

CC Globe Holding II A/S

Metalbuen 66
2750 Ballerup
CVR No. 40858865

Annual report 2024

The Annual General Meeting adopted the
annual report on 14.05.2025

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: 01.01.2024 - 31.12.2024

Board of Directors

Jens Albert Harsaae, Chairman

Rasmus Philip Buhl Lokvig, Deputy chairman

Michael Zink

Lasse Loftin Lund Rasmussen

Jens Jørgen Hahn-Petersen

Sophie Louise Knauer

Kenneth Stampe

Executive Board

Monika Juul Henriksen

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 01.01.2024 - 31.12.2024.

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 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024.

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, 07.05.2025

Executive Board

Monika Juul Henriksen

Board of Directors

Jens Albert Harsaae
Chairman

Rasmus Philip Buhl Lokvig
Deputy chairman

Michael Zink

Lasse Loftin Lund Rasmussen

Jens Jørgen Hahn-Petersen

Sophie Louise Knauer

Kenneth Stampe

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 01.01.2024 - 31.12.2024, 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 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024 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.

Emphasis of matter

We draw the attention to note 2 "Uncertainty relating to recognition and measurement" in the financial statements, which describes the uncertainty for impairment of goodwill and other intangible assets regarding a variety of assumptions for future performance. Furthermore, note 2 includes the uncertainty for the recognition of revenue and work in progress at the beginning of the contract period and provision for future non-payments. Our opinion has not been modified with respect for to these matters.

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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 by relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 07.05.2025

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Brian Schmit Jensen

State Authorised Public Accountant
Identification No (MNE) mne40050

Victor Fortmann Storm

State Authorised Public Accountant
Identification No (MNE) mne50626

Management commentary

Financial highlights

	2024	2023	2022	2021	2020
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	45,510	193,228	159,607	124,170	99,801
Operating profit/loss	(268,797)	20,749	23,456	373	(11,214)
EBITDA	(106,443)	71,559	61,509	38,224	16,091
Net financials	(54,072)	(44,241)	(26,270)	(15,605)	(14,627)
Profit/loss for the year	(295,073)	(28,381)	(4,329)	(14,556)	(26,869)
Balance sheet total	796,608	1,088,761	648,060	580,093	576,873
Investments in property, plant and equipment	5,830	13,275	23,637	375	8,172
Equity	216,462	511,535	187,800	200,972	211,402
Cash flows from operating activities	(23,520)	(65,089)	(72,504)	(44,690)	(42,202)
Cash flows from investing activities	(6,473)	(344,941)	(3,180)	(2,673)	(457,438)
Cash flows from financing activities	17,033	427,833	72,580	25,062	526,138
Average number of employees	248	224	176	173	168
Ratios					
Equity ratio (%)	27.17	46.98	28.98	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.

The key financial figures and ratios for 2020 and 2021 are presented without the adoption of IFRS 15 and IFRS 16.

EBITDA:

Operating profit/loss - Depreciation, amortisation and impairment losses

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 and Web-Koncept, Denmark's largest web- and digital marketing providers to the SMB segment with more than 13,000 customers.

Group Online and Web-Koncept produces and hosts websites, designs, implements and tracks online marketing campaigns for customers, and supplies other digital tools and services. Campaigns to improve customer visibility and traffic may include Google Ads, advertisement on social media (SoMe), and Search Engine Optimization and Marketing (SEO/SEM).

Group Online and Web-Koncept leverages a bespoke and secure state-of-the-art Tech Stack and CMS platform, that provides easy access to web content for customers and their customers. AI, machine learning and robotic automated processes (RPA) are leveraged across outbound sales, customer service and production.

Development in activities and finances

Group Online and Web-Koncept offer a variety of contract types, most including regular website updates and free support. During 2024 Group Online shifted focus to shorter-term contracts with a higher upfront cash payment. This to ensure better customer understanding of their contractual obligations, and because we experienced increasing customer dissatisfaction and defaults on long-term contracts. The change has had a negative impact on reported revenue and EBITDA but is expected to improve customer satisfaction and overall health of the customer contract portfolio. Financial results were further impacted by an extraordinary significant write down of the work-in-progress and trade receivables.

The annual net loss ended at DKK 295 million. EBITDA is affected by an impairment loss of DKK 102 million and an extraordinary write down of the work-in-process value on the balance sheet of DKK 99 million. Management considers the EBITDA and net loss for 2024 unsatisfactory.

