Bookboon Corporate A/S
Annual Report

for 1 January 2021 - 31 December 2021

Falkoner Allé 1, 2., 2000 Frederiksberg

CVR no: 36470666

The Annual Report was presented and adopted at the
Annual General Meeting of the Company on 1 April 2022

Niels Thomas Buus Madsen
Chairman of the General Meeting

Contents

Company Information

The Company
Bookboon Corporate A/S
Falkoner Alle 1, 2.
2000 Frederiksberg

Central Business Registration No:	36 47 06 66
Registered in:	Copenhagen
First year:	1 January 2019 to 31 December 2019
Financial period:	1 January 2021 to 31 December 2021
Municipality of reg. office:	Copenhagen, Denmark

Board of directors
Jesper Jarlbæk, Chairman
Lars Fløe Nielsen, Vice-Chairman
Jannick Birger Pedersen
Niels Thomas Buus Madsen
Niels Kristian Buus Madsen

Executive Board
Niels Kristian Buus Madsen
Niels Thomas Buus Madsen

Auditors
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Key figures

	2021 EUR	2020 EUR	2019 EUR	2018 EUR	2017 EUR
Financial highlights					
Profit and loss accounts					
Revenue	8.053.360	6.188.227	5.237.989	4.011.318	3.332.420
Profit/(loss) for the year	290.750	284.127	(299.530)	(437.615)	(771.123)
Balance sheet					
Total assets	11.398.604	9.756.369	8.407.861	8.226.622	7.842.423
Total equity	4.461.392	4.263.914	3.553.124	3.970.112	6.202.595
Cash flows					
Operating activities	409.893	1.851.173	16.628	4.967	(833.891)
Investing activities	(400.561)	(370.925)	(427.805)	(694.761)	485.629
Hereof investments in intangible and tangible fixed assets	(400.561)	(370.925)	(427.805)	(412.842)	(44.099)
Financing activities	(238.372)	406.081	421.308	642.156	269.026
Net cash flow for the period	(229.040)	1.886.329	10.131	63.799	112.847
Employees					
Average number of employees	53	31	32	31	32
Average number of staff, incl freelancers	83	66	59	54	42
Key Ratios					
Solvency ratio (%)	39%	45%	42%	48%	79%

The company has implemented IFRS on 1 January 2019. The comparative figures for 2018, 2017 and 2016 are presented in accordance with the Danish Financial Satements Act.

The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts.

Management's Review

Key activities of the Group

The Bookboon Group consists of Bookboon Corporate A/S, Bookboon ApS and Bookboon.Com Ltd. (UK)

The key business activity of the Bookboon Group is to provide Digital Learning within Soft Skills and Business Skills. The main source of revenue is from B2B Corporate Learning solutions, based on a SAAS subscription revenue model.

The Bookboon Learning Solution is a simple, easy-to-use, and highly effective solution for improving employee soft skills and business knowledge. Bookboon's offerings include Audio Learning, eBooks, and eLearning. Our content provides perfect one hour learning experiences for busy managers and professionals. Our high-quality content is created by leading industry experts. Our extensive learning solution includes relevant titles for everyone from the CEO to the engineer to the assistant. Our content is available in up to ten languages.

The Bookboon Learning Solution is well-known as a market leader within corporate learning due to its superior user experience, modern-day bite size learning, and great customer support. We are setting new standards for employee engagement in digital learning at companies around the world.

Developments in 2021

In 2021 Bookboon has experienced significant growth in a number of areas. The second year of the pandemic increased both the need and awareness of digital learning and soft skills in all of Bookboon's key markets. There has been a significant increase in overall learning consumption during 2021.

Overall, we are pleased to have achieved 30% growth in Recognized Revenue (ARR) during 2021.

The growth was driven by good performance and demand for our products in established key markets within the EU, as well as our continued successful expansion into North America, and South Africa.

Due to multiyear contracts, entered by our customers, Bookboon had contracted commitments from customers of 14 m EUR as of 31 December 2021 (2020: 11,1 m EUR) in future Recognized Revenue for 2022 and the following years.

Our strong growth is the result of our dedicated and passionate associates and our satisfied customers (NPS of 70). In 2021, the number of associates grew by 26% to 83.

Management's Statement

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Company Bookboon A/S for the financial year 1 January – 31 December 2021

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and the Parent Company Financial Statements have been prepared in accordance with the Danish Financial Statements Act. Management's Review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year 1 January - 31 December 2021.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

Frederiksberg, 1 April 2022

Executive Board

Niels Thomas Buus Madsen	Niels Kristian Buus Madsen

Board of Directors

Jesper Jalbæk Chairman	Lars Fløe Nielsen Deputy Chairman
Jannick Birger Pedersen	Niels Thomas Buus Madsen
Thorsten Erik Ramsing	Niels Kristian Buus Madsen

Independent Auditor's Report

To the Shareholders of Bookboon Corporate A/S

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2021 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2021 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2021 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Bookboon Corporate for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group ("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 Group 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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement 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 Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Company 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.

· Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, 1 April 2022
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Leif Ulbæk Jensen	Jakob Thisted Binder
State Authorised Public Accountant	State Authorised Public Accountant
mne23327	mne42816

Consolidated statement of comprehensive income

For the period 1 January - 31 December	Notes	2021 EUR	2020 EUR
Revenue from contracts with customers	3	8.053.360	6.188.227
Cost of sales		(2.882.928)	(2.577.773)
Gross profit		**5.170.432**	**3.610.454**
Other external expenses	4	(1.698.278)	(1.225.782)
Staff expenses	5	(2.808.112)	(1.633.703)
Amortisation and depreciation	7	(501.080)	(370.883)
Profit/(loss) before net financials		**162.962**	**380.086**
Financial income	8	224.305	4.940
Financial expenses	9	(61.080)	(224.650)
Profit/(loss) before tax		**326.187**	**160.375**
Income tax	10	(35.437)	123.752
Profit/(loss) for the year		**290.750**	**284.127**
Other comprehensive income			
Items that will be subsequently reclassified to profit or loss			
Exchange differences on translation of foreign operations		(137.686)	171.699
Other comprehensive income for the period, net of tax		**(137.686)**	**171.699**
Total comprehensive income for the period		**153.064**	**455.827**

