# CC Globe Holding II A/S

Metalbuen 66
2750 Ballerup
CVR No. 40858865

## Annual report 2021

The Annual General Meeting adopted the annual report on 20.04.2022

**Morten Bachke Knudsen**
Chairman of the General Meeting

# Contents

# 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: 01.01.2021 - 31.12.2021

## 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 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021.

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, 20.04.2022

**Executive Board**

**Jesper Eiby Christoffersen**

**Board of Directors**

| | | |
|---|---|---|
| **Jens Albert Harsaae**<br>Chairman | **Rasmus Philip Buhl Lokvig**<br>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 01.01.2021 - 31.12.2021, 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 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021 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, 20.04.2022

**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

| | 2021<br>DKK'000 | 2019/20<br>DKK'000 |
|---|---|---|
| **Key figures** | | |
| Gross profit/loss | 121,956 | 97,417 |
| Operating profit/loss | (737) | (12,491) |
| EBITDA | 38,224 | 16,091 |
| Net financials | (15,605) | (14,628) |
| Profit/loss for the year | (15,666) | (28,146) |
| Balance sheet total | 580,093 | 576,873 |
| Investments in property, plant and equipment | 375 | 8,172 |
| Equity | 200,972 | 211,402 |
| Cash flows from operating activities | (44,690) | (42,202) |
| Cash flows from investing activities | (2,673) | (457,438) |
| Cash flows from financing activities | 25,062 | 526,138 |
| | | |
| **Ratios** | | |
| Equity ratio (%) | 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 (%):**
Equity * 100
Balance sheet total

## Primary activities

CC Globe Holding II is the holding company for Group Online. Group Online is on an exciting growth journey and was formed by a merger between the two companies – Danaweb A/S and Optimeo A/S – which were both acquired by the private equity firm CataCap in 2019 together with the original founders.

In 2020, Plico A/S became part of Group Online, and today the company has more than 170 employees located at four offices across Denmark. Aalborg, Aarhus, Odense and is headquartered in a new domicile in Ballerup. In order to simplify the group structure, the former operating entities merged with Group Online A/S as the future operating entity.

The company started out in 2003 with the founding of DanaWeb, focused on the Small Midsized Business (SMB) segment in Denmark creating and managing websites. Since the company transformed into a full service provider of both websites, online marketing and other digital tools. Group Online is now the biggest provider of these services in Denmark with more than 12,000 customers.

Group Online has now a strong value proposition serving as a one-stop-shop, creating stickiness and recurring revenue. The entire organization is focused on either sales, production, or support.

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

Using a responsive web design, Group Online websites are automatically adjusted to fit all types of devices from smartphones to desktops. This gives customers and customers customers a comfortable and easy view and use of the websites. Besides designing and developing websites, Group Online also helps customers with all online marketing to make them more visible online and drive traffic as well as customers. The services include: advertisement with Google Ads, advertisement on social media, and Search Engine Optimization (SEO), which improves and places the companies at the top of the search engines' landing page. Also included in their online marketing service are ongoing optimization, clear reporting, and personal follow-up.

As one of the few web agencies in Denmark, Group Online is also a Google Premier Partner. The partnership with Google secures high quality, great service, and attractive campaigns for Group Online's customers. Group Online is also a Microsoft Gold Partner and collaborates with Microsoft in a variety of areas, e.g. Microsoft 365 and hosting.

Group Online also assists its customers with website updates annually. Its deals also include free support, hence, the customers can contact its Customer Service team. There is a dedicated contact person in Customer Service, who will provide competent counseling and support in regards to the customers' individual solution and needs.

## Development in activities and finances

2021 was the first full year of being a consolidated Group Online. 2021 was also the year where CataCap and Group Online initiated its leadership transformation from founder-led to professional C-suite. Group Online hired it's new CEO Jesper Eiby Christoffersen, former Google Exec, to further develop, transform and professionalize the business. In a long-planned and structured process August 2021 DanaWeb founder Kenneth Stampe handed over the leadership of the group to Jesper, but continues to support the growth story of Group Online as a key shareholder.

**Handling of COVID-19**
Group Online A/S has followed the Danish government's guidelines since the "lockdown" on March 11th, 2020, including temporary paid leave of employees, providing the opportunity to work from home, and establishing company policies surrounding behavior in the workplace and action plans in the event of an employee testing positive for COVID-19.

