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# *Cookie Information A/S*

Købmagergade 19, 4, DK-1150 København K

## Annual Report for 2023

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CVR No. 38 75 82 92

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

Göran Lindö  
Chairman of the  
general meeting



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# Management's statement

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

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

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

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

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

København, 26 June 2024

## Executive Board

Karsten Rendemann

## Board of Directors

Göran Lindö  
Chairman

Kamran Jamshidi

Karsten Rendemann

Jonas Voldbjerg Andersen

Andreas Færk

# Independent Auditor's report

To the shareholders of Cookie Information A/S

## Opinion

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

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

## Basis for Opinion

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

## Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

## Management's responsibilities for the Financial Statements

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

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

# Independent Auditor's report

## Auditor's responsibilities for the audit of the Financial Statements

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

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

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

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

Hellerup, 26 June 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Thomas Baunkjær Andersen  
State Authorised Public Accountant  
mne35483

Mads Lundemann  
State Authorised Public Accountant  
mne44181

## Company information

<b>The Company</b>	Cookie Information A/S Købmagergade 19, 4 1150 København K  CVR No: 38 75 82 92 Financial period: 1 January - 31 December Incorporated: 29 June 2017 Financial year: 7th financial year Municipality of reg. office: København
<b>Board of Directors</b>	Göran Lindö, chairman Kamran Jamshidi Karsten Rendemann Jonas Voldbjerg Andersen Andreas Færk
<b>Executive Board</b>	Karsten Rendemann
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

## Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Gross profit	24,316	17,383	15,967	11,156	5,500
Profit/loss of primary operations	-15,710	-6,373	2,917	1,689	518
Profit/loss of financial income and expenses	-3,695	-601	-401	-302	-328
Net profit/loss for the year	-19,645	-7,022	2,281	1,280	149
<b>Balance sheet</b>					
Balance sheet total	443,348	34,436	22,644	12,316	9,260
Investment in property, plant and equipment	396	2,462	116	58	0
Equity	277,162	-11,712	4,682	2,401	1,121
Number of employees	52	35	22	13	8
Invoiced revenue	43,049	37,304	26,211	15,755	6,774
<b>Ratios</b>					
Return on assets	-3.5%	-18.5%	12.9%	13.7%	5.6%
Solvency ratio	62.5%	-34.0%	20.7%	19.5%	12.1%
Return on equity	-14.8%	199.8%	64.4%	72.7%	14.2%

In connection with correction of material misstatement, the comparative figures for 2019, 2020 and 2021 have not been restated.

For definition of key figures and ratios, a reference is made to accounting policies.

# Management's review

## Key activities

Cookie Information specializes in the development and sale of Compliance and Marketing Technology (MarTech) software that is built with the highest standards of data protection. Our products enable customers to not only collect consents for data collection but also to construct detailed customer profiles and to get Analytics from the customer journey across websites and applications. This enhances the efficacy of their online marketing while ensuring adherence to the EU's General Data Protection Regulation (GDPR) and other global data protection laws.

Our clientele, comprising both private and public entities, prioritizes the confidentiality of customer data and demands digital services that safeguard the individual's digital rights. These organizations recognize the value of embedding data protection within their services, acknowledging its benefits for their customers, their business operations, and the broader digital ecosystem.

Beyond merely avoiding penalties, robust data protection and compliance are increasingly seen as crucial to corporate strategy. Businesses are becoming more conscious of the risks associated with the widespread collection and usage of personal and behavioral data through common analytics platforms. This awareness is driving them to implement solutions with the highest regard for global data privacy laws whether it's GDPR, HIPAA, CCPA, or others.

## Development in the year

The income statement of the Company for 2023 shows a loss of DKK 19,644,593, and at 31 December 2023 the balance sheet of the Company shows a positive equity of DKK 277,161,786.

The net profit for 2023 was a disappointing loss. The discrepancy in EBITDA versus the projection for 2023 in last years annual report is that the revenue expected from our new products proved significantly lower than expected because the products needed significantly more time in the development phase than anticipated. Our core business developed as expected.