Consolidated Balance Sheet

	Notes	31 December 2021 EUR	31 December 2020 EUR
Intangible assets	11	5.044.247	4.876.006
Other fixtures and fitting, tools and equipment	12	56.151	49.213
Right-of-use assets	13	382.621	558.972
Deposits		35.871	34.861
Deferred tax assets	14	20.557	25.683
Total non-current assets		**5.539.447**	**5.544.736**
Trade receivables	15	2.847.315	1.513.623
Corporation tax, receivable	10	22.645	22.636
Other receivables		353.955	35.308
Prepayments	16	863.712	686.142
Cash and cash equivalents		1.771.530	1.953.924
Total current assets		**5.859.157**	**4.211.633**
Total assets		**11.398.604**	**9.756.369**

	Note	31 December 2021 EUR	31 December 2020 EUR
Share capital	17	81.844	81.813
Foreign currency translation reserve		(81.419)	56.602
Retained earnings		4.460.967	4.125.499
Total equity		**4.461.392**	**4.263.914**
Lease liabilities	13	177.276	368.127
Other payables		0	61.369
Total non-current liabilities		**177.276**	**429.497**
Credit institutions	19	730.047	745.798
Trade payables		1.057.486	821.784
Lease liabilities	13	220.338	205.675
Other payables		457.453	197.570
Deferred revenue	20	4.294.613	3.092.130
Total current liabilities		**6.759.937**	**5.062.958**
Total liabilities		**6.937.212**	**5.492.455**
Total equity and liabilities		**11.398.604**	**9.756.369**

Consolidated Statement of Changes in Equity

	Notes	Share capital EUR	Share premium EUR	Foreign currency translation reserve EUR	Retained earnings EUR	Total EUR
Equity at 01.01.2020	17	**80.277**	**0**	**(115.073)**	**3.587.920**	**3.553.124**
Profit for the period					284.127	284.127
Other comprehensive income				171.699		171.699
Exchange rate difference on share capital and premium		328		(328)		0
Total comprehensive income for the period		**328**	**0**	**171.371**	**284.127**	**455.827**
Transactions with owners in their capacity as owners						
Capital increase		1.208			215.081	216.288
Share-based payments	6		0	0	38.675	38.675
Total transactions with owners		**1.208**	**0**	**0**	**253.755**	**254.963**
Equity at 31.12.2020		**81.813**	**0**	**56.298**	**4.125.802**	**4.263.914**
Profit for the period					290.750	290.750
Other comprehensive income				(137.686)		(137.686)
Exchange rate difference on share capital and premium		31		(31)		0
Total comprehensive income for the period		**31**	**0**	**(137.717)**	**290.750**	**153.064**
Transactions with owners in their capacity as owners						0
Capital increase						
						0
Share-based payments	6	0	0	0	44.415	44.415
Total transactions with owners		**0**	**0**	**0**	**44.415**	**44.415**
Equity at 31.12.2021		**81.844**	**0**	**(81.419)**	**4.460.967**	**4.461.392**

Consolidated Cash Flow Statement

For the period 1 January - 31 December	Notes	2021 EUR	2020 EUR
Profit/loss for the period		290.750	284.127
Adjustments	26	397.197	519.956
Changes in net working capital	26	(290.659)	807.781
Interests received		37.145	1.285
Interests paid		(73.938)	(41.330)
Income taxes received	10	49.397	279.355
Net cash flow from operating activities		**409.893**	**1.851.173**
Purchase of intangible assets	11	(373.068)	(335.571)
Purchase of tangibleassets		(27.493)	(35.353)
Net cash flow from investing activities		**(400.561)**	**(370.925)**
Capital increase		0	216.288
Increase in borrowing		26.048	704.232
Repayment of borrowings		(46.912)	(358.903)
Effects of exchangerates on financing activities			
Principal elements of lease payments	13	(217.508)	(155.538)
Dividend paid		0	0
Cash flow from financing activities		**(238.372)**	**406.081**
Net cash flow for the period		**(229.040)**	**1.886.329**
Cash and cash equivalents, beginning of the period		1.953.924	78.033
Effects of exchange rate changes on cash and equivalents		29.852	(3.968)
Cash and cash equivalents at end of the period		**1.754.736**	**1.960.394**
Cash and cash equivalents comprise the following:			
Cash at bank and in hand		1.754.736	1.960.394
Effects of exchange rate changes on cash and equivalents		16.794	(6.470)
Cash and cash equivalents at end of the period		**1.771.530**	**1.953.924**

Notes

1. Accounting policies
2. Critical accounting estimates and judgements
3. Revenue from contract with customers
4. Other external expenses
5. Staff expenses
6. Share-based payment plans
7. Depreciation, amortisation and impairment of intangible assets
8. Financial income
9. Financial expenses
10. Tax on profit for the year
11. Intangible assets
12. Property, plant and equipment
13. Right-of-use-assets
14. Deferred tax assets
15. Trade receivables
16. Prepayments
17. Share capital
18. Financial assets and liabilities
19. Deferred revenue
20. Financial risk management
21. Capital Management
22. Changes in liabilities arising from financial activities
23. Commitments and contingent liabilities
24. Events after the balance sheet date
25. Cash flow specifications
26. List of group companies

Notes

1. Accounting policies

The activity of Bookboon Corporate A/S and group companies (the Group), consists of a Digital Learning universe within Soft skills and Business Skills. The main source of revenue is from B2B Corporate Learning customers, based on a SAAS income model.

The consolidated financial statements have been prepared under the historical cost conversion, except for certain financial instruments that are measured at fair value, statement about accounting principles unchanged from last year.