The global pandemic and subsequent halt to the economy has had a further negative impact on the finances in 2021, as the sales department for brief periods have been challenged by lock downs and potential customers have been hesitant to meet for sales meetings.

Additionally, the sales process has been transitioned to accommodate both online and in-person meetings, with relative success, which has shown that a hybrid sales model improves stability. The demand in the market for the Company's products does not seem to be affected. If anything, it is more relevant than ever before for a lot of companies.

**Group Online's vision is to make successful businesses that shine online.**
With the CEO transition in place Group Online is transforming its business to better enable all Danish SMBs to build a brand and transact with their customers with an impactful online presence. This helps all clients, from individual entrepreneurs just starting out, to established businesses. Consumer behavior continues to rapidly evolve in conjunction with changes in the internet and technology, and the amount of time and money consumers spend online is accelerating. As consumers increasingly engage with companies online to learn about and transact with new brands, the marketplace for consumer attention is intensely competitive. It is mission-critical for brands to differentiate themselves with a stand-out and effective online presence. Businesses need a way to develop an impactful, professional-quality presence quickly and cost-effectively that also enables them to transact directly with their customer base. At Group Online we empower our customers to manage and grow compelling brands online.

We bring together three primary pillars of functionality to create a unified, all-in-one platform to help our customers grow:

**Presence:** Our intuitive own-build GO-CMS makes it possible to quickly and easily create a professional-quality, mobile and desktop friendly website, acquire a domain and establish a differentiated social media presence. Since our founding, we have invested and will continue to do so in our design and creative teams in an effort to create innovative, forward-thinking website designs that ensure our customers' websites are seen as the most professional in their industry on the web.

**Marketing:** We provide brands with powerful, integrated marketing solutions, such as Email Campaigns, customer relationship management functionality, search engine optimization ("SEO"), search engine marketing and analytics tools to help them better understand and target their audiences while driving traffic, sales and conversion. Group Online's offerings are fit for customers that are just getting started, as well as larger businesses that need scale, flexibility and reliability.

**Productivity:** Via 3rd party partnerships with, among others, Google and Microsoft, we can offer all our customers a state of the art productivity solution, where we manage all the applications our customers need to run a small business today. We are one of the only local providers of Microsoft support in Danish, a huge advantage for the clients in our industry.

In addition to servicing customers from inception to at-scale, our customers span a wide variety of industries and use cases, from all over the small businesses universe. As of December 31, 2021, we had >6 million monthly visitors to our customers websites.

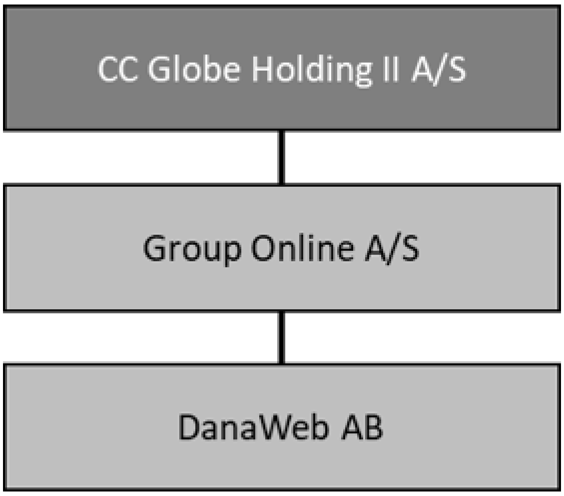
Group Online has a significant existing and growing market opportunity with over 300k small businesses and self-employed ventures in Denmark alone. In addition, nearly 3,000 new businesses are created each month in Denmark alone. With that we believe there is significant headroom for growth with increasing online penetration alone in Denmark.

We believe we have created a highly-efficient, unique and multi-pronged go-to market model that enables us to capitalize on our market opportunity and acquire customers in a cost effective manner. We believe we have a stable and predictable business model driven by efficient customer acquisition and the adoption by our customers over time of higher value offerings and add-on subscriptions.

**Governance**
In order to provide transparency Group Online now follows the industry association Active Owners Denmark's guidelines for responsible ownership and good corporate governance.

Management structure
Our principles for good corporate governance are based on our rules of procedures and our management structure, consisting of Board of Directors and our Management team. The board of directors meet according to a set schedule at least 6 times a year. In addition, monthly chairmanship meetings are held and annual strategy meetings are also held to determine Group Online's vision, goals and strategy.