Our forward-looking strategy remains optimistic. For 2024, we anticipate a 30-40% increase in ARR and recognized revenue, primarily through further market penetration. Operational costs are anticipated to rise by only 10-15% thanks to economies of scale and synergies.

The company achieved a remarkable organic revenue growth of 109% and saw a 310% increase in Annual Recurring Revenue (ARR) across the group, including contributions from subsidiaries and mergers and acquisitions. This growth has resulted in the company expanding fourfold over the past year, with new product lines diversifying our revenue streams significantly.

In 2023, we furthered our mission to become a leading European Privacy-by-Design software provider. This included the strategic acquisition of Piwik PRO, a firm that offers advanced Analytics and Customer Data Platform solutions. This acquisition not only expanded our product range but also enhanced our capability to deliver end-to-end data protection solutions. At the time of acquisition, Piwik PRO had 160 employees and a revenue twice that of Cookie Information, and it now operates as a wholly-owned subsidiary.

In the financial year 2023, Cookie Information A/S has merged with the subsidiary Phinder ApS and Phinder Holding ApS, with Cookie Information A/S as the continuing company. The merger has accounting effect from 1 January 2023.

For information regarding the accounting treatment, please refer to the section "Business combinations" under accounting policies.

Our workforce expanded significantly, with the average number of full-time employees growing from 35 to 52. We also continued our collaboration with an external development team. For the third consecutive year, Cookie Information was honored as a Gazelle company, underscoring our rapid growth and resilience.

Our approach to risk management, guided by the ISO 31000 framework, encompasses financial, operational, industrial, cyber, and information security risks. Our top management remains vigilant, ensuring that risks are effectively assessed and mitigated through ongoing improvements to our internal controls and procedures.



## Management's review

We extend our deepest gratitude to our customers, partners, employees, and Kirk Kapital for their steadfast support. We are enthusiastic about 2024, as we continue to advance our Privacy-by-Design software solutions across a growing spectrum of private and public sector clients.

### Subsequent events

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

## Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
<b>Gross profit</b>	1	<b>24,316,103</b>	<b>17,383,055</b>
Staff expenses	2	-35,969,998	-21,381,668
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-4,056,202	-2,124,207
Other operating expenses		0	-250,000
<b>Profit/loss before financial income and expenses</b>		<b>-15,710,097</b>	<b>-6,372,820</b>
Financial income	3	121,394	146,069
Financial expenses	4	-3,816,566	-746,767
<b>Profit/loss before tax</b>		<b>-19,405,269</b>	<b>-6,973,518</b>
Tax on profit/loss for the year	5	-239,324	-48,183
<b>Net profit/loss for the year</b>		<b>-19,644,593</b>	<b>-7,021,701</b>
 <b>Distribution of profit</b>			
		2023	2022
		DKK	DKK
<b>Proposed distribution of profit</b>			
Retained earnings		-19,644,593	-7,021,701
		<b>-19,644,593</b>	<b>-7,021,701</b>