Basis for consolidation principles

The consolidated financial statements include the parent company, Bookboon Corporate A/S, and its subsidiaries. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Unrealised gains and losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Foreign currency translation

Functional and presentation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the individual entity operates ("the functional currency").

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Notes

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

Translation of share capital and share premium
Share capital and share premium denominated in a currency that differs from the groups presentational currency is translated at each year end using the closing rate. All resulting exchange differences noted on retranslating equity items are recognised directly in equity as part of the foreign currency translation reserve and does not form part of other comprehensive income.

Revenue from contracts with customers
Revenue is recognised when the performance obligations in the contract are satisfied by transferring control of the promised service or learning product. There is typically only one performance obligations to satisfy in the contracts. Control transfers over time as revenue comprise an access to web portal or learning services. Revenue is recognised when the client has obtained control of the service and has the ability to use and obtain substantially all the benefits from the service.

Revenue from services delivered are recognised based on the price specified in the contract with the customer. The recognised revenue is measured at fair value excluding VAT, all discounts are recognised in revenue, and revenue is recognised per the duration of the contract as the service are being delivered.

Revenue is recognised on a straight-line basis, over the duration of the contract. The contracts vary in length, typically lasting from anything from 12 to 36 Months. Contracts are typically invoiced upfront for the coming 12 Month period.

Payment terms are generally 30 days net.

The group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

There is no variable consideration included in the transaction.

Cost of sales
Sales cost comprise costs incurred to achieve the year's revenue. Cost of sales primarily include expenses for author's fee and royalties, sales commissions, agent fees and sales related external consultants.

Other external expenses
Other external expenses comprise indirect production costs and expenses for premises, outsourcing fees, sales, distribution as well as office expenses etc.

Notes

Staff expenses
Staff expenses comprise wages and salaries as well as payroll expenses, costs under share-based payments programs.

Amortisation and depreciation
Amortisation, depreciation and impairment loss comprise amortisation, depreciation and impairment of, intangible asseets, leasede assets and property, plant and equipment.

Financial income and expenses
Financial income and exepenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses etc. calculated in accordance with the effective interest method.

Income tax expense
The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes

Intangible assets

Goodwill

Goodwill on acquisitions of subsidaries is included in intangible assets, goodwill is not amortised but is subject to impairment testing at least annually, more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses.

IT Development projects and ebooks

IT Development projects and eBooks are measured at cost less accumulated depreciation and less any accumulated impairment losses. Development costs cover costs and salaries directly or indirectly attributable to the 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 use the project, are recognised as intangible assets. This applies where the cost can be measured reliably and if sufficient certainty exists that future earnings cover production costs, selling costs and administrative expenses as well as the development costs. Amortisation of development projects recognised will start when the asset is ready for use.

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

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.

eBooks

Cost directly attributed to the preparation of eBooks for publishing.
eBook costs that are clearly defined and identifiable and were the eBooks are intended to be published on the platform, are recognised as intangible assets. This applies when cost can be measured reliable and if sufficient certainty exists that future earning will be generated to the Company. Amortisation of eBooks will start when the eBook is published. eBook costs that do not meet the criteria for recognition in the balance are recognised as expenses as incurred.

As of the date of publishing the capitalised eBooks costs are amortised on a straight-line basis over the period of the expected economic benefit from the published eBook.

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:

IT development projects	5 years
eBooks	5 years

Notes

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 aquisition 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	3-4 years
Leasehold improvements	4 years

Depreciation period and residual value are reassessed annually.

Leases

Leases are recognised as right-of-use assets and a corresponding liability at the date which the leased assets is available for the use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease of the Group consists property rentals and server rentals.
The assets and liabilities arising from property lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments included in property leases:
-fixed payment
-variable lease payment that are based on an index or rate; and
-payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that can be determined, or the Group's incremental borrowing rate.

Lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liability, and reducing the carrying amount to reflect the lease payments made.

Right-of-use assets are measured at cost comprising the following:
-the amount of the initial measurement of lease liability
-any lease payments made at or before the commencement date less any lease incentives received
-any initial direct costs, and
-restoration costs

Variable lease payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. The Group has no leases of low-value assets.

Notes

Impairment of intangible assets

Goodwill

Goodwill has indefinite life and are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicates that they might be impaired. The Impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group assets (cash-generating units).

Completed development projects

Non-current assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less loss allowance. The Group hold the trade receivables with the objective to collect the contractual cash flows and therefor measures them subsequently at amortised cost.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See note 14 for a description of the Group's impairment policies for trade receivables.

Other receivables

Other receivables comprise VAT receivables.

Prepayments

Prepayments comprise prepaid commission, and prepaid expenses regarding subsequent financial reporting years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances.

Equity

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Notes

Foreign currency translation reserve
Exchange differences arising on translation of the foreign controlled entity, are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Dividends
Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Financial liabilities
Borrowings are initially recognised at fair value, which is generally proceeds received, and net of transaction costs incurred. Subsequently, borrowings are measured at amortised costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.
Other financial liabilities, including trade and other payables are on initial recognition measured at fair value. The liabilities are subsequently measured at amortised cost.

Share-based payments
Share-based compensation benefits are provided to selected consultants and freelancers under two separate warrant programs. One warrant program and one "EMI Option".

Warrant programs are classified as equity arrangements. As such, the fair value of warrants granted under the programs are recognised as an expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the warrants granted including the impact of any non-vesting conditions. Accelerating vesting as both programs have date on which they can be exercised regardless of Exit. The fair value is calculated by using a Black-Scholes formula.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period the Group revises its estimate of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit and loss, with a corresponding adjustment to equity.

Further information about the warrant programs are disclosed in note 6.

Other payables
Other payables comprise VAT, holiday allowance etc.

Deferred revenue
Deferred revenue is the obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Notes

Cash flow statement
The cash flow statement shows the Group's cash flows for the year broken down by operating, investing, and financing activities, changes for the year in cash and cash equivalents as well as the Group' cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets as well as fixed asset investments.

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders and cash flows from the raising and repayment of long term debt and principal element on lease payments.