Group Online companies, year-end 2021:



The Board of Directors and Executive Management

The board members hold the following positions:

**Jens Albert Harsaae, Chairman**

| Chairman | Deputy Chairman | Board member/CEO |
|---|---|---|
| BidCo af 11. August 2021 ApS | CO-RO A/S | ABACUS MEDICINE A/S |
| CC Globe Holding I ApS | CO-RO HOLDING A/S | RAKAAS 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 | | |

**Rasmus Philip Buhl Lokvig, Deputy Chairman**

| Chairman | Deputy Chairman | Board member/CEO |
|---|---|---|
| | CC Globe Holding I ApS | CataCap III General Partner ApS |
| | CC Globe Holding II A/S | CATACAP GENERAL PARTNER I ApS |
| | DANAWEB INTERNATIONAL A/S | CataCap General Partner II ApS |
| | Group Online A/S | CATACAP MANAGEMENT A/S |
| | LYNGSOE SYSTEMS A/S | CC Fly Holding I ApS |
| | LYNGSOE SYSTEMS HOLDING 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 SKY Invest ApS |
| | | CC Toaster Invest ApS |
| | | Globe ManCo ApS |
| | | Luxplus MIIP ApS |
| | | MNGT4 RL ApS |
| | | Rekom Group A/S |
| | | Rekom ManCo ApS |

**Lasse Loftin Lund Rasmussen, Board member**

| Chairman | Deputy Chairman | Board 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 |

**Michael Zink, Board Member**

| Chairman | Deputy Chairman | Board member/CEO |
|---|---|---|
| | | CC Globe Holding I ApS |
| | | CC Globe Holding II ApS |
| | | ZinkInvest ApS |

**Peter Maxsø, Board Member**

| Chairman | Deputy Chairman | Board member/CEO |
|---|---|---|
| | | Connection Management A/S |
| | | Coleco ApS |
| | | CC Globe Holding I ApS |
| | | CC Globe Holding II ApS |

**Sophie Louise Knauer, Board Member**

| Chairman | Deputy Chairman | Board member/CEO |
|---|---|---|
| | | CC Fly Holding I ApS<br>CC Fly Holding II ApS<br>CC Globe Holding I ApS<br>CC Globe Holding II ApS<br>CC Mist NEW Holding ApS<br>CC Mist NEW Holding II ApS<br>It's a Club ApS<br>Lady Invest ApS<br>Rekom Group ApS<br>SKAKO A/S<br>SKAKO CONCRETE A/S<br>SKAKO VIBRATION A/S<br>Solar A/S |

**Risks**

Management expects sales to grow in 2022, as the year will be less affected by COVID-19. Growth will still depend on reopening scenarios as well as government restrictions imposed. Thus, there will be a focus on getting all sales teams back on track after COVID-19 to meet customers again.

Currency exposure

Group Online operates primarily in Denmark and since the cost base comprises salaries and other SG&A costs primarily in DKK, we are not exposed to any significant currency risk.

Political exposure

Political risks relate to decisions that directly or indirectly may change the preconditions for Group Online's business activities. In order to respond as quickly as possible to political initiatives and changes that may affect our business, we closely monitor the political landscape.

IT risks

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

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

The year-end 2021 EBITDA was DKK 38.2m which was a significant improvement compared to 2020 that was impacted by costs relating to the acquisition and merger of DanaWeb, Optimeo and Plico.

Since August 2020 the vast majority of contracts signed with customers include an installment plan with yearly payments resulting in significant increase in "Contract work in progress" on the balance sheet as revenue is recognised based on the stage of completion (the "percentage-of-completion method") and not when invoicing takes place. "Contract work in progres" will continue to build up over the coming years.

Earnings, net profit and the changes in 2021 are viewed as acceptable. Due to higher costs driven by, among other things, the merger with DanaWeb International A/S, Plico A/S, Optimeo A/S, earnings were slightly below Management's expectations.

## Outlook

With the expected full opening following the COVID-19 “lockdowns” the Group expects a satisfactory business environment in 2022. However, if new COVID-19 mutations arise it may create uncertainty for the Company’s growth.

Additional acquisitions to strengthen Group Online’s market leading position are probable if a strategic fit is found.

In 2022 management expects to grow revenue with an EBITDA in the range of DKK 35-40 million due to significant investments made to the organization.

