinion is not qualified in respect of this matter.

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.

Independent auditor's report

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.

Independent auditor's report

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 Statements Act. We did not find any material misstatement in the management's review.

Copenhagen, 28 January 2020

Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36

Martin Bomholtz
State Authorised Public Accountant
mne34117

Company data

The company	ACT.Global A/S Kajakvej 2 2770 Kastrup	
	Company reg. no.	35 03 50 44
	Established:	1 February 2013
	Financial year:	1 July - 30 June
Board of directors	Carsten Jensen Carlos Christensen Geza Balint	
Managing Director	Carsten Jensen	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	

Management's review

The Business

ACT.Global’s mission is to save lives by protecting humans and animals from damaging microbes and harmful organic chemicals. Thus, the Company copies nature’s own disinfection methods, creating an effective and sustainable disinfection solution branded as Premium Purity™. The solution is especially beneficial in industries where low-microbial environments and excellent air quality are important, or even crucial. In these industries, Premium Purity™ also helps reducing the use of toxic chemicals, water, and plastic.

Achievements

Excellent results from field testing and customer feedback have increased positive press coverage initiated by satisfied customers, which in turn is leading to new business dialogues and demand for operational support.

Consequently, ACT.Global has acquired qualified competencies required to support and elevate the business roll-out, where staffing has grown by over 25% and the office space at its headquarters in Copenhagen has doubled, also to house a showroom and partner training facilities.

A comprehensive “Business Concept” support package has been developed for partners, facilitating competency build-up with efficient and consistent roll-out in foreign markets.

As part of the Company’s effort to refine its extensive line of application areas, it has streamlined to focus on four key segments: Healthcare, Hospitality, Food industry and Beverage industry.

Financials

As a part of the business model, the company obtains license fees for sales of territorial rights for operating of the company’s products. Agreements for sale of the territorial rights are irrevocable and leave the company without any further/other liabilities. The company only enters into agreements with partners who Management assess have the financial strengths and the commercial capabilities to buy and operate the territorial rights.

The company has sold territorial rights of DKK 178m of which DKK 30m has been taken into the accounts. Management has decided to take a conservative approach in assessing the revenue recognition. Until track records show sufficient correlation between signed agreements, operations and license payments, the license fees are not taken to the accounts.

As a consequence of the above principle, Management has provisioned for DKK 75m in license fees recognized in previous years. These license fees will be taken to the accounts when they satisfy the recognition principles described above.

Profit and loss account 1 July - 30 June

DKK in thousands.

Note		2018/19	2017/18
	Gross loss	**-79.924**	**29.421**
3	Staff costs	-22.948	-14.194
	Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-1.643	-625
	Operating profit	**-104.515**	**14.602**
	Other financial income from group enterprises	888	818
	Other financial income	122	149
4	Other financial costs	-17.978	-8.968
	Results before tax	**-121.483**	**6.601**
5	Tax on ordinary results	549	-1.688
	Results for the year	**-120.934**	**4.913**

Proposed distribution of the results:

	2018/19	2017/18
Allocated to results brought forward	0	4.832
Allocated to other reserves	355	81
Allocated from results brought forward	-121.289	0
Distribution in total	**-120.934**	**4.913**

Balance sheet 30 June

DKK in thousands.

Assets

Note		2019	2018
	Fixed assets		
6	Completed development projects, including patents and similar rights arising from development projects	11.034	0
7	Acquired concessions, patents, licenses, trademarks and similar rights	8.003	7.808
8	Development projects in progress and prepayments for intangible fixed assets	0	11.170
	Intangible fixed assets in total	19.037	18.978
	Other plants, operating assets, and fixtures and furniture	1.136	1.503
	Tangible fixed assets in total	1.136	1.503
9	Equity investments in group enterprises	0	1.828
	Deposits	2.118	1.423
	Financial fixed assets in total	2.118	3.251
	Fixed assets in total	**22.291**	**23.732**
	Current assets		
	Manufactured goods and trade goods	729	2.587
	Inventories in total	729	2.587
	Trade debtors	31.999	79.817
	Amounts owed by group enterprises	6.661	16.409
	Other debtors	1.216	3.269
	Debtors in total	39.876	99.495
	Available funds	27.798	8.052
	Current assets in total	**68.403**	**110.134**
	Assets in total	**90.694**	**133.866**

Balance sheet 30 June

DKK in thousands.

Note	Equity and liabilities	2019	2018
	Equity		
10	Contributed capital	1.370	1.000
11	Share premium account	0	0
12	Reserve for development expenditure	402	81
13	Results brought forward	43.874	32.197
	Equity in total	**45.646**	**33.278**
	Provisions		
	Provisions for deferred tax	0	549
	Provisions in total	**0**	**549**
	Liabilities		
14	Leasing liabilities	0	133
	Long-term liabilities in total	0	133
	Short-term part of long-term liabilities	91	262
	Bank debts	128	0
	Trade creditors	11.582	8.206
	Debt to shareholders and management	16.504	79.731
	Other debt	16.677	11.699
	Accrued expenses	66	8
	Short-term liabilities in total	45.048	99.906
	Liabilities in total	**45.048**	**100.039**
	Equity and liabilities in total	**90.694**	**133.866**

1 Financial risk and going concern

2 Special items

15 Contingencies

Notes

DKK in thousands.