New standards and interpretations not yet adopted
Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2. Critical accounting estimates and judgements

In the preparation of the consolidated financial statements according to IFRS, Management is required to make certain estimates as many financial statement items cannot be reliably measured but must be estimated as the value of assets and liabilities often depends on future events that are somewhat uncertain.

The judgments, estimates and assumptions made are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The most critical judgments, estimates and assumptions for the individual items are described below.

Critical accounting judgement
Key accounting judgements are made when applying accounting policies. Key accounting judgements are the judgements made by the Group that can have a significant impact on the amounts recognised in the consolidated financial statements.

Notes

Critical accounting estimates
Critical accounting estimates are expectations of the future based assumptions, that to the extent possible are supported by historical trends or reasonable expectations. The assumptions may change to adapt to the market conditions and changes in economic factors etc. The Group believe that the estimates are the most likely outcome of future events.

Determine the lease term
Extension and termination options are included in a number of property leases and server leases across the Group.
In determining the lease term, Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

The assessment of reasonable certainty is only revised it a significant event or significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obligated to exercise (or not exercise) it.

Goodwill
Impairment of goodwill requires management judgement as to weather the carrying value can be supported by the net present value of the future cash flows. In calculating the net present value of the future cash flows assumptions are made including management's expectations of growth in revenue and EBITDA and the discount rate used. The cash flows are calculated based on the budgets and estimates used for management decision making.

Share-based payments
The fair value of the warrants granted have been measured using Black-Scholes that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share and the risk-free interest rate for the term of the option. The values applied for the Black-Scholes formula is derived from actual capital increases made to the parent company, which is updated annually, For further information, reference is made in note.

Provision for expected credit losses on trade receivables
The Group uses a provision matrix to calculate expected credit losses for trade receivables. The provision rate are based on days past due for groupings of customer segments that have similar loss patterns (i.e. by geography, customer, type and rating etc.)

The loss allowance for trade receivables is based on assumptions about risk of default and expected loss rates. The assumptions and inputs selected by the Group used in the impairment calculation, are based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

Notes

3. Revenue from contracts with customers

Bookboon records revenue based on the geography (based on location of the respective customers).

Geographical segmentation of external revenue specify as follows:

	2021 EUR	2020 EUR
DACH region	3.333.262	2.454.961
Rest of the world	1.441.273	925.445
Benelux	1.011.996	908.617
United Kingdom	882.014	653.126
North-America	871.437	591.159
The Nordics	453.732	589.914
Premium	59.646	64.530
Other	0	475
	8.053.360	**6.188.227**

4. Other external expenses

	EUR	EUR
Marketing	197.110	96.981
Provision for bad debt	84.060	113.871
Audit and consultancy fees	97.531	58.442
Legal fees	7.702	27.953
Consulting services	982.318	676.261
IT	242.302	179.811
Other office and administration expenses	87.255	72.462
	1.698.278	**1.225.782**

5. Staff expenses

	EUR	EUR
Wages and salaries	2.521.232	1.459.101
Other social security costs	181.255	105.613
Defined contribution pension plans	32.600	18.918
Share-based payment	44.415	38.675
Other staff costs	28.611	11.397
	2.808.112	**1.633.703**
Average number of employees	53	31

Notes

Key Management Compensation

Key Management consists of Executive Board and Board of Directors. The compensation paid or payable to key management for employee services is shown below:

	2021	2020
Executive Board:	**EUR**	**EUR**
Wages and salaries	246.764	184.121
Other social security costs	19.740	14.364
Total	**266.504**	**198.485**
Board of Directors		
Board fee	36.977	9.223
Total	**36.977**	**9.223**
Total compensation of key management personnel	**303.481**	**207.708**

6. Share-based payment plans

Bookboon Corporate A/S (Parent company) have introduced new share-based payment programs in 2021 for selected external consultants as some of the old 2018 warrant programs has expired, including the EMI option which expired in November 2021. New contracts have been entered with the consultants in 2021. We measure the value on the grant date. The consultants and employees are being granted warrants under the programs. The programs grant the participants warrants in Bookboon Corporate A/S, and are designed to provide long-term incentives to the participants throughout the Group and to create incentive to the participants to work for and contribute to future value added to the Company, thus creating a positive development in the market value of the Company's shares.

The new programs were approved by The Board of Directors in January 2022 (the grant date). However, the employees started to render the services under the share-based payment programs in 2021. Consequently, at service commencement date (different dates in 2021), the grant date fair value was estimated and the recognition of costs related to the programs commenced in 2021. Management has determined that the estimated grant fair value and the actual grant date fair value are, for all material purposes, identical. As such, there has been no change in estimate when revising the grant date fair value in March 2020.

Notes

The fair value at grant date is determined using a Black-Scholes model calculation that takes into account the share price, the exercise price, the risk-free interest rate, the expected viability and the expected time to maturity. The model inputs for the warrants included:

a. Share price at grant date: EUR 24
b. Exercise price: EUR 16-21
c. Expected price volatility of 44% - 47%
d. Risk-free interest rate: -0.34-0.58%
e. Expected maturity 5-6 years

The expected volatility is based upon an analysis of the historical volatility of peer-group public companies and factors specific to Bookboon A/S. The share price of the shares is determined using interpolation between two data points related to actual capital transactions that occurred in 2020. Actual capital increase is the basis for valuation.

The expected maturity corresponds to the expected number of years until the most likely outcome of either the occurence of an exit event or the expiration of the programs.

The shares are issued as common shares and have no special rights attached.
The terms and condition for the share-based payments programs for selected consultants are described below:

Warrant program:
The participants under the program are granted warrants in the Company for no consideration, which entitle the holder to subscribe for new shares in Bookboon A/S. The exercise price of the warrants are EUR 16 and 21.