In 2024, Group Online continued improvement of core production efficiency through application of AI tools, machine learning and RPA. In addition, Web-Koncept (acquired in 2023) joined-up with Group Online as employees moved together in Ballerup, Århus and Odense. This has delivered cost synergies as well as best practice sharing across Sales, Operations and back office. Towards customers, Group Online and Web-Koncept will remain two separate brands, allowing for a differentiated product/services bundling and go-to-market approach.

As a consequence of developments, the Group has parted ways with a number of employees during the year in order reap cost benefits of improvements and reflecting the revised business model. During 2024 the Board of Directors decided to make changes the Executive Management. Per 1 January 2025 new CEO in Group Online and Web-Koncept is Monika Juul Henriksen.

The Group's vision is to enable our customers to shine digitally

The vision for the Group remains, and we are committed to enabling all Danish SMBs to build their online presence and engage with their customers. The Group will continue to add products and services to all customer segments across industries regardless of industry and online maturity. One key addition in 2025 will be the introduction of a more differentiated product and services bundle to cater more accurately to customer needs and willingness to pay.

We have invested in WordPress CMS capability for Group Online as well as Web-Koncept leveraging the platform of the latter whilst benefiting from the SEO expertise of Group Online.'s SEO expertise.

Our primary focus in 2025 will continue to be our four pillars of functionality, creating a unified, all-in-one platform for customers:

Presence

Bespoke state-of-the-art CMS facilitates swift and seamless creation of a professional quality, mobile and desktop friendly website, acquisition of a domain and establishment of a distinct social media presence.

Marketing

Providing impactful 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 helping customers better understand and reach their customers, while driving traffic, sales and conversion.

Productivity

Via third-party partnerships with, among others, Google and Microsoft, offering customers state-of-the-art productivity solutions. Group Online is one of few local providers of Microsoft support in Danish, a huge advantage for the SMB-segment.

Safety

The Group provides safety solutions so that SMBs can run a smooth and secure online operation. This entails back up plans, encrypted e-mails, SSL certificates, Cookie modules and more.

In 2025, we aim to grow the customer base in both brands. There is significant growth potential in the Danish market: approx. 300k small businesses and self-employed ventures, with nearly 3,000 new businesses created each month in Denmark alone.

Governance

To provide transparency the Group follows the guidelines for responsible ownership and good corporate governance in accordance with Active Owners Denmark.

Management structure

Our commitment to good corporate governance is anchored in our rules of procedure and management structure, specifically, our Board of Directors and Management team. The Board of Directors meet at least 6 times a year, according to a fixed schedule and ad hoc meetings as required. Moreover, there are monthly chair meetings as well as an annual strategy meeting to determine the vision, goals, and strategies for the Group.

The Board of Directors and Executive Management

The board members hold the following positions:

Jens Albert Harsaae, Chairman

CHAIRMAN
 LANGUAGEWIRE A/S
 Holdingselskabet af 6. august ApS
 BidCo af 11. august 2021 ApS
 ABACUS MEDICINE A/S
 INTERNET INTELLIGENCE HOUSE NORDIC A/S
 Group Online A/S
 CC Globe Holding I ApS
 CC Globe Holding II A/S
 WEB-KONCEPT A/S
 PLUS PACK A/S

VICE CHAIR
 NIRAS GRUPPEN A/S

EXECUTIVE MANAGEMENT
 Rakaas ApS

Rasmus Philip Buhl Lokvig, Deputy Chairman

Chairman

Deputy Chairman

CC Globe Holding I ApS
 CC Globe Holding II A/S
 Group Online A/S
 NLM Vantinge A/S
 NLM Vantinge Group ApS
 NLM Vantinge Group Holding ApS
 NLM A/S
 Lipitech 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 Invest ApS
 CC Globe Invest ApS
 CC II Management Invest 2017 GP ApS
 CC Toaster Invest ApS
 Globe ManCo ApS
 Luxplus MIIP ApS
 MNGT4 RL ApS
 Rekom ManCo ApS
 CC Holdco ApS
 CC TopCo Invest ApS
 DAFA MIIP ApS
 CC North Invest ApS
 CC NLM Invest ApS
 CC TAP Invest ApS
 Web-Koncept A/S
 CC Aviation General Partner I ApS
 CC Holdco IV ApS
 CC TopCo IV Invest ApS
 CC DAFA Invest ApS
 NLM Vantinge IP ApS
 CC TopCo V Invest ApS
 TAP MIIP ApS
 CC Bidco ApS
CC Bidco V ApS
 CC Bidco IV ApS