1. Financial risk and going concern

Management budget for the financial year 2019/20 shows a positive cash flow. The budget is considering the current burn rate on expenses and budgeted incoming cash revenue streams. The timing of incoming revenue streams are the most uncertain assumptions in the budget.

Management believes that the budgeted incoming cash revenue streams are very realistic. In that matter, Management refers to the section “Financials” in the Management`s review, where Management describes the company’s current commercial situation as well as the number of signed territorial license agreements and ongoing operations in these markets.

If the timing of incoming cash from license fee is postponed and not paid in accordance with Management expectations, one of the company’s owners have committed to inject additional cash to ensure sufficient financing to continue the operations. Also, Management have the possibility to decrease company expenses, if necessary.

Therefore, Management consider the company to be a going concern and the Financial Statements has been prepared in accordance with the going concern assumption.

2. Special items

The management has recognised a provision of DKK 75m on receivables from sale of licenses which were overdue at 30 June 2019 and have not been recovered subsequently. The provision is included in the gross loss.

	2018/19	2017/18
3. Staff costs		
Salaries and wages	20.131	12.543
Pension costs	903	448
Other costs for social security	1.914	127
Other staff costs	0	1.076
	22.948	**14.194**
Average number of employees	29	14

Notes

DKK in thousands.

		2018/19	2017/18
4.	**Other financial costs**		
	Writedown of equity investments in group enterprises	1.838	0
	Writedown of amounts owed by group enterprises	12.270	258
	Other financial costs	3.870	8.710
		17.978	**8.968**

The management has planned to merge the company with its Danish subsidiries during the financial year 2019/20. By the merger the subsidiaries will be liquidated and all operations, assets and liabilities of the subsidiaries will be transferred to the parent company. Therefore a write down of equity investments and receivables with the subsidiaries have been recognised based on the equity of the individual subsidiaries at 30 June 2019.

		2018/19	2017/18
5.	**Tax on ordinary results**		
	Adjustment for the year of deferred tax	-549	1.688
		-549	**1.688**

		2018/19	2017/18
6.	**Completed development projects, including patents and similar rights arising from development projects**		
	Cost 1 July 2018	0	0
	Transfer from note 8	11.626	0
	Cost 30 June 2019	**11.626**	**0**
	Amortisation and writedown 1 July 2018	0	0
	Amortisation for the year	-592	0
	Amortisation and writedown 30 June 2019	**-592**	**0**
	Book value 30 June 2019	**11.034**	**0**

Notes

DKK in thousands.

		30/6 2019	30/6 2018
7.	**Acquired concessions, patents, licenses, trademarks and similar rights**		
	Cost 1 July 2018	7.942	4.376
	Additions during the year	688	3.566
	Cost 30 June 2019	**8.630**	**7.942**
	Amortisation and writedown 1 July 2018	-134	-10
	Amortisation for the year	-493	-124
	Amortisation and writedown 30 June 2019	**-627**	**-134**
	Book value 30 June 2019	**8.003**	**7.808**
8.	**Development projects in progress and prepayments for intangible fixed assets**		
	Cost 1 July 2018	11.170	11.089
	Additions during the year	455	81
	Transfer to note 6	-11.625	0
	Cost 30 June 2019	**0**	**11.170**
	Book value 30 June 2019	**0**	**11.170**

Notes

DKK in thousands.

	30/6 2019	30/6 2018
9. Equity investments in group enterprises		
Acquisition sum, opening balance 1 July 2018	1.829	677
Additions during the year	9	1.161
Disposals during the year	0	-10
Cost 30 June 2019	**1.838**	**1.828**
Impairment	-1.838	0
Writedown 30 June 2019	**-1.838**	**0**
Book value 30 June 2019	**0**	**1.828**

The financial highlights for the enterprises according to the latest approved annual reports

	Share of ownership	**Equity**	**Results for the year**	**Book value at ACT.Global A/S**
ACT. Healtcare ApS, Tårnby	100 %	-843	-148	0
ACT. Global R&D ApS, Tårnby	80 %	-2.578	-642	0
ACT. Global Sport ApS, Tårnby	90 %	-5.330	-970	0
ACT. Global Marine ApS, Tårnby	75 %	-4.590	-143	0
ACT.Global Sales Malaysia SDN.BHD, Malaysia	100 %	-1.019	-889	0
ACT.Global Production Malaysia SDN.BHD, Malaysia	100 %	-19	-9	0
		-14.379	**-2.801**	**0**

With reference to the information in note 4, a write down of equity investments and receivables with the subsidiaries have been recognised based on the equity of the individual subsidiaries at 30 June 2019. The total write down on receivables from subsidiaries amounts to DKK 12,3m.

Notes

DKK in thousands.

		30/6 2019	30/6 2018
10.	**Contributed capital**		
	Contributed capital 1 July 2018	1.000	1.000
	Cash capital increase	370	0
		1.370	**1.000**

The share capital consists of 1,37 mio. shares, each with a nominal value of DKK 1.
All shares have same rights.