The warrants are only exercisable upon either the occurrence of an exit ecent or until the expiration date of the program is reached (accelerating vesting). The warrants are further conditional on the warrant holder's ongoing engagement with the Company (i.e. all warrants related to bad leavers will automatically lapse and become null).
Set out below are summaries of warrants granted and outstanding under the programs:

EUR	Number of warrants	Weighted-average exercise prices	Weighted-average years to maturity	Range of exercise prices for warrants outstanding	Weighted-average fair value per warrant
Warrants as at 31 December 2020	**17.008**	131	1	**16-21**	
Granted	**6.961**	160			
Exipred	**2.789**	120			10
Warrants as at 31 December 2021	**21.180**	142		**16-21**	

The consultants started to render the services under the new share-based payment programs during 2021 and the programs were subject to approval at that date. The approval was obtained in January 2022 where the warrants were formally granted.

Notes

7. Depreciation, amortisation, and impairment of intangible assets and property, plant and	EUR	EUR
Amortisation of intangible assets	272.459	206.769
Depreciation of right-of-use assets	205.666	145.074
Depreciation of property, plant and equipment	22.955	19.041
	501.080	**370.883**

8. Financial income	EUR	EUR
Foreign exchange rate gains	224.305	3.655
Other financial income	0	1.285
	224.305	**4.940**

9. Financial expenses	EUR	EUR
Foreign exchange rate losses	10.612	199.415
Interest on lease liabilities and financial liabilities measured at amortised cost	50.467	24.878
Other financial expenses	0	357
	61.080	**224.650**

10. Tax on profit for the year	2021 EUR	2020 EUR
Current tax:		
Current tax on profits for the year	(79.699)	(47.349)
Current tax on profits for previous years	49.397	168.640
Deferred tax on profit for the year	(5.135)	6.900
Deferred tax on profit for previous years		(4.439)
	(35.437)	**123.752**
Calculated 22.0% tax on profit for the year before income tax	**(71.761)**	**(35.283)**
Tax effects of:		
Differences in the tax rates in foreign subsidiaries relative to 22%		
Taxable losses not recognised		(842)
Non-deductible expenses	(9.798)	(8.671)
Deferred tax, effect of change in tax rate		
Adjustment of tax relating to previous years		
Income utilised against previous years taxable losses not recognised	(3.275)	
Research and development tax credit	49.397	168.640
Other		(92)
	(35.437)	**123.752**
Effective tax rate	**11%**	**-77%**

Notes

11. Intangible assets	Goodwill EUR	IT & eBooks EUR	Total EUR
Cost:			
At 1 January 2020	**4.045.752**	**910.606**	**4.956.358**
Additions during the year	0	335.571	335.571
Exchange difference	15.139	(56.652)	(41.513)
At December 2020	**4.060.891**	**1.189.525**	**5.250.416**
Accumulated amortisation and impairment:			
At 1 January 2020	**0**	**182.580**	**182.580**
Amortisation for the year	0	206.769	206.769
Exchange difference	(1.401)	(13.537)	(14.938)
At December 2020	**(1.401)**	**375.811**	**374.410**
Carrying amount 31 December 2020	**4.062.292**	**813.714**	**4.876.006**
Cost:			
At 1 January 2021	**4.060.891**	**1.189.525**	**5.250.416**
Additions during the year	0	373.068	373.068
Exchange difference	3.308	99.374	102.683
At December 2021	**4.064.199**	**1.661.967**	**5.726.166**
Accumulated amortisation and impairment:			
At 1 January 2021	**(1.401)**	**375.811**	**374.410**
Amortisation for the year	0	271.021	271.021
Transfers for the year	0	0	0
Exchange difference	1.401	35.087	36.488
At December 2021	**0**	**681.919**	**681.919**
Carrying amount 31 December 2021	**4.064.199**	**980.048**	**5.044.247**

Goodwill arising from the acquisition of subsidiaries is not amortized as it is considered to have indefinite useful life. The Group tests whether goodwill has suffered any impairment on an annual basis. For the 2021 reporting period, the recoverable amount of cash generating units (CGUs) was determined based on value-in-use calculations. The expected future cash flows are based on financial budgets and estimates used by management for decision making. The short-therm double-digit growth rate assumed, reflects the increase in market share, due to the organic growth of the group. The expected long term growth rate in set to 2%, and a discount rate of 8.0% has been applied.
The Group is considered a single cash-generating unit as this is how management makes decisions and assesses business performance.

The impairment tests performed in 2021 shows significant head-room compared to the carrying amount of the goodwill, why no impairment losses has been recognised.

Notes

12. Property, plant, and equipment	Other fixtures and fittings, tools and equipment EUR	Leasehold improvements EUR	Total EUR
Cost:			
At 01.01.2020	**113.405**	**28.293**	**141.697**
Additions during the year	35.353	0	35.353
Disposals during the year	(12.739)	0	(12.739)
Exchange difference	(2.326)	116	(2.210)
At 31.12.2020	**133.693**	**28.409**	**162.102**
Accumulated amortisation and impairment:			
At 1 January 2020	**90.103**	**17.532**	**107.635**
Amortisation for the year	11.958	7.083	19.041
Disposals during the year	(12.739)	0	(12.739)
Exchange difference	(1.136)	88	(1.048)
At 31.12.2020	**88.185**	**24.703**	**112.889**
Carrying amount 31.12.2020	**45.508**	**3.705**	**49.213**
Cost:			
At 01.01.2021	**133.693**	**28.409**	**162.102**
Additions during the year	27.493		27.493
Disposals during the year	1.910		1.910
Exchange difference	(34.307)	11	(34.296)
At 31.12.2021	**128.789**	**28.419**	**157.209**
Accumulated amortisation and impairment:			
At 1 January 2021	**88.185**	**24.703**	**112.889**
Amortisation for the year	21.156	3.708	24.864
Disposals during the year	1.910		1.910
Exchange difference	(38.613)	8	(38.605)
At 31.12.2021	**72.639**	**28.419**	**101.058**
Carrying amount 31.12.2021	**56.151**	**0**	**56.151**