## Knowledge resources

### People & Culture

In Group Online we are our people. The employees are our most important asset, and together they build the foundation for our customers' success, which essentially is what takes us from good to great and forms the foundation for our development and growth as a company.

Former Danaweb has always managed a tight sales operation with few, but stellar sales people. To mitigate the risk of sales people (and other employees) churn for the future and also to develop an even more systematic recruiting and retention profile the invention of the Group Online Sales Academy has been built in 2021. The ambition is to create Denmark's best sales education with a strong campus-like educational setting that will lay the foundation for the most ambitious education set-up in the digital industry.

In 2022, Group Online will continue to build on these learnings from the launch in 2021 and build on the momentum through the launch of even more extensive educational tracks expanding to other teams as well. This is designed to upgrade our employees’ competencies and will, upon completion, result in skills way above industry average. These initiatives represent a resource-intensive and financial commitment towards making Group Online the best and well-skilled organization within the digital space.

### Social conditions and employee relations

Ensuring the well-being of our employees is the greatest responsibility for Group Online. We are committed to ensuring industry-leading workplace conditions and to promoting 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 and we are committed to provide decent, responsible and flexible working conditions for all. Good working environments and employment terms strengthen retention and general employee wellbeing. We always comply with applicable laws, regulations and treaties.

### Diversity in Group Online

In Group Online we recognize the importance of attracting, developing and retaining the right talent to the company, irrespective of gender, sexual orientation, nationality or race. We believe that management and employee diversity allow for more flexible thinking, better working environments and that it prevents people and company biases. By building 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 very concerned about its environmental impact and has in 2021 conducted an environmental and climate impact assessment of the Group's business operations to ensure a better understanding of challenges and opportunities in this domain. The assessment will play into the development of an environmental policy for the Group including positions on:

- Limit CO2 emissions from servers and in time become fully CO2 neutral
- Operate a more sustainable car fleet with electrical cars and hybrids
- Operate a fully energy-neutral HQ in Ballerup - including smart sensors for lights and personal hardware
- Change to the highest energy efficient hardware setup
- Digital contracts with both suppliers, customer and employees

## Events after the balance sheet date

After the balance sheet date the Group has refinanced its external loan obligations.

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

# Consolidated income statement for 2021

| | Notes | 2021 DKK'000 | 2019/20 DKK'000 |
|---|---|---|---|
| **Gross profit/loss** | | **121,956** | **97,417** |
| Staff costs | 3 | (83,732) | (81,326) |
| Depreciation, amortisation and impairment losses | 4 | (38,961) | (28,582) |
| **Operating profit/loss** | | **(737)** | **(12,491)** |
| Other financial income | | 748 | 1,044 |
| Other financial expenses | 5 | (16,353) | (15,671) |
| **Profit/loss before tax** | | **(16,342)** | **(27,118)** |
| Tax on profit/loss for the year | 6 | 676 | (1,028) |
| **Profit/loss for the year** | 7 | **(15,666)** | **(28,146)** |

# Consolidated balance sheet at 31.12.2021

## Assets

| | Notes | 2021 DKK'000 | 2019/20 DKK'000 |
|---|---|---|---|
| Completed development projects | 9 | 4,202 | 6,010 |
| Acquired intangible assets | | 92,611 | 110,366 |
| Goodwill | | 311,338 | 328,749 |
| Development projects in progress | 9 | 1,307 | 205 |
| **Intangible assets** | 8 | **409,458** | **445,330** |
| Other fixtures and fittings, tools and equipment | | 79 | 611 |
| Leasehold improvements | | 1,529 | 1,497 |
| **Property, plant and equipment** | 10 | **1,608** | **2,108** |
| Deposits | | 2,151 | 2,067 |
| Other receivables | | 0 | 47 |
| **Financial assets** | 11 | **2,151** | **2,114** |
| **Fixed assets** | | **413,217** | **449,552** |
| Trade receivables | | 26,164 | 35,418 |
| Contract work in progress | 12 | 135,431 | 61,649 |
| Receivables from group enterprises | | 47 | 0 |
| Other receivables | | 247 | 995 |
| Tax receivable | | 344 | 1,604 |
| Prepayments | 13 | 446 | 1,157 |
| **Receivables** | | **162,679** | **100,823** |
| **Cash** | | **4,197** | **26,498** |
| **Current assets** | | **166,876** | **127,321** |
| **Assets** | | **580,093** | **576,873** |

