



## Obsidian Digital A/S

Per Henrik Lings Allé 4, 5.  
2100 København Ø  
CVR No. 37407739

## Annual report 2022

The Annual General Meeting adopted the  
annual report on 29.06.2023

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**Jonas Tofte Bøndergaard**  
Chairman of the General Meeting

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# Entity details

## Entity

Obsidian Digital A/S

Per Henrik Lings Allé 4, 5.

2100 København Ø

Business Registration No.: 37407739

Date of foundation: 25.01.2016

Registered office: København

Financial year: 01.01.2022 - 31.12.2022

## Board of Directors

Emil Ignatzi Reinholdt

Sasa Kovacevic

Nicolai Bloch Tobiesen

Stefan Andreas Walter Happak

## Executive Board

Emil Ignatzi Reinholdt

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Obsidian Digital A/S for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 29.06.2023

## Executive Board

**Emil Ignatzi Reinholdt**

## Board of Directors

**Emil Ignatzi Reinholdt**

**Sasa Kovacevic**

**Nicolai Bloch Tobiesen**

**Stefan Andreas Walter Happak**

# Independent auditor's report

## To the shareholder of Obsidian Digital A/S

### Opinion

We have audited the financial statements of Obsidian Digital A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

### Basis for opinion

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

### Management's responsibilities for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

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

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

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

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

#### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 29.06.2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Bjørn Winkler Jakobsen**

State Authorised Public Accountant  
Identification No (MNE) mne32127

**Henrik Hartmann Olesen**

State Authorised Public Accountant  
Identification No (MNE) mne34143

# Management commentary

## Financial highlights

	2022 DKK'000	2021 DKK'000	2020 DKK'000
<b>Key figures</b>			
Gross profit/loss	46,552	33,582	26,522
Operating profit/loss	12,304	10,295	7,435
Net financials	(2,096)	164	61
Profit/loss for the year	7,473	9,525	9,160
Total assets	123,816	68,066	44,211
Investments in property, plant and equipment	664	583	21
Equity	19,670	11,477	15,955
<b>Ratios</b>			
Equity ratio (%)	15.89	16.86	36.09

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets



### **Primary activities**

Obsidian Digital A/S' main activities are to conduct business with digital marketing and strategy.

### **Development in activities and finances**

The company's net turnover has increased by 45% from 2021 to 2022. The company's income from investments include ordinary amortization of goodwill of DKK 6.8 million.

In 2022 the company merged three companies into Obsidian Digital A/S. Goodwill related to merged activities has been recognised in the balance sheet.

### **Profit/loss for the year in relation to expected developments**

The profit for the year after tax is reduced compared to 2021 which is a result of depreciation of goodwill and an increased financial costs. The profit for the year is satisfactory and in line with expectations.

### **Outlook**

The management is guiding for an improved EBITDA after normalisations in 2023.

### **Knowledge resources**

Obsidin is based on knowledge and expertise within its key focus areas that are subject to further development on an ongoing basis.

### **Research and development activities**

The Company has development activities related to software tools. Development activities are performed by internal employees located in Bosnia and Denmark.

### **Group relations**

Obsidian Digital A/S is 100% owned by Obsidian Group ApS.

### **Events after the balance sheet date**

In March 2023 the Group was acquired by Findos, a German Private Equity fund.

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Income statement for 2022

	Notes	2022 DKK	2021 DKK
<b>Gross profit/loss</b>		<b>46,551,857</b>	<b>33,582,167</b>
Staff costs	2	(33,671,785)	(22,952,011)
Depreciation, amortisation and impairment losses		(575,438)	(215,558)
Other operating expenses		(765)	(120,000)
<b>Operating profit/loss</b>		<b>12,303,869</b>	<b>10,294,598</b>
Income from investments in group enterprises		110,429	1,517,638
Other financial income	3	340,918	696,916
Other financial expenses	4	(2,437,109)	(533,075)
<b>Profit/loss before tax</b>		<b>10,318,107</b>	<b>11,976,077</b>
Tax on profit/loss for the year	5	(2,844,920)	(2,450,598)
<b>Profit/loss for the year</b>	6	<b>7,473,187</b>	<b>9,525,479</b>

# Balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK	2021 DKK
Acquired intangible assets		2,254,125	2,591,875
Goodwill		21,911,969	0
<b>Intangible assets</b>	7	<b>24,166,094</b>	<b>2,591,875</b>
Other fixtures and fittings, tools and equipment		939,970	491,543
Leasehold improvements		23,516	30,942
<b>Property, plant and equipment</b>	8	<b>963,486</b>	<b>522,485</b>
Investments in group enterprises		67,371,543	38,544,789
Receivables from group enterprises		9,060,565	12,539,175
Deposits		801,481	744,514
<b>Financial assets</b>	9	<b>77,233,589</b>	<b>51,828,478</b>
<b>Fixed assets</b>		<b>102,363,169</b>	<b>54,942,838</b>
Manufactured goods and goods for resale		70,900	52,000
<b>Inventories</b>		<b>70,900</b>	<b>52,000</b>
Trade receivables		10,138,795	9,697,243
Receivables from group enterprises		3,787,600	1,511,653
Other receivables		327,389	530,728
Prepayments	10	1,494,807	1,162,870
<b>Receivables</b>		<b>15,748,591</b>	<b>12,902,494</b>
<b>Cash</b>		<b>5,633,680</b>	<b>168,598</b>
<b>Current assets</b>		<b>21,453,171</b>	<b>13,123,092</b>
<b>Assets</b>		<b>123,816,340</b>	<b>68,065,930</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Contributed capital		500,000	500,000
Reserve for net revaluation according to the equity method		625,151	1,788,477
Retained earnings		18,544,851	9,188,403
<b>Equity</b>		<b>19,670,002</b>	<b>11,476,880</b>
Deferred tax	11	56,000	23,000
<b>Provisions</b>		<b>56,000</b>	<b>23,000</b>
Bank loans		16,023,435	15,858,597
Payables to group enterprises	12	44,552,906	0
Other payables		14,435	1,141,992
<b>Non-current liabilities other than provisions</b>	<b>13</b>	<b>60,590,776</b>	<b>17,000,589</b>
Current portion of non-current liabilities other than provisions	13	8,762,091	5,632,159
Bank loans		5,969,181	5,985,653
Prepayments received from customers		1,357,218	1,836,153
Trade payables		4,830,353	1,534,334
Payables to group enterprises		1,440,112	15,333,930
Tax payable		3,243,447	1,757,498
Other payables		17,897,160	7,485,734
<b>Current liabilities other than provisions</b>		<b>43,499,562</b>	<b>39,565,461</b>
<b>Liabilities other than provisions</b>		<b>104,090,338</b>	<b>56,566,050</b>
<b>Equity and liabilities</b>		<b>123,816,340</b>	<b>68,065,930</b>
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	14		
Assets charged and collateral	15		

# Statement of changes in equity for 2022

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	1,788,477	9,188,403	11,476,880
Other entries on equity	0	719,935	0	719,935
Dividends from group enterprises	0	(3,100,000)	3,100,000	0
Transfer to reserves	0	1,106,310	(1,106,310)	0
Profit/loss for the year	0	110,429	7,362,758	7,473,187
<b>Equity end of year</b>	<b>500,000</b>	<b>625,151</b>	<b>18,544,851</b>	<b>19,670,002</b>

# Notes

## 1 Events after the balance sheet date

In March 2023 the Group was acquired by Findos, a German Private Equity fund.

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

## 2 Staff costs

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	33,076,163	22,549,133
Pension costs	42,720	2,400
Other social security costs	552,902	400,478
	<b>33,671,785</b>	<b>22,952,011</b>
Average number of full-time employees	<b>71</b>	<b>54</b>

Disclosure of management remuneration are included in the financial statements for Caphold O ApS.

## 3 Other financial income

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Financial income from group enterprises	321,391	686,225
Other interest income	175	999
Exchange rate adjustments	16,131	9,516
Other financial income	3,221	176
	<b>340,918</b>	<b>696,916</b>

## 4 Other financial expenses

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Financial expenses from group enterprises	1,104,106	22,751
Other interest expenses	1,050,748	385,489
Exchange rate adjustments	98,053	42,835
Interest regarding tax paid on account	99,202	0
Other financial expenses	85,000	82,000
	<b>2,437,109</b>	<b>533,075</b>

## 5 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Current tax	2,822,588	2,377,498
Change in deferred tax	21,000	52,000
Adjustment concerning previous years	1,332	21,100
	<b>2,844,920</b>	<b>2,450,598</b>

## 6 Proposed distribution of profit and loss

	2022 DKK	2021 DKK
Retained earnings	7,473,187	9,525,479
	<b>7,473,187</b>	<b>9,525,479</b>

## 7 Intangible assets

	Acquired intangible assets DKK	Goodwill DKK
Cost beginning of year	2,627,500	0
Addition through business combinations etc	0	24,352,173
<b>Cost end of year</b>	<b>2,627,500</b>	<b>24,352,173</b>
Amortisation and impairment losses beginning of year	(35,625)	0
Addition through business combinations etc	0	(2,440,204)
Amortisation for the year	(337,750)	0
<b>Amortisation and impairment losses end of year</b>	<b>(373,375)</b>	<b>(2,440,204)</b>
<b>Carrying amount end of year</b>	<b>2,254,125</b>	<b>21,911,969</b>