Notes

13. Right-of-use-assets

The Group has property leases and server leases, which are typically made for fixed periods up to five years but may have extension options. Lease terms are negotiated on individual basis an contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The Group has recognised the following amounts relating to leases:

	2021 EUR	2020 EUR
Properties, office space	301.228	471.062
IT-Servers	81.393	87.910
	382.621	**558.972**

Lease liabilities		
Current	220.338	205.675
Non-current	177.276	368.127
	397.614	**573.803**

Additions to the right-of-use assets during the year were	13.763	291.075

The statement of profit or loss shows the following amounts relating to leases:

	2021 EUR	2020 EUR
Depreciation charge of right		
Properties, office space	185.386	128.217
IT-Servers	20.280	16.857
	205.666	145.074
Interest expense (included in finance expenses)	11.963	11.203

The total cash outflow for leases in 2021 was TEUR 218 (2020 TEUR 156)

Notes

14. Deferred tax assets

	2021 EUR	2020 EUR
Tax losses	0	6.900
Tax receivable	20.557	18.783
	20.557	**25.683**

15. Trade receivables

	EUR	EUR
Trade receivables, gross	3.011.377	1.636.998
Less provision for impairment of trade receivables	(164.062)	(123.375)
Trade receivables net	**2.847.315**	**1.513.623**

Trade receivables are amounts due from customers in the ordinary course of business. Trade receivables in Bookboon Group are recognised initially at the amount of consideration that is unconditional.

The Group has applied IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all receivables.

The expected loss rates are based on the historic payment profiles of sales over a period of 24-36 months before 31.12.2021 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information affecting the ability of the customers to settle the receivables.

	0-30	31-60	61+	Total
Gross carrying amount	2.392.444	98.843	520.090	**3.011.377**
Provision for loss	-43.394	-21.939	-98.730	**-164.063**
Trade receivables, net	**2.349.051**	**76.905**	**421.359**	**2.847.315**

Movement on the Group's provision for impairment of trade receivables are as follows:	2021 EUR	2020 EUR
Opening balances	123.341	30.165
Increase in loss allowance recognised in profit or loss during the year	23.144	93.176
Receivables written off during the year as uncollectible	17.578	0
Provision for impairment of trade receivables	**164.063**	**123.341**

Trade receivables are written off when there is no reasonable expectations of recovery. Indications that there is no reasonable expectation of recovery include, amongst others, futile collection attempts, confirmed bankruptcy or liquidation.

Notes

16. Prepayments

	2021	2020
	EUR	**EUR**
Prepaid commission	765.287	609.891
Other prepayments	98.425	76.250
	863.712	**686.142**

17. Share capital and premium

	31 December 2021		31 December 2020	
The share capital comprise:	Number of shares	Nominal value EUR	Number of shares	Nominal value EUR
A shares	550.280	73.997	550.280	73.969
B shares	58.350	7.846	58.350	7.843
Share capital and premium	**608.630**	**81.844**	**608.630**	**81.813**

All shares have nominal value of DKK 1.

In the event of a voluntary liquidation, B shares shall be given preference to receive distributions corresponding to their original subscription price plus the discount rate + 4% from the time of subscription . Any Excess proceeds shall be distributed to the A shares.

18. Financial assets and liabilities

	2021	2020
Financial assets:	EUR	EUR
Financial assets at amortised costs:		
Trade receivables	2.847.315	1.513.623
Cash and equivalents	1.771.530	1.953.924
	4.618.845	3.467.547

	2021	2020
Financial liabilities:		
Financial liabilities at amortised costs:		
Trade payables	1.057.486	821.784
Lease liabilities (current and non-current)	397.614	573.803
Credit institutions	730.047	745.798
	2.185.147	2.141.385

Notes

19. Deferred revenue

Revenue is recognized on a straight-line basis, over the duration of the contract. The contracts vary in length, typically lasting from anything from 12 to 36 Months. Contracts are typically invoiced upfront for the coming 12 month period.

	2021 EUR	2020 EUR
Deferred revenue, beginning of the year	3.092.130	3.056.331
New contracts	9.342.454	6.250.820
Recognized revenue in the year	(7.993.714)	(6.123.222)
Exchange difference	(97.130)	(91.799)
Deferred revenue	4.343.740	3.092.130

20. Financial risk management

Financial risk factors

The Group manages financial risks centralised in Bookboon Corporate A/S. The Group identifies, monitors, assesses and mitigates financial risk at headquarters for all group entities. The Group is exposed to foreign exchange risk, liquidity risk and credit risk that can have a significant impact on the financial performance of the Group. Significant risks are continuously assessed by Management and the Board of Directors.

Liquidity forecast has been prepared at group level for 2022 comprising Bookboon ApS, Bookboon Ltd and Bookboon Corporate A/S. It is Management's assesment that the group has the sufficient capital ressources to support the 2022 business plan.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a balance sheet exposure will fluctuate because of changes in foreign exchange rates.
The Group operates from Denmark and United Kingdom with customers all over the world, with the majority being in Germany, United Kingdom, North America and The Netherlands. In general sales are made in functional currencies of each of the Group entities. The currency risk therefore primarily arises from sale in foreign currencies compared to fuctional currency of each of the Group entities. The majority of contracts in the group are in EUR, GBP & USD. The group has a neglible amount of contracts in high-risk currencies.

In general purchases are made in the functional currency of each of the Group entities, for the Danish company (with EUR functional currency) purchases are partly made in DKK. Due to the fixed exchange rate policy in Denmark against the EUR, the foreign exchange rate risk against the EUR is considered not material. The Group continuously assesses how these exchange rate fluctuations can affect the liquidity.

Borrowings obtained by the parent company (with DDK functional currency) in 2021 was denominated in DKK, borrowings obtained in the UK entity (with functional currency GBP) was denominated in GBP. The risk related to borrowings are considered insignificant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rates on loans are at fixed rates. Consequently, the Company's exposure to changes in interest rates is considered insignificant by Management.

Notes

Credit risk

Credit risk arises from cash and cash equivalents, as well as credit exposures to customers, including outstanding receivables. The Group's primary credit exposure is related to trade receivables and cash positions.