## Equity and liabilities

| | Notes | 2021 DKK'000 | 2019/20 DKK'000 |
|---|---|---|---|
| Contributed capital | | 250,068 | 244,373 |
| Revaluation reserve | | 241 | 0 |
| Retained earnings | | (49,337) | (32,971) |
| **Equity** | | **200,972** | **211,402** |
| Deferred tax | 14 | 23,310 | 30,546 |
| **Provisions** | | **23,310** | **30,546** |
| Payables to group enterprises | | 123,751 | 108,775 |
| Other payables | | 7,276 | 7,289 |
| **Non-current liabilities other than provisions** | 15 | **131,027** | **116,064** |
| Bank loans | 16 | 171,873 | 166,974 |
| Contract work in progress | 12 | 9,935 | 0 |
| Trade payables | | 5,239 | 5,945 |
| Tax payable | | 4,735 | 0 |
| Other payables | | 24,400 | 26,141 |
| Deferred income | 17 | 8,602 | 19,801 |
| **Current liabilities other than provisions** | | **224,784** | **218,861** |
| **Liabilities other than provisions** | | **355,811** | **334,925** |
| **Equity and liabilities** | | **580,093** | **576,873** |
| Events after the balance sheet date | 1 | | |
| Uncertainty relating to recognition and measurement | 2 | | |
| Unrecognised rental and lease commitments | 19 | | |
| Assets charged and collateral | 20 | | |
| Group relations | 21 | | |
| Subsidiaries | 22 | | |

# Consolidated statement of changes in equity for 2021

| | Contributed capital DKK'000 | Revaluation reserve DKK'000 | Retained earnings DKK'000 | Total DKK'000 |
|---|---|---|---|---|
| Equity beginning of year | 244,373 | 0 | (28,137) | 216,236 |
| Adjustment of material errors | 0 | 0 | (4,834) | (4,834) |
| **Adjusted equity, beginning of year** | **244,373** | **0** | **(32,971)** | **211,402** |
| Effect of mergers and business combinations | 700 | 0 | (700) | 0 |
| Increase of capital | 4,995 | 0 | 0 | 4,995 |
| Exchange rate adjustments | 0 | 241 | 0 | 241 |
| Profit/loss for the year | 0 | 0 | (15,666) | (15,666) |
| **Equity end of year** | **250,068** | **241** | **(49,337)** | **200,972** |

# Consolidated cash flow statement for 2021

| | Notes | 2021 DKK'000 | 2019/20 DKK'000 |
|---|---|---|---|
| Operating profit/loss | | (737) | (12,491) |
| Amortisation, depreciation and impairment losses | | 38,961 | 28,583 |
| Working capital changes | 18 | (65,392) | (48,704) |
| **Cash flow from ordinary operating activities** | | **(27,168)** | **(32,612)** |
| Financial income received | | 748 | 1,045 |
| Financial expenses paid | | (16,353) | (15,672) |
| Taxes refunded/(paid) | | (1,917) | 5,037 |
| **Cash flows from operating activities** | | **(44,690)** | **(42,202)** |
| Acquisition etc. of intangible assets | | (2,214) | (2,406) |
| Acquisition etc. of property, plant and equipment | | (375) | (2,237) |
| Acquisition of fixed asset investments | | (84) | (78) |
| Acquisition of enterprises | | 0 | (452,717) |
| **Cash flows from investing activities** | | **(2,673)** | **(457,438)** |
| **Free cash flows generated from operations and investments before financing** | | **(47,363)** | **(499,640)** |
| Loans raised | | 4,899 | 172,991 |
| Incurrence of debt to group enterprises | | 14,468 | 108,775 |
| Cash capital increase | | 5,695 | 244,372 |
| **Cash flows from financing activities** | | **25,062** | **526,138** |
| **Increase/decrease in cash and cash equivalents** | | **(22,301)** | **26,498** |
| Cash and cash equivalents beginning of year | | 26,498 | 0 |
| **Cash and cash equivalents end of year** | | **4,197** | **26,498** |
| Cash and cash equivalents at year-end are composed of: | | | |
| Cash | | 4,197 | 26,498 |
| **Cash and cash equivalents end of year** | | **4,197** | **26,498** |

# Notes to consolidated financial statements

### 1 Events after the balance sheet date

After the balance sheet date the Group has refinanced its external loan obligations.

