

## **CC Globe Holding II A/S**

Metalbuen 66  
2750 Ballerup  
CVR No. 40858865

### **Annual report 2022**

The Annual General Meeting adopted the  
annual report on 23.02.2023

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**Morten Bachke Knudsen**

Chairman of the General Meeting

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# Entity details

## Entity

CC Globe Holding II A/S

Metalbuen 66

2750 Ballerup

Business Registration No.: 40858865

Date of foundation: 14.10.2019

Registered office: Ballerup

Financial year: 01.01.2022 - 31.12.2022

## Board of Directors

Jens Albert Harsaae, Chairman

Rasmus Philip Buhl Lokvig, Deputy chairman

Peter Raabo Maxsø

Michael Zink

Lasse Loftin Lund Rasmussen

Jens Jørgen Hahn-Petersen

Sophie Louise Knauer

## Executive Board

Jesper Eiby Christoffersen

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of CC Globe Holding II 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 consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows 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.

Ballerup, 09.02.2023

## Executive Board

**Jesper Eiby Christoffersen**

## Board of Directors

**Jens Albert Harsaae**  
Chairman

**Rasmus Philip Buhl Lokvig**  
Deputy chairman

**Peter Raabo Maxsø**

**Michael Zink**

**Lasse Loftin Lund Rasmussen**

**Jens Jørgen Hahn-Petersen**

**Sophie Louise Knauer**

# Independent auditor's report

## To the shareholder of CC Globe Holding II A/S

### Opinion

We have audited the consolidated financial statements and the parent financial statements of CC Globe Holding II 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, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows 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 consolidated financial statements and the parent financial statements" section of this auditor's 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.

### Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 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 consolidated financial statements and the parent 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 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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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.

**Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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, 09.02.2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Nikolaj Thomsen**

State Authorised Public Accountant  
Identification No (MNE) mne33276

**Brian Schmit Jensen**

State Authorised Public Accountant  
Identification No (MNE) mne40050

# Management commentary

## Financial highlights

	2022 DKK'000	2021 DKK'000	2020 DKK'000
<b>Key figures</b>			
Gross profit/loss	130,663	121,956	97,418
Operating profit/loss	3,718	(737)	(12,490)
EBITDA	36,494	38,224	16,091
Net financials	(24,923)	(15,605)	(14,628)
Profit/loss for the year	(18,860)	(15,666)	(28,146)
Balance sheet total	606,138	580,093	576,873
Investments in property, plant and equipment	246	375	8,172
Equity	182,067	200,972	211,402
Cash flows from operating activities	(71,822)	(44,690)	(42,202)
Cash flows from investing activities	(3,180)	(2,673)	(457,438)
Cash flows from financing activities	71,898	25,062	526,138
Average number of employees	176	173	168
<b>Ratios</b>			
Equity ratio (%)	30.04	34.64	36.65

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

### Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$

Balance sheet total



### Primary activities

CC Globe Holding II A/S is the holding company for Group Online, Denmark's largest web- and marketing agency. In 2022 Group Online continued its growth journey under majority ownership by private equity fund CataCap together with original Founders and Management.

Group Online is a full-service provider of websites, online marketing, and other digital tools to the Danish SMB segment, offering its services to more than 10,000 customers. Group Online has more than 200 employees located at four offices across Denmark: Aalborg, Aarhus, Odense and headquartered in Ballerup.

As a full-service web- and marketing agency, Group Online takes responsibility for the complete process, starting from marketing objectives, web design and development to hosting and online marketing, as well as ongoing service via personalized service offerings including AI and Machine Learning automated processes.

### Development in activities and finances

Leveraging a bespoke and secure state-of-the-art Tech Stack and CMS platform, Group Online builds websites and webshops fitting all devices and business purposes. This provides comfortable and easy access to web content for clients and clients' customers. Additionally, Group Online also assists its clients with all online marketing activities for the purposes of providing increased online visibility and driving traffic as well as customers. The services include; advertisement with Google Ads, advertisement on social media, and Search Engine Optimization (SEO), thus improving and placing the clients at the top of the search engines' landing pages. Moreover, online marketing services are ongoing optimization, clear reporting, and personal follow-up.

Group Online assists its clients with annual website updates which includes free support by the agency's Customer Service team. In Customer Success Management as in Customer Service, a dedicated contact person provides competent counselling and support as regards the clients individual solutions and requirements.