The credit risk of the Group is assessed to be low. Credit risk related to trade receivables is managed by a selective approach to to customers. Based on forecasts as well as historical data, the Group expects only insignificant losses related to trade receivables. The group has no major exposures to single customers or business partners.

The most significant counterparty risk is related to deposit with banks, as the Group's balance at 31 December 2021 amounts to TEUR 1.772. Bank deposits are split between the subsidiaries' banks placed in the local countries, which implies that the cash balance risk has a natural diversification. The maximum exposure corresponds to the carrying amount of deposits and cash

Liquidity risk

Based on the Group's financial reserves and credit facilities, the liquidity risk of the Group is assessed to be low. Overall, the Group's debt financing is very low. The financial position of the Group and short-term forecasts of liquidity reserves is continuously monitored by Management to ensure that sufficient financial resources are available.

The tables below analyses the Group's financial liabilities by relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months are stated at an amount equal to their carrying balances as the impact of discounting is not significant.

	Carrying amount EUR	Less than 1 year EUR	1 and 5 year EUR	More than 5 years EUR	Total EUR
As at 31.12.2021					
Trade payables	1.057.486	1.057.486			1.057.486
Credit institutions	730.047	54.888	675.159		730.047
Lease liabilities (current and non-current)	397.614	220.338	177.276	0	397.614
	2.185.147	**1.332.712**	**852.435**	**0**	**2.185.147**
As at 31.12.2020					
Trade payables	821.784	821.784			821.784
Credit institutions	745.798	45.920	483.589	216.288	745.798
Lease liabilities (current and non-current)	573.803	205.675	360.984	7.144	573.803
	2.141.385	**1.073.380**	**844.573**	**223.432**	**2.141.386**

Notes

21. Capital management

The Group's objective when managing capital is to safeguard the ability to continue as a going concern, so that the Company can provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital.

The Group's strategy is to finance the operations of the business with the cash on the balance sheet and only access the credit facilities if additional opportunities present themselves.

The Group's interest-bearing debt as at 31 December 2021 amounts to 1.127 TEUR, cash deposits at year end amounts to 1.772 TEUR.

22. Changes in liabilities arising from financing activities

This section sets out an analysis of liabilities arising from financing activities and the movements in each of the periods presented.

	1 January 2021	Cash flows	Foreign exchange movement	New leases	31 December 2021
Loans and borrowings	745	(15)	0	0	730
Lease liabilities	574	(206)	15	14	397
Total liabilities from financing activities	1.319	(221)	15	14	1.127

	1 January 2020	Cash flows	Foreign exchange movement	New leases	31 December 2020
Loans and borrowings	400	345	0	0	745
Lease liabilities	432	(156)	8	291	574
Total liabilities from financing activities	832	189	8	291	1.319

23. Commitments and contingent liabilities

Contingent liabilities

Charges and security

Company charge of total TEUR 400 (2020: TEUR 400), which provides security in receivables at a carrying amount of TEUR 1.551 (2020: TEUR 843) and property, plant and equipment at a carrying amount of TEUR 15 (2019: TEUR 21)

Notes

24. Events after the balance sheet date

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

25. Cash flow specifications

Adjustments	2021 EUR	2020 EUR
Financial income	-224.305	-4.940
Financial expenses	50.560	223.912
Depreciation, amortisation, and impairment losses, including losses and gains	501.080	370.883
Tax on profit/loss for the year	35.437	-123.842
Share based compensation	44.415	38.675
Exchange adjustments	-9.990	15.267
Other adjustments	0	0
	397.197	**519.956**

Changes in net working capital	2021 EUR	2020 EUR
Change in trade receivables	-1.273.570	467.565
Change in other receivables	-289.737	2.013
Change in prepayments	-162.523	154.520
Change in trade payables	267.964	1.494
Change in other payables	1.167.208	182.189
	-290.659	**807.781**
Lease liabilities	**397.613**	**573.803**

26. List of group companies

The Group's principal subsidiaries at 31 December 2021 are set out below:

	Type	Place of incorporation	Ownership interest
Bookboon ApS	Subsidiary	Denmark	100%
Bookboon.Com Limited	Subsidiary	United Kingdom	100%

Statement of profit or loss

	Notes	2021 EUR	2020 EUR
Gross profit/loss		**(101.946)**	**(48.368)**
		(101.946)	(48.368)
Financial income	4	24.009	20.566
Financial expenses	5	(26.615)	(3.497)
Profit/loss before tax		**(104.552)**	**(31.299)**
Tax on profit/loss for the year	6	(6.902)	6.886
Net Profit/loss for the year		**(111.454)**	**(24.413)**

Balance sheet

	Notes	31 December 2021 EUR	31 December 2020 EUR
Investment in subsidaries	7	5.109.930	5.108.007
Fixed asset investments		**5.109.930**	**5.108.007**
Fixed asset		**5.109.930**	**5.108.007**
Receivables from group enterprises		2.425.055	2.081.308
Other receivables		63.611	0
Deferred tax asset		0	6.900
Receivables		**2.488.666**	**2.088.208**
Cash and cash equivalents		384	458.656
Total current assets		**2.489.051**	**2.546.864**
Total assets		**7.598.981**	**7.654.871**

	Note	31 December 2021 EUR	31 December 2020 EUR
Share capital	8	81.844	81.813
Retained earnings		6.809.033	6.917.890
Total equity		**6.890.877**	**6.999.703**
Trade payables		0	4.201
Payables to group enterprises relating to corportion tax		0	422
Other payables		32.946	1.680
Short-term debt		**32.946**	**6.303**
Long-term debt		**675.159**	**648.865**
Total equity and liabilities		**7.598.981**	**7.654.871**

Uncertainty relating to recognition and measurement	1
Subsequent events	2
Contingent assets, liabilities and other financial obligations	9
Accounting polices	10