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 2021 has not been impacted by any significant changes to the revenue recognised in previous years.

### 3 Staff costs

| | 2021<br>DKK'000 | 2019/20<br>DKK'000 |
|---|---:|---:|
| Wages and salaries | 83,157 | 80,872 |
| Pension costs | 819 | 708 |
| Other social security costs | 860 | 853 |
| Other staff costs | 1,110 | 1,278 |
| | **85,946** | **83,711** |
| Staff costs classified as assets | (2,214) | (2,385) |
| | **83,732** | **81,326** |
| | | |
| Average number of full-time employees | 173 | 168 |

| | Remuneration of management 2021<br>DKK'000 | Remuneration of management 2019/20<br>DKK'000 |
|---|---:|---:|
| Total amount for management categories | 3,128 | 2,026 |
| | **3,128** | **2,026** |

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

| | 2021<br>DKK'000 | 2019/20<br>DKK'000 |
|---|---|---|
| Amortisation of intangible assets | 38,086 | 28,070 |
| Depreciation on property, plant and equipment | 637 | 512 |
| Impairment losses on property, plant and equipment | 238 | 0 |
| | **38,961** | **28,582** |

## 5 Other financial expenses

| | 2021<br>DKK'000 | 2019/20<br>DKK'000 |
|---|---|---|
| Financial expenses from group enterprises | 9,082 | 6,947 |
| Other interest expenses | 7,202 | 8,096 |
| Other financial expenses | 69 | 628 |
| | **16,353** | **15,671** |

## 6 Tax on profit/loss for the year

| | 2021<br>DKK'000 | 2019/20<br>DKK'000 |
|---|---|---|
| Current tax | 52 | 140 |
| Change in deferred tax | 252 | 888 |
| Adjustment concerning previous years | (980) | 0 |
| | **(676)** | **1,028** |

## 7 Proposed distribution of profit/loss

| | 2021<br>DKK'000 | 2019/20<br>DKK'000 |
|---|---|---|
| Retained earnings | (15,666) | (28,146) |
| | **(15,666)** | **(28,146)** |

## 8 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 | 47,719 | 119,494 | 347,512 | 205 |
| Transfers | 205 | 0 | 0 | (205) |
| Additions | 907 | 0 | 0 | 1,307 |
| **Cost end of year** | **48,831** | **119,494** | **347,512** | **1,307** |
| Amortisation and impairment losses beginning of year | (41,709) | (9,128) | (18,763) | 0 |
| Amortisation for the year | (2,920) | (17,755) | (17,411) | 0 |
| **Amortisation and impairment losses end of year** | **(44,629)** | **(26,883)** | **(36,174)** | **0** |
| **Carrying amount end of year** | **4,202** | **92,611** | **311,338** | **1,307** |

## 9 Development projects

As previous years the company 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.

## 10 Property, plant and equipment

| | Other fixtures and fittings, tools and equipment DKK'000 | Leasehold improvements DKK'000 |
|---|---|---|
| Cost beginning of year | 6,494 | 1,678 |
| Additions | 0 | 375 |
| **Cost end of year** | **6,494** | **2,053** |
| Depreciation and impairment losses beginning of year | (5,883) | (181) |
| Impairment losses for the year | (238) | 0 |
| Depreciation for the year | (294) | (343) |
| **Depreciation and impairment losses end of year** | **(6,415)** | **(524)** |
| **Carrying amount end of year** | **79** | **1,529** |

## 11 Financial assets

| | Deposits DKK'000 |
|---|---|
| Cost beginning of year | 2,067 |
| Additions | 84 |
| **Cost end of year** | **2,151** |
| **Carrying amount end of year** | **2,151** |

## 12 Contract work in progress

| | 2021 DKK'000 | 2019/20 DKK'000 |
|---|---|---|
| Contract work in progress | 185,390 | 85,477 |
| Progress billings | (49,959) | (23,828) |
| | **135,431** | **61,649** |