Group Online is a Google Premier Partner. The partnership with Google secures high quality, great service, and attractive campaigns for Group Online's clients. Group Online is also a Microsoft Gold Partner, collaborating with Microsoft within a variety of areas, e.g. Microsoft 365 and hosting.

Pursuing an objective of gaining market share in a fragmented market, Group Online made considerable investments during 2022 in sales capacity and capability through the Group Online Sales Academy.

Financially 2022 Group Online delivered on all core operational and financial metrics. As such, Group Online grew sales by +20%, thus continuing a strong growth journey as the market leader in the Danish market.

In 2020, Group Online changed its business model from 3-year contracts with payment up-front to longer term contracts averaging 5 years with quarterly-annual payments. The change has had a positive impact on client satisfaction. For Group Online, the new business model improves transparency and forecasting ability in sales and operations. However, during the transition period the change will have a financial negative impact on revenue and EBITDA as well as a build-up of Work In Progress (revenue from active contracts recognized, although not yet invoiced). Coming out of 2022 Group Online will as going concern be able to invoice over DKK 340m in the years to come.

In 2022, Group Online initiated the roll out of its new customized CRM and ERP platforms. To increase system support to business growth, the first modules of GORM (Group Online Resource Management) system was rolled out. It's built with a modular API logic and enables an organization's independence of all home-built development, utilizing other software provider's expertise within their resort areas. In 2022 Automation was

introduced in ads management, text production and graphics, thus enabling the organization to scale faster while efficiently growing margins.

**Group Online's vision is to enable our clients to shine digitally**

In 2023, Group Online will continue to transform its business for the purposes of better enabling all Danish SMBs to build brands and engage clients online. Group Online will add more products to its portfolio benefiting all customers regardless of industry and online maturity.

While Machine Learning, AI and other automation tools will continue to play a greater role for Group Online in 2023, the continued product focus will be on four primary pillars of functionality. This to create a unified, all-in-one platform to help client growth:

**Presence:** Bespoke state-of-the-art GO-CMS facilitates the swift and easy creation of a professional-quality, mobile and desktop friendly website, the acquisition of a domain and the establishment of a differentiated social media presence,

**Marketing:** Providing clients with powerful, integrated marketing solutions, such as e-mail campaigns, customer relationship management functionality, search engine optimization ("SEO"), search engine marketing ("SEM"), web shops, booking engines and in order to help clients to better understand and target their customers, while driving traffic, sales and conversion.

**Productivity:** Via third-party partnerships with, among others, Google and Microsoft, offering clients state-of-the-art productivity solution. Group Online is one of the only local providers of Microsoft support in Danish, a huge advantage for client in the SMB-segment.

**Safety:** Group Online provides safety solutions in order that SMBs can run a smooth online operation. This for instance encompasses back up plans, encrypted e-mails, SSL certificates, Cookie modules etc.

In addition to the product provisions to SMBs, Group Online also services their clients with a competent and resourceful Client Service. Customer Service in Group Online is a core asset, very well perceived by clients and receiving strong NPS scores. It is a key priority for Group Online to deliver service, second to none, and high client satisfaction.

In 2023, Group Online will continue to grow in Denmark – organically as well as via in-organic, should relevant opportunities arise. There is significant growth potential in the Danish market, and the future opportunity for Group Online lies in a market comprised of approx. 300k small businesses and self-employed ventures. Nearly 3,000 new businesses are created each month in Denmark alone.

Group Online has created a highly-efficient, unique and multi-pronged go-to market model that enables the clients to capitalize on market opportunities and acquire customers in a cost effective manner. Group Online has built a stable and predictable business model driven by efficient client acquisition and the client adoption over time of higher value offerings and add-on subscriptions.

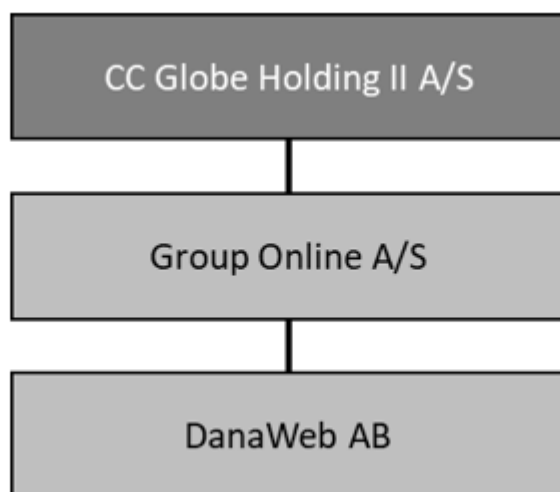
**Governance**

In order to provide transparency, Group Online follows the guidelines for responsible ownership and good corporate governance such as they have been set out by the trade association, Active Owners Denmark.