Michael Zink, Board Member

Chairman

Deputy Chairman

Board member/CEO

CC Globe Holding I ApS
 ZinkInvest ApS
 CEMAsys.com AS (Norway)

Lasse Loftin Lund Rasmussen, Board member

Chairman

Deputy Chairman

Board member/CEO

Dept Digital Marketing ApS
 LOFTIN HOLDING ApS
 SiteCampaign Holding ApS
 SiteCampaign ApS
 CC Globe Holding I ApS
 CC Globe Holding II A/S

Sophie Louise Knauer, Board Member

Chairman

Deputy Chairman

Board member/CEO

CC Globe Holding I ApS
 CC Globe Holding II A/S
 Rekom Group Holding ApS
 SKAKO A/S
 SOLAR A/S
 SKAKO Vibration Holding A/S
 FERM LIVING ApS
 Lady Invest ApS
 It's a club ApS
 NTG Nordic Transport Group A/S
 Rekom Group A/S
 SKAKO VIBRATION A/S
 CC Mist NEW Holding II ApS
 CC Fly Holding II A/S

Kenneth Stampe, Board Member

Chairman

Deputy Chairman

Board member/CEO

CC Globe Holding II A/S
 CC Globe Holding I ApS
 Group Online A/S
 REJSELIVET ApS
 WEB-KONCEPT A/S

Jens Jørgen Hahn-Petersen, Board Member
Chairman

Deputy Chairman

Board member/CEO

NORDMARK MASKINFABRIK A/S
 Group Online A/S
 The Army Painter ApS
 Nordmark Coating A/S
 Nordmark Properties ApS
 CC Green Wall Invest ApS
 CC Globe Holding I ApS
 CC Globe Holding II A/S
 Nordmark Group Holding ApS
 Nordmark Group ApS
 The Army Painter Group Holding ApS
 The Army Painter Group ApS
 Nordmark Coating Cuxhaven Properties ApS
 CATACAP OP ApS
 CC Fly Invest ApS
 Rekom ManCo ApS
 TPA Green ManCo ApS
 CC Globe Invest ApS
 Globe ManCo ApS
 CC Toaster Invest ApS
 Luxplus MIIP ApS
 CC North Invest ApS
 CC DAFA Invest ApS
 DAFA MIIP ApS
 CC TopCo Invest ApS
 CC HoldCo ApS
 CC BidCo ApS
 CC TAP Invest ApS
 CC NLM Invest ApS
 CC TopCo IV Invest ApS
 CC HoldCo IV ApS
 CC BidCo IV ApS
 TAP MIIP ApS
 CC TopCo V Invest ApS
 CC HoldCo V ApS
 CC BidCo V ApS
 NLM Vantinge IP ApS
 CATACAP DM ApS
 CATACAP GENERAL PARTNER I ApS
 CataCap General Partner II ApS
 CC II Management Invest 2017 GP ApS
 CC Aviation General Partner I ApS
 CataCap DM II ApS
 CATACAP I K/S
 A/S DET DANSK-FRANSKE DAMPSKIBS- SELSKABS UNDERSTØTTELSES FOND AF 1950
 CataCap II K/S
 CC II Management Invest I K/S
 CC II Management Invest II K/S
 CC II APCIV K/S
 CC III Management Invest K/S
 CataCap III K/S
 CC III APCIV K/S
 CC Aviation I Management Invest K/S
 CC Aviation I K/S
 CataCap General Partner III ApS
 PROSPERITAS ApS

Risks

Compliance risk

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

IT risks

The security aspects of the IT solutions, including infrastructure, are continuously monitored and evaluated in collaboration with external partners. To ensure the appropriate level of resources and expertise, a portion of IT tasks and processes is outsourced to specialized external partners. This approach enables access to industry-leading knowledge and state-of-the-art security measures, enhancing our overall resilience against cyber threats. A key objective is to implement and maintain uniform systems, 'Best Practice' standards, and controls to minimize the risk of errors, omissions, and potential security breaches. Regular audits, penetration testing, and compliance assessments are conducted to validate the effectiveness of these measures and ensure adherence to regulatory requirements. Additionally, we maintain comprehensive incident response protocols and disaster recovery plans to mitigate potential disruptions and safeguard business continuity.

Market risks

Looking into 2025 we are optimistic that economic conditions will be improving for the SMB segment, as inflation and interest rates have been declining. However, the macro-economic environment uncertainty remains high.