## Balance sheet 31 December

### Assets

	Note	2023	2022
		DKK	DKK
Completed development projects		9,030,127	5,213,931
Goodwill		4,857,321	5,886,152
Development projects in progress		15,220,117	11,889,855
<b>Intangible assets</b>	<b>6</b>	<b>29,107,565</b>	<b>22,989,938</b>
Other fixtures and fittings, tools and equipment		1,762,685	2,224,892
Leasehold improvements		159,285	115,515
<b>Property, plant and equipment</b>	<b>7</b>	<b>1,921,970</b>	<b>2,340,407</b>
Investments in subsidiaries	8	390,560,721	40,000
Deposits	9	84,655	610,167
<b>Fixed asset investments</b>		<b>390,645,376</b>	<b>650,167</b>
<b>Fixed assets</b>		<b>421,674,911</b>	<b>25,980,512</b>
Trade receivables		5,211,502	5,295,807
Receivables from group enterprises		12,518,695	2,255,505
Other receivables		39,255	55,408
Deferred tax asset		0	264,449
Prepayments		0	22,341
<b>Receivables</b>		<b>17,769,452</b>	<b>7,893,510</b>
<b>Cash at bank and in hand</b>		<b>3,903,958</b>	<b>562,107</b>
<b>Current assets</b>		<b>21,673,410</b>	<b>8,455,617</b>
<b>Assets</b>		<b>443,348,321</b>	<b>34,436,129</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		555,561	555,560
Share premium account		0	0
Reserve for development costs		18,511,205	12,835,972
Retained earnings		258,095,020	-25,103,065
<b>Equity</b>		<b>277,161,786</b>	<b>-11,711,533</b>
Credit institutions		97,254,450	0
Payables to group enterprises		18,816,573	0
Deposits		0	755,579
Other payables		584,919	553,831
<b>Long-term debt</b>	10	<b>116,655,942</b>	<b>1,309,410</b>
Credit institutions	10	22,945,307	22,634,969
Trade payables		2,051,421	2,461,101
Other payables	10	6,656,705	2,670,039
Deferred income	11	17,877,160	17,072,143
<b>Short-term debt</b>		<b>49,530,593</b>	<b>44,838,252</b>
<b>Debt</b>		<b>166,186,535</b>	<b>46,147,662</b>
<b>Liabilities and equity</b>		<b>443,348,321</b>	<b>34,436,129</b>
Contingent assets, liabilities and other financial obligations	12		
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## Statement of changes in equity

	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	555,560	0	12,835,972	-21,158,685	-7,767,153
Net effect of correction of material misstatements	0	0	0	-3,944,380	-3,944,380
Adjusted equity at 1 January	555,560	0	12,835,972	-25,103,065	-11,711,533
Capital increase	1	15,251,639	0	0	15,251,640
Group contribution in kind	0	0	0	293,266,272	293,266,272
Development costs for the year	0	0	7,300,504	-7,300,504	0
Depreciation, amortisation and impairment for the year	0	0	-1,625,271	1,625,271	0
Net profit/loss for the year	0	0	0	-19,644,593	-19,644,593
Transfer from share premium account	0	-15,251,639	0	15,251,639	0
<b>Equity at 31 December</b>	<b>555,561</b>	<b>0</b>	<b>18,511,205</b>	<b>258,095,020</b>	<b>277,161,786</b>

# Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>1. Special items</b>		
Salaries capitalised on development projects in progress	<u>5,227,199</u>	<u>1,238,930</u>
	<b>5,227,199</b>	<b>1,238,930</b>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>2. Staff Expenses</b>		
Wages and salaries	32,721,927	20,133,902
Pensions	2,844,114	991,467
Other social security expenses	403,957	256,299
	<u>35,969,998</u>	<u>21,381,668</u>
Average number of employees	<u>52</u>	<u>35</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>3. Financial income</b>		
Interest received from group enterprises	90,391	132,910
Other financial income	31,003	13,159
	<u>121,394</u>	<u>146,069</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>4. Financial expenses</b>		
Interest paid to group enterprises	242,717	402
Other financial expenses	3,573,849	746,365
	<u>3,816,566</u>	<u>746,767</u>

## Notes to the Financial Statements

	2023	2022
	DKK	DKK
<b>5. Income tax expense</b>		
Deferred tax for the year	264,449	48,183
Adjustment of tax concerning previous years	-25,125	0
	<b>239,324</b>	<b>48,183</b>

## 6. Intangible fixed assets

	Completed development projects	Goodwill	Develop- ment projects in progress
	DKK	DKK	DKK
Cost at 1 January	11,885,269	6,875,189	11,889,855
Net effect from merger and acquisition	647,412	0	0
Additions for the year	0	0	9,359,621
Transfers for the year	6,029,359	0	-6,029,359
Cost at 31 December	<b>18,562,040</b>	<b>6,875,189</b>	<b>15,220,117</b>
Impairment losses and amortisation at 1 January	7,318,750	989,037	0
Amortisation for the year	2,213,163	1,028,831	0
Impairment losses and amortisation at 31 December	9,531,913	2,017,868	0
<b>Carrying amount at 31 December</b>	<b>9,030,127</b>	<b>4,857,321</b>	<b>15,220,117</b>
Amortised over	5 years	5-7 years	

In the financial year 2023, the company focused on developing several innovative projects within our cloud-based platform, servicing the SaaS business model. We have launched features aimed at expanding our addressable market across new geographies and enhancing customer reach through strategic partnerships. In addition to these initiatives, significant efforts have been made on new software products anticipated to launch in 2024, contributing to new revenue streams.