## 8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	546,369	37,130
Additions	664,189	0
<b>Cost end of year</b>	<b>1,210,558</b>	<b>37,130</b>
Depreciation and impairment losses beginning of year	(54,826)	(6,188)
Depreciation for the year	(215,762)	(7,426)
<b>Depreciation and impairment losses end of year</b>	<b>(270,588)</b>	<b>(13,614)</b>
<b>Carrying amount end of year</b>	<b>939,970</b>	<b>23,516</b>

## 9 Financial assets

	<b>Investments in group enterprises DKK</b>	<b>Receivables from group enterprises DKK</b>	<b>Deposits DKK</b>
Cost beginning of year	36,756,312	12,539,175	744,514
Addition through business combinations etc	56,648,149	0	0
Disposals on divestments etc	(26,658,069)	0	0
Additions	0	0	72,987
Disposals	0	(3,478,610)	(16,020)
<b>Cost end of year</b>	<b>66,746,392</b>	<b>9,060,565</b>	<b>801,481</b>
Revaluations beginning of year	1,788,477	0	0
Disposals on divestments etc	1,106,310	0	0
Amortisation of goodwill	(6,700,169)	0	0
Share of profit/loss for the year	6,810,598	0	0
Dividend	(3,100,000)	0	0
Other adjustments	719,935	0	0
<b>Revaluations end of year</b>	<b>625,151</b>	<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>67,371,543</b>	<b>9,060,565</b>	<b>801,481</b>
Goodwill or negative goodwill recognised during the financial year	33,058,413		

Remaining goodwill amount recognized as of 31. december 2022 amounts to DKK 57.297.530

As security for engagement with financial institutions, the company has submitted a statement of resignation regarding receivables from a group company, which is recognized in the balance sheet with DKK 9,060,565.

<b>Investments in subsidiaries</b>	<b>Registered in</b>	<b>Corporate form</b>	<b>Equity interest %</b>
Bondtofte & Co. ApS	Danmark	ApS	100.00
Heymedia ApS	Danmark	ApS	100.00
Black Lemon ApS	Danmark	ApS	100.00

## 10 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost. Further it comprise prepayed links for distribution to customers.



## 11 Deferred tax

	<b>2022</b>
	<b>DKK</b>
Intangible assets	83,000
Property, plant and equipment	35,000
Liabilities other than provisions	(62,000)
<b>Deferred tax</b>	<b>56,000</b>

	<b>2022</b>
	<b>DKK</b>
<b>Changes during the year</b>	
Beginning of year	23,000
Recognised in the income statement	21,000
Adjustments concerning previous years	12,000
<b>End of year</b>	<b>56,000</b>

## 12 Payables to group enterprises

The payables to group entities accrues interest. Refund date has been set to 31 December 2031.

## 13 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK	Due within 12 months 2021 DKK	Due after more than 12 months 2022 DKK	Outstanding after 5 years 2022 DKK
Bank loans	8,762,091	5,632,159	16,023,435	0
Payables to group enterprises	0	0	44,552,906	44,552,906
Other payables	0	0	14,435	0
	<b>8,762,091</b>	<b>5,632,159</b>	<b>60,590,776</b>	<b>44,552,906</b>

## 14 Unrecognised rental and lease commitments

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Liabilities under rental or lease agreements until maturity in total	<b>1,466,000</b>	<b>689,000</b>

## 15 Assets charged and collateral

The company has provided a security for a group company's bank debt. The debt at 2022 December 31 amounts to DKK 3.140.217.

Mortgage debt is secured by way of mortgage on movable property with a principal amount of DKK 10.000.000.

# Accounting policies

## Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

## Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## Non-comparability

The figures for 2022 includes merger entities. Comparative figures has not been restated.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Business combinations

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

The uniting-of-interests method is applied on acquisition of enterprises, mergers, demergers, contributions of assets and exchanges of shares, etc where the enterprises concerned are controlled by the Parent, under which method the combination is considered completed at the date of acquisition without restatement of comparative figures. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies and accounting estimates. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity.

The modified uniting-of-interests method is applied to vertical mergers, reverse vertical mergers in which the participating entities are subject to the Parent's control. Under this method, assets and liabilities of the participating entities are recognised at the amounts at which they are recognised in the consolidated financial statements of the parent forming part of the merger. Vertical mergers are recognised at the merger date without restatement of comparative figures.

## **Income statement**

### **Gross profit or loss**

Gross profit or loss comprises revenue and external expenses.

### **Revenue**

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### **Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

### **Staff costs**

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

### **Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

### **Other operating expenses**

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

### **Income from investments in group enterprises**

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

### **Other financial income**

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

### **Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

### **Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the

income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

## Balance sheet

### Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

### Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

### Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	<b>Useful life</b>
Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying

amount.

### **Investments in group enterprises**

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Goodwill is the positive difference between cost of investments and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years. Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

### **Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### **Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of

assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

#### **Other financial liabilities**

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

#### **Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

#### **Tax receivable or payable**

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

#### **Cash flow statement**

Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of CapHold O ApS, Business Reg. No. 42 26 11 73