Profit/loss for the year in relation to expected developments

EBITDA was a loss of DKK 106 million in 2024, which was significantly below expectations of between 100 - 110 million. This was primarily driven by many customer contracts being closed ahead of time because the customers were in financial distress. As a result, in addition to the contracts being closed down in 2024, Group Online made an extraordinary write down of the work-in-progress and trade receivables value on the balance sheet of DKK 99 million.

Uncertainty relating to recognition and measurement

Management considers the following accounting estimates and judgements to be significant in the preparation of the financial statements; goodwill and other intangible (impairment) and work in progress (revenue recognition and provision).

Goodwill and other intangible assets

During the financial year, the Group has observed a decrease in performance and has accounted for impairment of goodwill. This year's Group result is not necessarily indicative of future performance as measures has been initiated to improve the margins and sales in the Group. The Group continues to monitor the performance of both CGUs closely and has implemented strategic measures to address the challenges faced. The measurement of goodwill and other intangible assets is based on management estimates and judgements. These estimates are inherently uncertain and depend on a variety of assumptions regarding future performance, which may change over time. The key uncertainties in the measurement of these assets are outlined further in note 2.

Revenue and work in progress

The recognition of revenue is impacted by Management estimates and judgements for contract work in progress in relation to determining allocation of contract value to the performance obligations and are based on a portfolio approach. The key uncertainties in the measurement of these assets are outlined further in note 2.

Unusual circumstances affecting recognition and measurement

Management has revised the provision model from previous years due to new available data which has a significant impact in the annual report for 2024 and due to the losses from contracts in the financial period has increased significantly compared to previous years.

Provision for recognized revenue regarding contract value that may not be collected (revenue and work in progress) is changed in the financial period due to reliant data availability compared to previous years hence a more detailed retrospective analysis could be and has been performed.

The change in the accounting estimate has affected the income statement of 2024 negatively by DKK 86,772 thousand before tax and DKK 67,682 thousand after tax. Equity and total assets have decreased by DKK 67,682 thousand at 31 December 2024.

Outlook

Management expects a slightly declining revenue development in 2025 due to the move towards shorter contracts. EBITDA is expected to be in the range of DKK 50 - 60 million. Due to a number of changes in the business model, the guidance on EBITDA is broader than previous years.

Knowledge resources

Group Online and Web-Koncept has around 200 employees located at four offices across Denmark: Aalborg, Aarhus, Odense and headquartered in Ballerup outside Copenhagen.

People & Culture

We seek to attract and build talents that can grow within the organization and support the business and our customers in the best possible way. We care about every single employee and supports the professional development journey of all. We conduct employee satisfaction surveys with regular intervals.

Social conditions and employee relations

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

With an increasingly competitive job market, Group Online and Web-Koncept need to be an attractive place of work that can both attract and retain key personnel. Group Online and Web-Koncept offer a pension scheme and health insurance to all employees.

Diversity

We recognize the importance of attracting, developing and retaining the right talent for the company, irrespective of gender, sexual orientation, nationality or race. Management and employee diversity allows for more flexible thinking and better working environments and counters potential bias. By establishing teams with a variety of experience, education, background, age and gender, we bring all our employees' unique contributions into play for the benefit of the business and the employees.

Environmental performance

The Group is committed to its environmental impact and, in 2024, 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 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, customers 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 2024

	Notes	2024 DKK'000	2023 DKK'000
Gross profit/loss		45,510	193,228
Staff costs	4	(147,483)	(121,629)
Depreciation, amortisation and impairment losses	5	(162,354)	(50,850)
Other operating expenses	6	(4,470)	0
Operating profit/loss		(268,797)	20,749
Other financial income		853	411
Other financial expenses	7	(54,925)	(44,652)
Profit/loss before tax		(322,869)	(23,492)
Tax on profit/loss for the year	8	27,796	(4,889)
Profit/loss for the year	9	(295,073)	(28,381)

Consolidated balance sheet at 31.12.2024

Assets

	Notes	2024 DKK'000	2023 DKK'000
Completed development projects	11	6,716	3,868
Acquired intangible assets		84,272	97,447
Goodwill		437,429	571,480
Development projects in progress	11	0	1,303
Intangible assets	10	528,417	674,098
Other fixtures and fittings, tools and equipment		4	29
Leasehold improvements		569	812
Leased assets		15,230	19,665
Property, plant and equipment	12	15,803	20,506
Deposits		2,681	2,908
Financial assets	13	2,681	2,908
Fixed assets		546,901	697,512
Trade receivables		57,757	69,435
Contract work in progress	14	176,861	285,778
Receivables from group enterprises		7,219	546
Other receivables		248	14,692
Prepayments	15	1,686	1,902
Receivables		243,771	372,353
Cash		5,936	18,896
Current assets		249,707	391,249
Assets		796,608	1,088,761