## 13 Prepayments

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

## 14 Deferred tax

| | 2021 DKK'000 | 2019/20 DKK'000 |
|---|---|---|
| Intangible assets | 20,174 | 25,427 |
| Property, plant and equipment | (227) | (222) |
| Receivables | 24,250 | 12,688 |
| Tax losses carried forward | (20,081) | (7,347) |
| Other taxable temporary differences | (806) | 0 |
| **Deferred tax** | **23,310** | **30,546** |

| **Changes during the year** | 2021 DKK'000 | 2019/20 DKK'000 |
|---|---|---|
| Beginning of year | 30,546 | 0 |
| Recognised in the income statement | (728) | 888 |
| Addition through business combinations etc. | () | 29,658 |
| Reclassification between current tax and deferred tax | (6,508) | 0 |
| **End of year** | **23,310** | **30,546** |

## 15 Non-current liabilities other than provisions

| | Due after more than 12 months 2021 DKK'000 | Outstanding after 5 years 2021 DKK'000 |
|---|---|---|
| Payables to group enterprises | 123,751 | 80,667 |
| Other payables | 7,276 | 7,276 |
| | **131,027** | **87,943** |

Other payables consists of holiday pay obligation.

## 16 Bank loans

After the balance sheet date the Group has refinanced its external loan obligations.

## 17 Deferred income

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

## 18 Changes in working capital

| | 2021 DKK'000 | 2019/20 DKK'000 |
|---|---|---|
| Increase/decrease in receivables | (72,496) | (105,455) |
| Increase/decrease in trade payables etc. | 7,104 | 56,751 |
| | **(65,392)** | **(48,704)** |

## 19 Unrecognised rental and lease commitments

| | 2021 DKK'000 | 2019/20 DKK'000 |
|---|---|---|
| Total liabilities under rental or lease agreements until maturity | 19,195 | 22,981 |

## 20 Assets charged and collateral

A deed secured on shares in Group Online A/S has been registered as collateral for credit facilities with Danske Bank. The carrying amount of the pledged shares is DKK 3,700 thousand.

A deed secured on shares in CC Globe Holding II has been registered as collateral for credit facilities with Danske Bank. The carrying amount of the pledged shares is DKK 250,068 thousand.

Cash of TDKK 135 is restricted as security for rental commitments.

## 21 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

## 22 Subsidiaries

| | Registered in | Corporate form | Ownership % |
|---|---|---|---|
| Group Online A/S | Ballerup, Denmark | A/S | 100 |

# Parent income statement for 2021

| | Notes | 2021<br>DKK'000 | 2019/20<br>DKK'000 |
|---|---|---|---|
| **Gross profit/loss** | | **(276)** | **(14,146)** |
| Income from investments in group enterprises | | (4,447) | (2,713) |
| Other financial income | 1 | 221 | 0 |
| Other financial expenses | 2 | (15,585) | (14,475) |
| **Profit/loss before tax** | | **(20,087)** | **(31,334)** |
| Tax on profit/loss for the year | 3 | 4,421 | 3,188 |
| **Profit/loss for the year** | 4 | **(15,666)** | **(28,146)** |

# Parent balance sheet at 31.12.2021

## Assets

| | Notes | 2021 DKK'000 | 2019/20 DKK'000 |
|---|---|---|---|
| Investments in group enterprises | | 475,867 | 475,078 |
| **Financial assets** | 5 | **475,867** | **475,078** |
| **Fixed assets** | | **475,867** | **475,078** |
| Receivables from group enterprises | | 9,734 | 0 |
| Deferred tax | 6 | 7,609 | 3,188 |
| **Receivables** | | **17,343** | **3,188** |
| **Cash** | | **0** | **9,870** |
| **Current assets** | | **17,343** | **13,058** |
| **Assets** | | **493,210** | **488,136** |

## Equity and liabilities

| | Notes | 2021 DKK'000 | 2019/20 DKK'000 |
|---|---|---|---|
| Contributed capital | | 249,368 | 244,373 |
| Retained earnings | | (48,396) | (32,971) |
| **Equity** | | **200,972** | **211,402** |
| Payables to group enterprises | | 123,751 | 108,920 |
| **Non-current liabilities other than provisions** | 7 | **123,751** | **108,920** |
| Bank loans | | 168,172 | 166,974 |
| Payables to group enterprises | | 0 | 571 |
| Other payables | | 315 | 269 |
| **Current liabilities other than provisions** | | **168,487** | **167,814** |
| **Liabilities other than provisions** | | **292,238** | **276,734** |
| **Equity and liabilities** | | **493,210** | **488,136** |
| Contingent liabilities | 8 | | |
| Assets charged and collateral | 9 | | |
| Related parties with controlling interest | 10 | | |