## Management structure

Our principles for good corporate governance are based on our rules of procedures and our management structure– i.e. our Board of Directors and Management team. The board of directors meet at least 6 times a year, according to a fixed schedule. Moreover, there are monthly chairmanship meetings as well as annual strategy meetings, held for the purpose of determining Group Online's vision, goals and strategy.

Group Online companies, year-end 2022:



## The Board of Directors and Executive Management

The board members hold the following positions:

### **Jens Albert Harsaae, Chairman**

#### Chairman

BidCo af 11. August 2021 ApS  
 CC Globe Holding I ApS  
 CC Globe Holding II A/S  
 CC Lingo Invest ApS  
 DANAWEB INTERNATIONAL A/S  
 Group Online A/S  
 Holdingselskabet af 6. august ApS  
 INTERNET INTELLIGENCE HOUSE NORDIC A/S  
 JumpStory ApS  
 LANGUAGEWIRE A/S  
 Languagewire Holding A/S  
 PLUS PACK A/S  
 Takt A/S

#### Deputy Chairman

CO-RO A/S  
 CO-RO HOLDING A/S

#### Board member/CEO

ABACUS MEDICINE A/S  
 RAKAAS ApS

**Rasmus Philip Buhl Lokvig, Deputy Chairman**ChairmanDeputy Chairman

CC Globe Holding I ApS

CC Globe Holding II A/S

Group Online A/S

Board member/CEO

CataCap III General Partner ApS

CATACAP GENERAL PARTNER I ApS

CataCap General Partner II ApS

CATACAP MANAGEMENT A/S

CC Fly Holding II A/S

CC Fly Invest ApS

CC Globe Invest ApS

CC II Management Invest 2017 GP ApS

CC Mist New Holding II ApS

CC Toaster Invest ApS

Globe ManCo ApS

Luxplus MIIP ApS

MNGT4 RL ApS

Rekom Group A/S

Rekom ManCo ApS

Rekom Group Holding ApS

CC TopCo II Invest ApS

CC Holdco ApS

CC Bidco Invest ApS

CC TopCo Invest ApS

DAFA MIIP ApS

CC North Invest ApS

**Peter Maxsø, Board Member**ChairmanDeputy ChairmanBoard member/CEO

Connection Management A/S

Coleco ApS

CC Globe Holding I ApS

CC Globe Holding II ApS

**Jens Jørgen Hahn-Petersen, Board Member**Chairman

CC BidCo II ApS

CC HoldCo II ApS

The Army Painter ApS

Deputy Chairman

NORDMARK MASKINFABRIK A/S

EJEDOMSSELSKABET GYDLENDALSVEJ A/S

EJENDOMMEN ELLEHAMMERVEJ 11, SKAGEN ApS

NORDMARK PRODUCTION A/S

Nordmark Properties ApS

Nordmark Coating ApS

Board member/CEO

CataCap DM ApS

CataCap DM II ApS

CataCap GENERAL PARTNER I ApS

CataCap General Partner II ApS

CataCap III General Partner ApS

CATACAP MANAGEMENT A/S

CATACAP OP ApS

CC II Management Invest 2017 GP ApS

CC BidCo ApS

CC BidCo II ApS

CC DAFA Invest ApS

CC Fly Invest ApS

CC Globe Holding I ApS

CC Globe Holding II A/S

CC Globe Invest ApS

CC Green Wall Invest ApS

CC HoldCo ApS

CC HoldCo II ApS

CC North Invest ApS

CC TopCo Invest ApS

CC TopCo Invest II ApS

CC Toaster Invest ApS

DAFA MIIP ApS

Globe ManCo ApS

Group Online A/S

Luxplus MIIP ApS

PROSPERITAS ApS

Rekom ManCo ApS

TPA Green ManCo ApS

**Michael Zink, Board Member**ChairmanDeputy ChairmanBoard member/CEO

CC Globe Holding I ApS

CC Globe Holding II ApS

ZinkInvest ApS

**Lasse Loftin Lund Rasmussen, Board member**ChairmanDeputy ChairmanBoard member/CEO

CC Globe Holding I ApS

CC Globe Holding II ApS

Dept Digital Marketing ApS

Loftin Holding ApS

Site Campaign ApS

Site Campaign Holding ApS

**Sophie Louise Knauer, Board Member**ChairmanDeputy ChairmanBoard member/CEO

CC Fly Holding I ApS

CC Fly Holding II ApS

CC Globe Holding I ApS

CC Globe Holding II ApS

CC Mist NEW Holding ApS

CC Mist NEW Holding II ApS

It's a Club ApS

Lady Invest ApS

Rekom Group ApS

SKAKO A/S

SKAKO CONCRETE A/S

SKAKO VIBRATION A/S

Solar A/S

Ferm Living ApS

**Risks**Compliance risk

GDPR and the use of legal analysis tools is central for Group Online. The guidelines set from the Danish Data Protection Authorities and EU are followed.

IT risks

The safety aspects of Group Online's IT solutions, including the infrastructural part, are monitored and evaluated in collaboration with external consultants. To ensure the right level of resources and competencies, a part of the IT tasks and processes is likewise outsourced to external partners. The target comprises uniform systems, standards and controls so that the risk of errors and omissions is minimized.

Market risks