Equity and liabilities

	Notes	2024 DKK'000	2023 DKK'000
Contributed capital		388,886	388,886
Translation reserve		0	294
Retained earnings		(172,424)	122,355
Equity		216,462	511,535
Deferred tax	16	980	20,807
Provisions		980	20,807
Bank loans		457,252	418,590
Lease liabilities		7,182	9,342
Other payables		7,811	7,789
Non-current liabilities other than provisions	17	472,245	435,721
Current portion of non-current liabilities other than provisions	17	8,787	11,213
Bank loans		20,848	25,721
Contract work in progress	14	55,410	56,767
Trade payables		5,005	7,022
Tax payable		808	2,972
Other payables		16,063	17,003
Current liabilities other than provisions		106,921	120,698
Liabilities other than provisions		579,166	556,419
Equity and liabilities		796,608	1,088,761
Events after the balance sheet date	1		
Uncertainty relating to recognition and measurement	2		
Change in accounting estimates	3		
Transactions with related parties	19		
Group relations	20		
Subsidiaries	21		

Consolidated statement of changes in equity for 2024

	Contributed capital DKK'000	Translation reserve DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	388,886	294	122,355	511,535
Dissolution of reserves	0	(294)	294	0
Profit/loss for the year	0	0	(295,073)	(295,073)
Equity end of year	388,886	0	(172,424)	216,462

Consolidated cash flow statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Operating profit/loss		(268,797)	20,749
Amortisation, depreciation and impairment losses		162,354	50,850
Working capital changes	18	130,963	(92,382)
Cash flow from ordinary operating activities		24,520	(20,783)
Financial income received		485	346
Financial expenses paid		(54,925)	(44,652)
Taxes refunded/(paid)		6,400	0
Cash flows from operating activities		(23,520)	(65,089)
Acquisition etc. of intangible assets		(6,166)	(3,998)
Acquisition etc. of property, plant and equipment		(307)	(8,761)
Acquisition of fixed asset investments		0	(912)
Acquisition of enterprises		0	(331,270)
Cash flows from investing activities		(6,473)	(344,941)
Free cash flows generated from operations and investments before financing		(29,993)	(410,030)
Loans raised		38,662	213,198
Repayments of loans etc.		(21,629)	(137,383)
Cash capital increase		0	352,018
Cash flows from financing activities		17,033	427,833
Increase/decrease in cash and cash equivalents		(12,960)	17,803
Cash and cash equivalents beginning of year		18,896	1,093
Cash and cash equivalents end of year		5,936	18,896
Cash and cash equivalents at year-end are composed of:			
Cash		5,936	18,896
Cash and cash equivalents end of year		5,936	18,896

Notes to consolidated financial statements

1 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.

2 Uncertainty relating to recognition and measurement

Management considers the following accounting estimates and judgements to be significant in the preparation of the financial statements; goodwill and other intangible (impairment) and work in progress (revenue recognition and provision).

Goodwill and other intangible assets

The Group has identified two Cash Generating Units (CGUs) for the purpose of impairment testing and performance evaluation. These CGUs are defined as follows:

- Group Online A/S (value of intangible assets before impairment DKK 244 million and impairment of DKK 99 million)
- Web-Koncept A/S (value of intangible assets before impairment DKK 299 million and impairment of DKK 3 million)

During the financial year, the Group has observed a different performance between the two CGUs. This year's Group result is not necessarily indicative of future performance as measures has been initiated to improve the margins and sales in the Group. The Group continues to monitor the performance of both CGUs closely and has implemented strategic measures to address the challenges faced.

The measurement of goodwill and other intangible assets is based on management estimates and judgments. These estimates are inherently uncertain and depend on a variety of assumptions regarding future performance, which may change over time. The key uncertainties in the measurement of these assets are outlined below:

Sales model and product mix alignment

A source of uncertainty arises from the alignment of the sales model and product mix across the Group. This initiative, aimed at optimizing operational efficiency, is expected to result in lower net working capital demands. The commission model for the employees within the Group is reformed to increase the incentive for sales of new business. The new sales model focuses on shorter contracts, upfront payments from the clients and is expected to reduce the risk of non-payment of the full contract value. The anticipated effects of these changes which was initiated in Q4 2024, however, have not yet fully materialized and represent an additional factor of high uncertainty in the projections of the future cash flows.