# Parent statement of changes in equity for 2021

| | Contributed capital DKK'000 | Retained earnings DKK'000 | Total DKK'000 |
|---|---|---|---|
| Equity beginning of year | 244,373 | (28,137) | 216,236 |
| Adjustment of material errors | 0 | (4,834) | (4,834) |
| **Adjusted equity, beginning of year** | **244,373** | **(32,971)** | **211,402** |
| Increase of capital | 4,995 | 0 | 4,995 |
| Exchange rate adjustments | 0 | 241 | 241 |
| Profit/loss for the year | 0 | (15,666) | (15,666) |
| **Equity end of year** | **249,368** | **(48,396)** | **200,972** |

# Notes to parent financial statements

## 1 Other financial income

| | 2021<br>DKK'000 | 2019/20<br>DKK'000 |
|---|---|---|
| Other interest income | 221 | 0 |
| | **221** | **0** |

## 2 Other financial expenses

| | 2021<br>DKK'000 | 2019/20<br>DKK'000 |
|---|---|---|
| Financial expenses from group enterprises | 9,082 | 7,012 |
| Other interest expenses | 6,503 | 7,463 |
| | **15,585** | **14,475** |

## 3 Tax on profit/loss for the year

| | 2021<br>DKK'000 | 2019/20<br>DKK'000 |
|---|---|---|
| Change in deferred tax | (3,441) | (3,188) |
| Adjustment concerning previous years | (980) | 0 |
| | **(4,421)** | **(3,188)** |

## 4 Proposed distribution of profit and loss

| | 2021<br>DKK'000 | 2019/20<br>DKK'000 |
|---|---|---|
| Retained earnings | (15,666) | (28,146) |
| | **(15,666)** | **(28,146)** |

## 5 Financial assets

| | Investments in group enterprises DKK'000 |
|---|---:|
| Cost beginning of year | 499,115 |
| Additions | 4,995 |
| **Cost end of year** | **504,110** |
| Impairment losses beginning of year | (24,037) |
| Exchange rate adjustments | 241 |
| Amortisation of goodwill | (27,779) |
| Share of profit/loss for the year | 23,332 |
| **Impairment losses end of year** | **(28,243)** |
| **Carrying amount end of year** | **475,867** |

The carrying amount of goodwill at year end 31.12.2021 amounts to DKK 378.539 thousands.

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

## 6 Deferred tax

| | 2021 DKK'000 | 2019/20 DKK'000 |
|---|---:|---:|
| Tax losses carried forward | 7,609 | 3,188 |
| **Deferred tax** | **7,609** | **3,188** |

| **Changes during the year** | 2021 DKK'000 | 2019/20 DKK'000 |
|---|---:|---:|
| Beginning of year | 3,188 | 0 |
| Recognised in the income statement | 3,441 | 3,188 |
| Adjustment concerning previous years | 980 | 0 |
| **End of year** | **7,609** | **3,188** |

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

## 7 Non-current liabilities other than provisions

| | Due after more than 12 months 2021 DKK'000 | Outstanding after 5 years 2021 DKK'000 |
|---|---:|---:|
| Payables to group enterprises | 123,751 | 80,667 |
| | **123,751** | **80,667** |

### 8 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.

### 9 Assets charged and collateral

A deed secured on shares in CC Globe Holding II has been registered as collateral for credit facilities with Danske Bank. The carrying amount of the pledged shares is DKK 250,068 thousand.

### 10 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.

### Material errors in previous years
Group: the accrual of income was incorrect in prior financial years. The error is corrected retrospectively and the comparative figures for 2019/20 have been adjusted accordingly. The adjustment has effected deferred income by DKK 6,198 thousands and deferred tax by 1,364 thousands. The income statement is not effected in 2019/20. The equity at 1 January 2021 is negatively adjusted with DKK 4,834 thousands.

Parent: the accrual of income was incorrect in prior financial years. The error is corrected retrospectively and the comparative figures for 2019/20 have been adjusted accordingly. The adjustment has effected investments in group enterprises by DKK 4,834 thousand. The adjustment has effected income from investments in group enterprises for 2019/20 by DKK 4,834 thousand after tax. The equity at 1 Januar 2021 is negatively adjusted with DKK 4,834 thousand.

### 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**
Other fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

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:

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:

| | |
|---|---|
| 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.