Looking into 2023 we still see a challenged market environment ahead of us. Inflation is high, interest rates continue to challenge SMBs and consumers and crisis in Ukraine creates uncertainty. While Group Online was not largely impacted in 2022 bankruptcy rates in the small business segment are monitored very closely

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

EBITDA was DKK 36,5m in 2022, which was in line with expectations. Increased sales performance led to increased revenue, whereas salaries, as expected, increased with the building up of the organization.

Earnings, net profit and the changes in 2022 are considered to be satisfactory.

## Outlook

Management expects to grow revenue in 2023 with an EBITDA within the range of DKK 50-55m, a 40% year on year EBITDA increase.

## Knowledge resources

### People & Culture

In Group Online, we are our people. Group Online seeks to attract and build digital talents that can grow within the organization and support the business and our clients in the best possible way. Group Online cares about every single employee and challenge as well as support everyone's professional development journey.

### Social conditions and employee relations

Ensuring our employees' well-being and job satisfaction is the greatest responsibility for Group Online. Group Online is committed to ensure industry-leading workplace conditions and to promote a culture of recognition and professional development. Group Online's employees constitute a wide range of age groups from many young people working part-time to senior employees (age spread 44 years), and we are committed to provide responsible and flexible working conditions for all. Good working environments and employment terms strengthen retention and general job satisfaction. Group Online always complies with applicable law, regulations and treaties.

With an increasingly competitive job market, Group Online needs to be an attractive place of work that can both attract and retain key personnel. As of 2022, Group Online offers a pension scheme and health insurance to all employees.

### Diversity in Group Online

Group Online recognizes the importance of attracting, developing and retaining the right talent for the company, irrespective of gender, sexual orientation, nationality or race. Believing that management and employee diversity allows for more flexible thinking and better working environments and that it prevents people and company bias. By establishing teams with a variety of experience, education, background, age and gender, Group Online brings all our employees' unique contributions into play for the benefit of the business.

## Environmental performance

Group Online is committed to its environmental impact and, in 2022, the company continued to conduct environmental and climate impact assessments of the Group's business operations to ensure a better understanding of challenges and opportunities in this domain. This assessment will play into the development of an environmental policy for the Group, including positions on:

- Limiting CO2 emission from servers and, over time, becoming fully CO2 neutral
- Operating a more sustainable car fleet with electrical cars and hybrids
- Operating a fully energy-neutral HQ in Ballerup - including smart sensors for light and personal hardware
- Changing into the highest energy efficient hardware setup
- Creating digital contracts with both suppliers, customer and employees
- Installing charging stations for electric cars and, when sustainable, replacing petrol-powered vehicles with electric
- Reducing temperatures in buildings by 1-2 degrees during the winter months to reduce our co2 emission.
- Reducing air-conditioning during the summer months

## Events after the balance sheet date

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

# Consolidated income statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
<b>Gross profit/loss</b>		<b>130,663</b>	<b>121,956</b>
Staff costs	3	(94,169)	(83,732)
Depreciation, amortisation and impairment losses	4	(32,776)	(38,961)
<b>Operating profit/loss</b>		<b>3,718</b>	<b>(737)</b>
Other financial income	5	4,838	748
Other financial expenses	6	(29,761)	(16,353)
<b>Profit/loss before tax</b>		<b>(21,205)</b>	<b>(16,342)</b>
Tax on profit/loss for the year	7	2,345	676
<b>Profit/loss for the year</b>	8	<b>(18,860)</b>	<b>(15,666)</b>