These development projects are progressing as planned, with the software expected to be sold to existing and new customers. We are also engaged in ongoing work to reduce maintenance costs through optimisation and the implementation of a shared infrastructure across our product portfolio.

Capitalized costs are based on a detailed assessment of time spent on an employee by employee basis and directly attributable supplier costs.

# Notes to the Financial Statements

## 7. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
	DKK	DKK
Cost at 1 January	2,584,453	118,815
Additions for the year	278,473	117,297
Cost at 31 December	<u>2,862,926</u>	<u>236,112</u>
Impairment losses and depreciation at 1 January	359,561	3,300
Depreciation for the year	740,680	73,527
Impairment losses and depreciation at 31 December	<u>1,100,241</u>	<u>76,827</u>
<b>Carrying amount at 31 December</b>	<b><u>1,762,685</u></b>	<b><u>159,285</u></b>
	<u>2023</u>	<u>2022</u>
	DKK	DKK

## 8. Investments in subsidiaries

Cost at 1 January	40,000	40,000
Additions for the year	390,520,721	0
Cost at 31 December	<u>390,560,721</u>	<u>40,000</u>
Value adjustments at 1 January	0	40,129
Revaluations for the year, net	0	-40,129
Value adjustments at 31 December	<u>0</u>	<u>0</u>
<b>Carrying amount at 31 December</b>	<b><u>390,560,721</u></b>	<b><u>40,000</u></b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Owner- ship	Equity	Net profit/loss for the year
CI II ApS	København	40,000	100%	82,843	-20,869
Piwik PRO SA	Wrocław	457,983	100%	963,766	-2,030,703



# Notes to the Financial Statements

## 9. Other fixed asset investments

	Deposits
	DKK
Cost at 1 January	610,167
Additions for the year	83,951
Disposals for the year	-609,463
Cost at 31 December	<u>84,655</u>
<b>Carrying amount at 31 December</b>	<b><u>84,655</u></b>

## 10. Long-term debt

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

The debt falls due for payment as specified below:

### Credit institutions

	2023	2022
	DKK	DKK
After 5 years	28,354,893	0
Between 1 and 5 years	68,899,557	0
Long-term part	<u>97,254,450</u>	0
Other short-term debt to credit institutions	22,945,307	22,634,969
	<b><u>120,199,757</u></b>	<b><u>22,634,969</u></b>

### Payables to group enterprises

After 5 years	0	0
Between 1 and 5 years	18,816,573	0
Long-term part	<u>18,816,573</u>	0
Within 1 year	0	0
	<b><u>18,816,573</u></b>	<b><u>0</u></b>

### Deposits

After 5 years	0	0
Between 1 and 5 years	0	755,579
Long-term part	<u>0</u>	755,579
Within 1 year	0	0
	<b><u>0</u></b>	<b><u>755,579</u></b>

## Notes to the Financial Statements

	2023	2022
	DKK	DKK
<b>10. Long-term debt</b>		
<b>Other payables</b>		
After 5 years	0	0
Between 1 and 5 years	584,919	553,831
Long-term part	584,919	553,831
Other short-term payables	6,656,705	2,670,039
	<u>7,241,624</u>	<u>3,223,870</u>

### 11. Deferred income

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

	2023	2022
	DKK	DKK
<b>12. Contingent assets, liabilities and other financial obligations</b>		
<b>Charges and security</b>		
The following assets have been placed as security with bankers:		
Mortgage deeds registered to Danske Bank on DKK 23 million, providing security on other property, plant and equipment as well as intangible assets at a total carrying amount of:	12,019,928	13,626,674
Mortgage deeds registered to EIFO on DKK 100 million, providing security on other property, plant and equipment as well as intangible assets at a total carrying amount of:	12,019,928	0
<b>Rental and lease obligations</b>		
Lease obligations	3,952,526	5,996,936
Lease obligations, due within 12 months	1,635,528	0
The company has entered into a lease agreement for premises in 2022. There is a non-cancellable period of 48 months followed by a termination notice period of 6 months in the contract, amounting to DKK 5.6 million, of which DKK 1.6 million falls due within one year.		