Own shares

The enterprise' holding of own shares is 500 shares of DKK 1 each, corresponding to 0,04 % of the contributed capital.
During the year, the enterprise acquired 86.852 own shares of DKK 1 each. The purchase price represents DKK 34.7m. The company has acquired own shares with a view to reselling the shares to new shareholders. All own shares have been purchased and sold at the same price per share.
During the year, the enterprise has disposed of 88.746 own shares of DKK 1 each. The selling price is DKK 35.5m.

		30/6 2019	30/6 2018
11.	**Share premium account**		
	Share premium account 1 July 2018	0	0
	Share premium account for the year	147.473	0
	Transferred to results brought forward	-147.473	0
		0	**0**

		30/6 2019	30/6 2018
12.	**Reserve for development expenditure**		
	Reserve for development expenditure 1 July 2018	81	0
	Transferred from results brought forward	455	81
	Depreciation for the year regarding development expenditure	-34	0
	Deferred tax	-100	0
		402	**81**

Notes

DKK in thousands.

		30/6 2019	30/6 2018
13.	**Results brought forward**		
	Results brought forward 1 July 2018	32.197	15.782
	Profit or loss for the year brought forward	-121.289	4.832
	Transferred from share premium account	147.473	0
	Depreciation for the year regarding development expenditure	34	0
	Capital transactions costs	-15.449	-5.631
	Treasury Shares Account	908	17.214
		43.874	**32.197**

		30/6 2019	30/6 2018
14.	**Leasing liabilities**		
	Leasing liabilities in total	91	395
	Share of amount due within 1 year	-91	-262
		0	**133**
	Share of liabilities due after 5 years	0	0

15. Contingencies

The company has entered into a rent agreement with a current annual rent payment of TDKK 3.854. The rent agreement can not be terminated before June 2022.

The company has provided it's subsidiaries ACT.Global Marine ApS, ACT.Global Healthcare ApS, ACT.Global R&D ApS and ACT.Global Sport ApS with a letter of support, which oblige the company to maintain current loans to the subsidiaries, and to provide the subsidiaris with the necessary funds as may be required to ensure that the subsidiaries maintains capital and liquidity levels to enable the subsidiaries at all times to meet their obligations in conformity with standards of prudence generally accepted for the subsidiaries field of business. The letters of support are valid until 30 June 2020.

Other contingent liabilities have been assessed by management to the amount of TDKK 1.135. Other contingent liabilities includes operational leasing liabilities and other contingencies and commitments which management have assessed less probable to result in af future outflow of economic benefits and consequently do not meet the recognition citeria.

Notes

DKK in thousands.

15. Contingencies (continued)

Joint taxation

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

Accounting policies used

The annual report for ACT.Global 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.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Accounting policies used

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

The profit and loss account

Gross loss

The gross loss comprises the revenue, including revenue, income from sale of licences/territorial rights, raw materials and consumables used, production cost, selling costs, vehicle cost, cost of premises and administration costs.

Revenue 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. Revenue is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

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, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

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.

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).

Accounting policies used

The balance sheet

Intangible fixed assets

Development projects, patents, and licences

Development costs comprise e.g. salaries, wages, and other external costs which directly refer to the development activities.

Clearly defined and identifiable development projects are recognised as intangible fixed assets provided that the technical feasibility, sufficient resources, and a potential market or a development opportunity can be demonstrated, and provided that it is the intention to produce, market or utilise the project. It is, however, a condition that the cost can be calculated reliably and that a sufficiently high degree of certainty indicates that future earnings will cover the costs for production, sales, and administration. Other development costs are recognised in the profit and loss account concurrently with their realisation.

Development costs recognised in the balance sheet are measured at cost with deduction of accrued depreciation and writedown.

After completion of the development work, capitalised development costs are amortised on a straight line basis over the estimated financial useful life. Usually, the amortisation period is 10 years.

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. Profit or loss is recognised in the profit and loss account under amortisation.

Tangible fixed assets

Other 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.

Accounting policies used

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

	Useful life	Residual value
Other plants, operating assets, fixtures and furniture	*3-5 years*	*0-20 %*

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 loss is recognised in the profit and loss account under depreciation.

Leases

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

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

Leases are regarded as operating leases. Payments in connection with operating leases and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operating leases 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.

Accounting policies used

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 and associated enterprises

Equity investments in group enterprises and associated enterprises are measured at cost. In case the recoverable amount is lower than the cost, writedown takes place to this lower value.

Deposits

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

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

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 recoverable value.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Own shares

Purchase prices and sales prices of own shares are recognised directly in the equity. The capital reduction in connection with the cancellation of own shares reduces the share capital by an amount corresponding to the nominal value of the shares and increases the results brought forward respectively. The dividend of own shares is recognised directly in the equity under results brought forward.

Share premium

Share premium comprises amounts paid as premium in connection with the issue of shares. Costs in connection with a carried through issue are deducted in the premium. The premium reserve may be utilised as dividend, issue of bonus shares, and for payment of losses.

Accounting policies used

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.

ACT.Global 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, ACT.Global 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

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

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

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