# Consolidated balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK'000	2021 DKK'000
Completed development projects	10	3,625	4,202
Acquired intangible assets		80,862	92,611
Goodwill		293,908	311,338
Development projects in progress	10	1,691	1,307
<b>Intangible assets</b>	9	<b>380,086</b>	<b>409,458</b>
Other fixtures and fittings, tools and equipment		53	79
Leasehold improvements		1,279	1,529
<b>Property, plant and equipment</b>	11	<b>1,332</b>	<b>1,608</b>
Deposits		2,203	2,151
<b>Financial assets</b>	12	<b>2,203</b>	<b>2,151</b>
<b>Fixed assets</b>		<b>383,621</b>	<b>413,217</b>
Trade receivables		26,385	26,164
Contract work in progress	13	193,430	135,431
Receivables from group enterprises		0	47
Other receivables		0	247
Tax receivable		341	344
Prepayments	14	1,268	446
<b>Receivables</b>		<b>221,424</b>	<b>162,679</b>
<b>Cash</b>		<b>1,093</b>	<b>4,197</b>
<b>Current assets</b>		<b>222,517</b>	<b>166,876</b>
<b>Assets</b>		<b>606,138</b>	<b>580,093</b>



**Equity and liabilities**

	Notes	2022 DKK'000	2021 DKK'000
Contributed capital		249,368	249,368
Translation reserve		196	241
Retained earnings		(67,497)	(48,637)
<b>Equity</b>		<b>182,067</b>	<b>200,972</b>
Deferred tax	15	21,458	23,310
<b>Provisions</b>		<b>21,458</b>	<b>23,310</b>
Bank loans		212,080	0
Payables to group enterprises		136,837	123,751
Other payables		7,290	7,276
<b>Non-current liabilities other than provisions</b>	16	<b>356,207</b>	<b>131,027</b>
Bank loans		19,033	171,873
Contract work in progress	13	7,399	9,935
Trade payables		4,552	5,239
Payables to group enterprises		207	0
Tax payable		4,385	4,735
Other payables		9,317	24,400
Deferred income	17	1,513	8,602
<b>Current liabilities other than provisions</b>		<b>46,406</b>	<b>224,784</b>
<b>Liabilities other than provisions</b>		<b>402,613</b>	<b>355,811</b>
<b>Equity and liabilities</b>		<b>606,138</b>	<b>580,093</b>
Events after the balance sheet date	1		
Uncertainty relating to recognition and measurement	2		
Unrecognised rental and lease commitments	19		
Group relations	20		
Subsidiaries	21		

# Consolidated statement of changes in equity for 2022

	Contributed capital DKK'000	Translation reserve DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	249,368	241	(48,637)	200,972
Exchange rate adjustments	0	(45)	0	(45)
Profit/loss for the year	0	0	(18,860)	(18,860)
<b>Equity end of year</b>	<b>249,368</b>	<b>196</b>	<b>(67,497)</b>	<b>182,067</b>

# Consolidated cash flow statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Operating profit/loss		3,718	(737)
Amortisation, depreciation and impairment losses		32,776	38,961
Working capital changes	18	(84,265)	(65,392)
<b>Cash flow from ordinary operating activities</b>		<b>(47,771)</b>	<b>(27,168)</b>
Financial income received		4,885	748
Financial expenses paid		(29,761)	(16,353)
Taxes refunded/(paid)		825	(1,917)
<b>Cash flows from operating activities</b>		<b>(71,822)</b>	<b>(44,690)</b>
Acquisition etc. of intangible assets		(2,882)	(2,214)
Acquisition etc. of property, plant and equipment		(246)	(375)
Acquisition of fixed asset investments		(52)	(84)
<b>Cash flows from investing activities</b>		<b>(3,180)</b>	<b>(2,673)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>(75,002)</b>	<b>(47,363)</b>
Loans raised		212,080	4,899
Repayments of loans etc.		(152,840)	0
Incurrence of debt to group enterprises		12,658	14,468
Cash capital increase		0	5,695
<b>Cash flows from financing activities</b>		<b>71,898</b>	<b>25,062</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>(3,104)</b>	<b>(22,301)</b>
Cash and cash equivalents beginning of year		4,197	26,498
<b>Cash and cash equivalents end of year</b>		<b>1,093</b>	<b>4,197</b>
Cash and cash equivalents at year-end are composed of:			
Cash		1,093	4,197
<b>Cash and cash equivalents end of year</b>		<b>1,093</b>	<b>4,197</b>