## Notes to the Financial Statements

2023	2022
DKK	DKK

### 12. Contingent assets, liabilities and other financial obligations

#### Other contingent liabilities

The Company has issued a letter of subordination in favour of CI II ApS' other creditors, applying until June 2025

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group appears in the annual report for Cookie Information Holding A/S.

The company has an unrecognized deferred asset, the tax value amounts to DKK 4.2 million at 31 December 2023.

# Notes to the Financial Statements

## 13. Accounting policies

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

With reference to a true and fair view, certain reclassifications have been made in the income statement, balance sheet and notes for the company. Comparative figures are adjusted accordingly.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

### Correction of material misstatements

Management has become aware, when preparing the annual report for 2023, that the company's recognition of revenue has been defective in previous financial years. The company's revenue must be recognised over the duration of the contracts and not at the time of entering into the contract, as it has been done in previous financial years.

An adjustment has been made on the company's equity in the annual report for 2023. The company's comparative figures for 2022 have been adjusted accordingly - the company's revenue and profit before tax are negatively affected by DKK 5,057 thousand, the value of deferred income has increased with a corresponding amount, tax for the year's has increased by DKK 1,113 thousand and deferred tax asset is reduced accordingly. The year's result for 2022 and equity per 1 January 2023 is thus negatively affected by DKK 3,944 thousand.

The company's equity at 1 January 2022 is reduced by DKK 9,372 thousand, deferred income has increased by DKK 12,015 thousand and deferred tax is negatively affected by DKK 2,643 thousand.

### Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

### Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

# Notes to the Financial Statements

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.

## **Business combinations**

### *Pooling of interests*

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied as if the two enterprises had always been combined by restating comparative figures.

## **Translation policies**

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

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

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

## **Income statement**

### **Revenue**

Revenue related to license is recognized over the period in which the license is provided to the customer. Because the customer receives and consumes the benefits of the license provided as the Company performs, the performance obligation is satisfied over time. Revenue is recognized on a straight-line basis. Remaining revenue relating to future periods are deferred at year-end.

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 as well as office expenses, etc.

### **Gross profit**

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

### **Staff expenses**

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

### **Amortisation, depreciation and impairment losses**

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

# Notes to the Financial Statements

## Other operating income and expenses

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

## Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

## Financial income and expenses

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

## Tax on profit/loss for the year

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

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with the Parent Company. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

# Notes to the Financial Statements

## Balance sheet

### Intangible fixed assets

#### *Goodwill*

Goodwill is amortised on a straight-line basis over the estimated useful life of 5-7 years, determined on the basis of Management's experience with the individual business areas.

#### *Development projects*

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

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

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

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

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 3-5 year.

### Property, plant and equipment

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

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

Interest expenses on loans are not recognised in cost during construction and reconstruction periods.

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	3-5 years
Leasehold improvements	3 years

The fixed assets' residual values are determined at nil.

### Impairment of fixed assets

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

If so, the asset is written down to its lower recoverable amount.

# Notes to the Financial Statements

## Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

## Other fixed asset investments

Other fixed asset investments consist of deposits

## Receivables

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

## Prepayments

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

## Deferred tax assets and liabilities

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

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

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

## Current tax receivables and liabilities

Current tax 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 liabilities

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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

## Deferred income

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



# Notes to the Financial Statements

## Financial Highlights

### Explanation of financial ratios

Return on assets	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$
Invoiced revenue: Revenue that has been invoiced in the financial year.	