Statement of changes in equity

	Share capital EUR	Retained earnings EUR	Total EUR
Equity at 1 January 2021	**81.813**	**6.917.890**	**6.999.703**
Cash capital increase			**0**
Exchange rate difference	31	2.597	**2.627**
Net profit/loss for the year		(111.454)	**(111.454)**
Equity at 31 December 2021	**81.844**	**6.809.033**	**6.890.877**

Notes

1 Uncertainty relating to recognition and measurement
2. Subsequent events
3. Financial income
4. Financial expenses
5. Tax on profit for the year
6. Investments in subsidiaries
7. Equity
8 Contingent liabilities
9 Accounting policies

Notes

1. Uncertainty relating to recognition and measurement

The investments in the subsidiaries and receivables from group enterprises are based om Managements assessment of its carrying value of the items based on the expectations to future growth within the e-book segment and the business case in general. If the market conditions changes or the Company and Group does not succeed with the business initiatives this can have a negative impact on the valuation of the company's investments in the subsidiaries and receivables from group enterprises.

2. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes

3. Financial income	2021 EUR	2020 EUR
Interest on financial assets measured at amortised cost	24.009	20.566
	24.009	**20.566**

4. Financial expenses	2021 EUR	2020 EUR
Interest on financial liabilities measured at amortised cost	26.615	3.497
	26.615	**3.497**

5. Tax on profit for the year	2021 EUR	2020 EUR
Current tax:		
Current tax on profits for the year	0	0
Current tax on profits for previous years	(6.902)	6.886
	(6.902)	**6.886**

6. Investments in subsidiaries	2021 EUR	2020 EUR
Cost at 1 January	5.108.007	5.087.219
Exchange rate difference	1.923	20.788
	5.109.930	**5.108.007**
Value adjustments at 1 January	0	0
	0	**0**
Carrying amount at 31 December	**5.109.930**	**5.108.007**

7. Share capital

Refer to note 17 in the consolidated financial statements.

Notes

8. Contingent liabilities and other financial obligations

Contingent liabilities
The company has submitted a Letter of Financial Support for the subsidiary Bookboon ApS valid until 31 Marts 2023.

The company has provided at surety guarantee to Sydbank for all balances between the bank and Bookboon ApS.

The group companies are jointly and seperately liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to TEUR 80. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

9. Accounting policies

The Annual Report of Bookboon Corporate A/S for 2021 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 2021 are presented in EUR.

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.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Notes

Translation policies
Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences 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.
Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement
Revenue
Revenue from the sale of goods is recognised when the risks and rewards relating to the goods 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.

Other external expenses
Other external expenses comprise expenses for premises, sales, and distribution 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 and other external expenses.

Staff expenses
Staff expenses comprise wages and salaries as well as payroll expenses.

Financial income and expenses
Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

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

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write down is made to this lower value. The carrying amounts of investments in subsidiaries are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, the asset is written down to its lower recoverable amount.

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.

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 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 liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

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

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registereret, og informationerne er listet herunder.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Jannick Birger Pedersen
Bestyrelsesmedlem
På vegne af: Bookboon Corporate A/S
Serienummer: PID:9208-2002-2-932584492083
IP: 194.182.xxx.xxx
2022-04-01 08:41:41 UTC
NEM ID

Jesper Jarlbæk
Bestyrelsesformand
På vegne af: Bookboon Corporate A/S
Serienummer: PID:9208-2002-2-655342323829
IP: 2.111.xxx.xxx
2022-04-01 08:47:24 UTC
NEM ID

Niels Thomas Buus Madsen
Direktør
På vegne af: Bookboon Corporate A/S
Serienummer: PID:9208-2002-2-333138186147
IP: 130.185.xxx.xxx
2022-04-01 09:11:37 UTC
NEM ID

Niels Thomas Buus Madsen
Bestyrelsesmedlem
På vegne af: Bookboon Corporate A/S
Serienummer: PID:9208-2002-2-333138186147
IP: 130.185.xxx.xxx
2022-04-01 09:11:37 UTC
NEM ID

Lars Fløe Nielsen
Næstformand
På vegne af: BookBoon Corporate A/S
Serienummer: PID:9208-2002-2-296008627491
IP: 5.179.xxx.xxx
2022-04-01 10:28:01 UTC
NEM ID

Thorsten Erik Ramsing
Bestyrelsesmedlem
På vegne af: Bookboon ApS
Serienummer: PID:9208-2002-2-124852392166
IP: 185.50.xxx.xxx
2022-04-04 04:24:15 UTC
NEM ID

Niels Kristian Buus Madsen
Direktør
På vegne af: BookBoon Corporate A/S
Serienummer: PID:9208-2002-2-307599025722
IP: 109.231.xxx.xxx
2022-04-05 07:02:10 UTC
NEM ID

Niels Kristian Buus Madsen
Bestyrelsesmedlem
På vegne af: BookBoon Corporate A/S
Serienummer: PID:9208-2002-2-307599025722
IP: 109.231.xxx.xxx
2022-04-05 07:02:10 UTC
NEM ID

Penneo dokumentnøgle: WNJ5J-QU1HF-HJYP8-AIHCV-BZS1J-04MES

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registereret, og informationerne er listet herunder.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Leif Ulbæk Jensen
Statsautoriseret revisor
På vegne af: PricewaterhouseCoopers Statsautoriseret...
Serienummer: PID:9208-2002-2-235523899544
IP: 83.136.xxx.xxx
2022-04-06 08:17:45 UTC
NEM ID

Jakob Thisted Binder
Statsautoriseret revisor
På vegne af: PricewaterhouseCoopers Statsautoriseret...
Serienummer: PID:9208-2002-2-366831909082
IP: 87.49.xxx.xxx
2022-04-07 09:21:05 UTC
NEM ID

Niels Thomas Buus Madsen
Dirigent
På vegne af: Bookboon Corporate A/S
Serienummer: PID:9208-2002-2-333138186147
IP: 89.23.xxx.xxx
2022-04-07 09:23:34 UTC
NEM ID