# Notes to consolidated financial statements

## 1 Events after the balance sheet date

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

## 2 Uncertainty relating to recognition and measurement

The recognition of revenue is to some extent impacted by management estimates and judgement for contract work in progress in relation to determining stage of completion and expected profitability of the individual projects, and hence, revenue recognised in subsequent years may be impacted by changes in estimates to the revenue recognised in previous years. Revenue recognised from contract work in progress in 2022 has not been impacted by any significant changes to the revenue recognised in previous years.

## 3 Staff costs

	2022 DKK'000	2021 DKK'000
Wages and salaries	93,349	83,157
Pension costs	1,362	819
Other social security costs	1,238	860
Other staff costs	845	1,110
	<b>96,794</b>	<b>85,946</b>
Staff costs classified as assets	(2,625)	(2,214)
	<b>94,169</b>	<b>83,732</b>
Average number of full-time employees	176	173

	Remuneration of management 2022 DKK'000	Remuneration of management 2021 DKK'000
Total amount for management categories	3,554	3,128
	<b>3,554</b>	<b>3,128</b>

Persuant to Section 98b(iii) of the Danish Financial Statements Act, remuneration to the members of the Executive Board is not separately disclosed.

**4 Depreciation, amortisation and impairment losses**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Amortisation of intangible assets	32,254	38,086
Depreciation on property, plant and equipment	522	637
Impairment losses on property, plant and equipment	0	238
	<b>32,776</b>	<b>38,961</b>

**5 Other financial income**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Other interest income	367	748
Other financial income	4,471	0
	<b>4,838</b>	<b>748</b>

**6 Other financial expenses**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Financial expenses from group enterprises	10,291	9,082
Other interest expenses	19,402	7,202
Other financial expenses	68	69
	<b>29,761</b>	<b>16,353</b>

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

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Current tax	60	52
Change in deferred tax	(1,946)	252
Adjustment concerning previous years	(459)	(980)
	<b>(2,345)</b>	<b>(676)</b>

**8 Proposed distribution of profit/loss**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Retained earnings	(18,860)	(15,666)
	<b>(18,860)</b>	<b>(15,666)</b>

## 9 Intangible assets

	Completed development projects DKK'000	Acquired intangible assets DKK'000	Goodwill DKK'000	Development projects in progress DKK'000
Cost beginning of year	48,831	119,494	347,512	1,307
Transfers	2,241	0	0	(2,241)
Additions	0	257	0	2,625
<b>Cost end of year</b>	<b>51,072</b>	<b>119,751</b>	<b>347,512</b>	<b>1,691</b>
Amortisation and impairment losses beginning of year	(44,629)	(26,883)	(36,174)	0
Amortisation for the year	(2,818)	(12,006)	(17,430)	0
<b>Amortisation and impairment losses end of year</b>	<b>(47,447)</b>	<b>(38,889)</b>	<b>(53,604)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>3,625</b>	<b>80,862</b>	<b>293,908</b>	<b>1,691</b>

## 10 Development projects

As previous years the group has capitalized development costs. The Group's development projects consists of internally developed software products used in the design and creation of webpages. The development cost is expected to add significant value to customer handling proces.

Costs are capitalized as incurred if this relates to the development projects. The Group possess the resources and skills to complete the development projects.

## 11 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	6,494	2,053
Additions	0	246
<b>Cost end of year</b>	<b>6,494</b>	<b>2,299</b>
Depreciation and impairment losses beginning of year	(6,415)	(524)
Depreciation for the year	(26)	(496)
<b>Depreciation and impairment losses end of year</b>	<b>(6,441)</b>	<b>(1,020)</b>
<b>Carrying amount end of year</b>	<b>53</b>	<b>1,279</b>

**12 Financial assets**

	<b>Deposits DKK'000</b>
Cost beginning of year	2,151
Additions	52
<b>Cost end of year</b>	<b>2,203</b>
<b>Carrying amount end of year</b>	<b>2,203</b>

**13 Contract work in progress**

	<b>2022 DKK'000</b>	<b>2021 DKK'000</b>
Contract work in progress	345,515	185,390
Progress billings	(144,686)	(49,959)
Transferred to liabilities other than provisions	(7,399)	0
	<b>193,430</b>	<b>135,431</b>

Contract work in progress contains provisions for losses of DKK 10,826 thousand (2021: DKK 7,913 thousand).