Improvement of margins

Management has prepared improvements to the cost base compared to 2024. Management has adjusted the work force in the end of 2024 by 70 full time employees besides other cost reductions of yearly DKK 19 million compared to 2024. This will improve the EBITDA-margin while the remaining cost base is assessed to be more scalable and supported by the IT platforms. These factors, while expected to contribute positively to future performance, create a high level of uncertainty in the estimation of future cash flows.

Valuation assumptions

In relation to the estimation of the recoverable amount, the following key assumptions were used in the valuation model:

- o WACC (Weighted Average Cost of Capital): 12% post tax
- o Average EBITDA growth (2025-2028): 22%
- o Terminal Growth Rate: 3%

The sensitivity of WACC (pre-tax) - a change of +1.0%-point will increase the impairment by DKK 70 million. The sensitivity of average EBITDA growth - a change of -1.0%-point will increase the impairment by DKK 20 million. The sensitivity of average long term growth rate - a change of -1.0%-point will increase the impairment by DKK 52 million. The sensitivity analysis if all factors were applied with 1.0%-point would increase the impairment by DKK 172 million

These assumptions are based on Management's best estimates, considering both historical performance and expectations of future market conditions. However, any changes in these assumptions could significantly impact the carrying value of goodwill and other intangible assets.

Revenue and work in progress

The recognition of revenue is impacted by Management estimates and judgements for contract work in progress in relation to determining allocation of contract value to the performance obligations and are based on a portfolio approach.

A significant portion of the total contract value is recognized at the beginning of the contract period, as the main performance obligation is considered satisfied at that point, i.e. when the search engine optimization has been programmed or the website is up and running. The remaining contract value is recognized on a straight line basis over the contract term as the remaining performance obligations are satisfied. The timing of revenue recognition is based on the assessment of when control of the service is transferred to the customer. This process inherently involves uncertainty, as it depends on the successful fulfillment of all identified performance obligations throughout the contract term. Changes in contract scope and variations in performance may result in adjustments to revenue recognized and the measurement of work in progress. A decrease in the percentage of recognized revenue at the beginning of the contract period of 1.0%-point would decrease revenue/gross profit by DKK 1 million.

A provision is recognized in the revenue and work in progress for the expected amount of the contract value that may not be collected due to client defaults, non-payment of later invoicing or other factors affecting collectability and therefore not recognized as revenue. The provision is determined based on management's best estimates of the likelihood of client default and the amount that is expected to be recoverable. Factors such as client creditworthiness, historical payment patterns and current economic conditions are considered when assessing the risk of non-payment of later invoicing. These uncertainties highly affect the overall measurement of revenue and work in progress, as the amount ultimately collected from the contracts may differ from the amount recognized. An increase in the provision of 1.0%-point would decrease work in progress and revenue by DKK 3 million. The total provision is presented in note 14.

The uncertainties described above may result in changes to the estimated revenue and work in progress recognized during the contract term. The Group continuously evaluates these factors and updates its estimates as appropriate. Management exercises judgment in determining the appropriate revenue recognition and provision for amount of the contract value that may not be collected based on the information available at the reporting date.

3 Change in accounting estimates

Management has revised the provision model from previous years due to new available data which has a significant impact in the annual report for 2024 and due to the losses from contracts in the financial period has increased significantly compared to previous years.

Provision for recognized revenue regarding contract value that may not be collected (revenue and work in progress) is changed in the financial period due to reliant data availability compared to previous years hence a more detailed retrospective analysis could be and has been performed.

The change in the accounting estimate has affected the income statement of 2024 negatively by DKK 86,772 thousand before tax and DKK 67,682 thousand after tax. Equity and total assets have decreased by DKK 67,682 thousand at 31 December 2024.

4 Staff costs

	2024	2023
	DKK'000	DKK'000
Wages and salaries	142,141	117,795
Pension costs	3,449	2,653
Other social security costs	1,893	1,181
	147,483	121,629
Average number of full-time employees	248	224

	Remuneration of management 2024	Remuneration of management 2023
	DKK'000	DKK'000
Executive Board	5,875	0
Board of Directors	650	0
Total amount for management categories	0	4,018
	6,525	4,018

Persuant to Section 98b(iii) of the Danish Financial Statements Act, remuneration to the members of the Executive Board is not separately disclosed in 2023.