**14 Prepayments**

Prepayments consist of prepaid expenses concerning rent, insurance premiums and subscriptions.

**15 Deferred tax**

	<b>2022 DKK'000</b>	<b>2021 DKK'000</b>
Intangible assets	17,792	20,174
Property, plant and equipment	(167)	(227)
Fixed asset investments	(363)	0
Receivables	30,274	24,250
Tax losses carried forward	(26,078)	(20,081)
Other taxable temporary differences	0	(806)
<b>Deferred tax</b>	<b>21,458</b>	<b>23,310</b>

	<b>2022 DKK'000</b>	<b>2021 DKK'000</b>
<b>Changes during the year</b>		
Beginning of year	23,310	30,546
Recognised in the income statement	(1,946)	(728)
Reclassification between current tax and deferred tax	94	(6,508)
<b>End of year</b>	<b>21,458</b>	<b>23,310</b>

## 16 Non-current liabilities other than provisions

	Due after more than 12 months 2022 DKK'000	Outstanding after 5 years 2022 DKK'000
Bank loans	212,080	212,080
Payables to group enterprises	136,837	80,667
Other payables	7,290	7,276
	<b>356,207</b>	<b>300,023</b>

Other payables consists of holiday pay obligation.

## 17 Deferred income

Deferred income consists of prepaid revenue to be recognized in future periods.

## 18 Changes in working capital

	2022 DKK'000	2021 DKK'000
Increase/decrease in receivables	(58,795)	(72,496)
Increase/decrease in trade payables etc.	(25,470)	7,104
	<b>(84,265)</b>	<b>(65,392)</b>

## 19 Unrecognised rental and lease commitments

	2022 DKK'000	2021 DKK'000
Total liabilities under rental or lease agreements until maturity	17,629	19,195

## 20 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
CC Globe Invest ApS, Ballerup

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
CC Globe Invest ApS, Ballerup

## 21 Subsidiaries

	Registered in	Corporate form	Ownership %
Group Online A/S	Ballerup, Denmark	A/S	100.00
Danaweb AB	Sweden	AB	100.00



# Parent income statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
<b>Gross profit/loss</b>		<b>(1,097)</b>	<b>(276)</b>
Income from investments in group enterprises		(1,729)	(4,447)
Other financial income	1	7,094	221
Other financial expenses	2	(29,220)	(15,585)
<b>Profit/loss before tax</b>		<b>(24,952)</b>	<b>(20,087)</b>
Tax on profit/loss for the year	3	6,092	4,421
<b>Profit/loss for the year</b>	4	<b>(18,860)</b>	<b>(15,666)</b>

# Parent balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK'000	2021 DKK'000
Investments in group enterprises		474,095	475,867
<b>Financial assets</b>	5	<b>474,095</b>	<b>475,867</b>
<b>Fixed assets</b>		<b>474,095</b>	<b>475,867</b>
Receivables from group enterprises		42,846	9,734
Deferred tax	6	13,607	7,609
Prepayments	7	55	0
<b>Receivables</b>		<b>56,508</b>	<b>17,343</b>
<b>Cash</b>		<b>439</b>	<b>0</b>
<b>Current assets</b>		<b>56,947</b>	<b>17,343</b>
<b>Assets</b>		<b>531,042</b>	<b>493,210</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK'000</b>	<b>2021 DKK'000</b>
Contributed capital		249,368	249,368
Retained earnings		(67,299)	(48,396)
<b>Equity</b>		<b>182,069</b>	<b>200,972</b>
Bank loans		212,080	0
Payables to group enterprises		136,837	123,751
<b>Non-current liabilities other than provisions</b>	<b>8</b>	<b>348,917</b>	<b>123,751</b>
Bank loans		0	168,172
Other payables		56	315
<b>Current liabilities other than provisions</b>		<b>56</b>	<b>168,487</b>
<b>Liabilities other than provisions</b>		<b>348,973</b>	<b>292,238</b>
<b>Equity and liabilities</b>		<b>531,042</b>	<b>493,210</b>
Employees	9		
Contingent liabilities	10		
Related parties with controlling interest	11		