5 Depreciation, amortisation and impairment losses

	2024	2023
	DKK'000	DKK'000
Amortisation of intangible assets	50,303	41,227
Impairment losses on intangible assets	101,544	0
Depreciation on property, plant and equipment	10,507	9,599
Impairment losses on property, plant and equipment	0	24
	162,354	50,850

6 Other operating expenses

Other operating expenses comprises adjustments to purchase price of enterprises.

7 Other financial expenses

	2024 DKK'000	2023 DKK'000
Financial expenses from group enterprises	0	2,706
Other interest expenses	54,667	41,895
Exchange rate adjustments	8	0
Other financial expenses	250	51
	54,925	44,652

8 Tax on profit/loss for the year

	2024 DKK'000	2023 DKK'000
Current tax	808	5,592
Change in deferred tax	(32,988)	(22)
Adjustment concerning previous years	4,384	(681)
	(27,796)	4,889

9 Proposed distribution of profit/loss

	2024 DKK'000	2023 DKK'000
Retained earnings	(295,073)	(28,381)
	(295,073)	(28,381)

10 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	54,561	149,373	650,028	1,303
Transfers	1,493	(257)	0	(1,236)
Additions	4,141	2,092	0	0
Disposals	0	0	0	(67)
Cost end of year	60,195	151,208	650,028	0
Amortisation and impairment losses beginning of year	(50,693)	(51,926)	(78,548)	0
Impairment losses for the year	0	0	(101,544)	0
Amortisation for the year	(2,786)	(15,010)	(32,507)	0
Amortisation and impairment losses end of year	(53,479)	(66,936)	(212,599)	0
Carrying amount end of year	6,716	84,272	437,429	0

11 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 value to the customer handling process.

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

12 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000	Leased assets DKK'000
Cost beginning of year	6,432	2,446	35,818
Additions	0	307	5,523
Disposals	0	0	(26)
Cost end of year	6,432	2,753	41,315
Depreciation and impairment losses beginning of year	(6,403)	(1,634)	(16,153)
Depreciation for the year	(25)	(550)	(9,932)
Depreciation and impairment losses end of year	(6,428)	(2,184)	(26,085)
Carrying amount end of year	4	569	15,230

13 Financial assets

	Deposits DKK'000
Cost beginning of year	2,908
Additions	192
Disposals	(419)
Cost end of year	2,681
Carrying amount end of year	2,681

14 Contract work in progress

	2024 DKK'000	2023 DKK'000
Contract work in progress	850,083	800,940
Progress billings	(728,632)	(571,929)
Transferred to liabilities other than provisions	55,410	56,767
	176,861	285,778

Contract work in progress contains provisions for losses of DKK 135,042 thousand (2023: DKK 55,450 thousand).

15 Prepayments

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

16 Deferred tax

	2024	2023
	DKK'000	DKK'000
Intangible assets	19,434	21,434
Property, plant and equipment	(278)	(154)
Receivables	17,713	39,927
Liabilities other than provisions	(1,465)	(678)
Tax losses carried forward	(34,424)	(39,722)
Deferred tax	980	20,807

	2024	2023
	DKK'000	DKK'000
Changes during the year		
Beginning of year	20,807	23,077
Recognised in the income statement	(32,988)	(703)
Reclassification between current tax and deferred tax	13,161	(1,567)
End of year	980	20,807

17 Non-current liabilities other than provisions

	Due within 12	Due within 12	Due after	Outstanding
	months	months	more than 12	after 5 years
	2024	2023	months	2024
	DKK'000	DKK'000	DKK'000	DKK'000
Bank loans	0	0	457,252	0
Lease liabilities	8,787	11,213	7,182	0
Other payables	0	0	7,811	7,811
	8,787	11,213	472,245	7,811

Other payables consists of holiday pay obligation. Bank loans and leasing liabilities are due within 5 years.

18 Changes in working capital

	2024	2023
	DKK'000	DKK'000
Increase/decrease in receivables	133,898	(94,179)
Increase/decrease in trade payables etc.	(2,935)	1,797
	130,963	(92,382)

19 Transactions with related parties

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.