# Parent statement of changes in equity for 2022

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	249,368	(48,396)	200,972
Exchange rate adjustments	0	(43)	(43)
Profit/loss for the year	0	(18,860)	(18,860)
<b>Equity end of year</b>	<b>249,368</b>	<b>(67,299)</b>	<b>182,069</b>

# Notes to parent financial statements

## 1 Other financial income

	2022 DKK'000	2021 DKK'000
Financial income from group enterprises	2,623	0
Other financial income	4,471	221
	<b>7,094</b>	<b>221</b>

## 2 Other financial expenses

	2022 DKK'000	2021 DKK'000
Financial expenses from group enterprises	10,267	9,082
Other interest expenses	18,953	6,503
	<b>29,220</b>	<b>15,585</b>

## 3 Tax on profit/loss for the year

	2022 DKK'000	2021 DKK'000
Change in deferred tax	(6,092)	(3,441)
Adjustment concerning previous years	0	(980)
	<b>(6,092)</b>	<b>(4,421)</b>

## 4 Proposed distribution of profit and loss

	2022 DKK'000	2021 DKK'000
Retained earnings	(18,860)	(15,666)
	<b>(18,860)</b>	<b>(15,666)</b>

## 5 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	504,110
<b>Cost end of year</b>	<b>504,110</b>
Impairment losses beginning of year	(28,243)
Exchange rate adjustments	(43)
Amortisation of goodwill	(23,748)
Share of profit/loss for the year	22,019
<b>Impairment losses end of year</b>	<b>(30,015)</b>
<b>Carrying amount end of year</b>	<b>474,095</b>

The carrying amount of goodwill at year end 31.12.2022 amounts to DKK 341.819 thousands.

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

## 6 Deferred tax

	2022 DKK'000	2021 DKK'000
Fixed asset investments	363	0
Tax losses carried forward	13,244	7,609
<b>Deferred tax</b>	<b>13,607</b>	<b>7,609</b>

	2022 DKK'000	2021 DKK'000
<b>Changes during the year</b>		
Beginning of year	7,609	3,188
Recognised in the income statement	6,092	3,441
Adjustment concerning previous years	(94)	980
<b>End of year</b>	<b>13,607</b>	<b>7,609</b>

### Deferred tax assets

Deferred tax is tax loss carried forward to be utilized in the joint taxation.

## 7 Prepayments

Prepayments consist of prepaid expenses concerning management fee.

## 8 Non-current liabilities other than provisions

	Due after more than 12 months 2022 DKK'000	Outstanding after 5 years 2022 DKK'000
Bank loans	212,080	0
Payables to group enterprises	136,837	80,667
	<b>348,917</b>	<b>80,667</b>

## 9 Employees

The Entity has no employees other than the Executive Board and Board of Directors. Management has not received remuneration.

## 10 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where "CC Globe Invest ApS" serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

## 11 Related parties with controlling interest

- CC Globe Holding I ApS, Metalbuen 66, 2750 Ballerup (Denmark)
- CC Globe Invest ApS, Metalbuen 66, 2750 Ballerup (Denmark)
- CataCap II K/S, Øster Allé 42, 7., 2100 København Ø (Denmark)

All transactions with related parties which have not been according with market conditions will be disclosed. There have been no such transactions in the financial year.

# 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 consolidated financial statements and parent financial statements are consistent with those applied last year.

Reclassifications of items of the income statements and balance sheet have been made in the comparison year which have not affected profit.

## 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.

## Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

## Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.



## **Income statement**

### **Gross profit or loss**

Gross profit or loss comprises revenue, changes work in progress, own work capitalised, other operating income 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.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

### **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 wages and salaries, 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.

### **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, payables and transactions in foreign currencies, 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, payables and transactions in foreign currencies, 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.

## 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 20 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.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Assets are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 10 years.

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

### Property, plant and equipment

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:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

Estimated useful lives and residual values are reassessed annually.

Other fixtures and fittings, tools and equipment and leasehold improvements are written down to the lower of recoverable amount and carrying amount.

### Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements 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. Reference is made to the above section on business combinations for more details about the accounting policies applied to 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 reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share 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 20 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.

**Contract work in progress**

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a contract in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

**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.

**Tax payable or receivable**

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

**Prepayments**

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

**Cash**

Cash comprises cash in hand and bank deposits.

**Other financial liabilities**

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

**Deferred income**

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

**Cash flow statement**

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.