20 Group relations

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

21 Subsidiaries

	Registered in	Corporate form	Ownership %
Group Online A/S	Ballerup, Denmark	A/S	100.00
Web-Koncept A/S (Owned by Group Online A/S)	Ballerup, Denmark	A/S	100.00

Parent income statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Gross profit/loss		(3,393)	(123)
Income from investments in group enterprises		(248,522)	2,502
Other financial income	2	7,934	8,408
Other financial expenses	3	(51,543)	(42,482)
Profit/loss before tax		(295,524)	(31,695)
Tax on profit/loss for the year	4	451	3,314
Profit/loss for the year	5	(295,073)	(28,381)

Parent balance sheet at 31.12.2024

Assets

	Notes	2024 DKK'000	2023 DKK'000
Investments in group enterprises		585,625	834,240
Financial assets	6	585,625	834,240
Fixed assets		585,625	834,240
Receivables from group enterprises		71,379	77,676
Deferred tax	7	17,184	16,921
Other receivables		0	226
Prepayments	8	56	56
Receivables		88,619	94,879
Cash		2	1,077
Current assets		88,621	95,956
Assets		674,246	930,196

Equity and liabilities

	Notes	2024 DKK'000	2023 DKK'000
Contributed capital		388,886	388,886
Translation reserve		0	96
Retained earnings		(172,424)	122,553
Equity		216,462	511,535
Bank loans		457,252	418,590
Non-current liabilities other than provisions	9	457,252	418,590
Trade payables		488	0
Other payables		44	71
Current liabilities other than provisions		532	71
Liabilities other than provisions		457,784	418,661
Equity and liabilities		674,246	930,196
Uncertainty relating to recognition and measurement	1		
Employees	10		
Contingent liabilities	11		
Related parties with controlling interest	12		

Parent statement of changes in equity for 2024

	Contributed capital DKK'000	Translation reserve DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	388,886	96	122,553	511,535
Dissolution of reserves	0	(96)	96	0
Profit/loss for the year	0	0	(295,073)	(295,073)
Equity end of year	388,886	0	(172,424)	216,462

Notes to parent financial statements

1 Uncertainty relating to recognition and measurement

Management considers the following accounting estimates and judgements to be significant in the preparation of the financial statements; investments in group enterprises (impairment). Refer to note 2 in the consolidated financial statements.

2 Other financial income

	2024	2023
	DKK'000	DKK'000
Financial income from group enterprises	7,934	8,287
Other interest income	0	121
	7,934	8,408

3 Other financial expenses

	2024	2023
	DKK'000	DKK'000
Financial expenses from group enterprises	0	2,706
Other interest expenses	51,543	39,776
	51,543	42,482

4 Tax on profit/loss for the year

	2024	2023
	DKK'000	DKK'000
Change in deferred tax	(4,493)	(3,314)
Adjustment concerning previous years	4,042	0
	(451)	(3,314)

5 Proposed distribution of profit and loss

	2024	2023
	DKK'000	DKK'000
Retained earnings	(295,073)	(28,381)
	(295,073)	(28,381)

6 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	855,923
Cost end of year	855,923
Impairment losses beginning of year	(21,684)
Exchange rate adjustments	(92)
Amortisation of goodwill	(23,748)
Impairment losses on goodwill	(92,387)
Share of profit/loss for the year	(132,387)
Impairment losses end of year	(270,298)
Carrying amount end of year	585,625

The carrying amount of goodwill at year end 31.12.2024 amounts to DKK 187,416 thousands.

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

7 Deferred tax

	2024 DKK'000	2023 DKK'000
Liabilities other than provisions	1,465	489
Tax losses carried forward	15,719	16,432
Deferred tax	17,184	16,921

Changes during the year	2024 DKK'000	2023 DKK'000
Beginning of year	16,921	13,607
Recognised in the income statement	4,493	3,314
Reclassification between current tax and deferred tax	(4,230)	0
End of year	17,184	16,921

Deferred tax assets

Deferred tax comprises tax losses carried forward and temporary differences recognised and is expected used within the Group.

8 Prepayments

Prepayments consist of prepaid expenses concerning management fee.

9 Non-current liabilities other than provisions

	Due after more than 12 months 2024 DKK'000
Bank loans	457,252
	457,252

Bank loans are due within 5 years.

10 Employees

The Entity has no employees other than the Executive Board and Board of Directors. Executive Board has not received any remuneration and the Board of Directors have received remuneration of DKK 450 thousand.

11 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.

12 Related parties with controlling interest

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.

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

The Group has chosen IFRS 15 as interpretation for recognition of revenue in accordance with the provisions as set out in the Danish Financial Statements Act.

Revenue types

Revenue is categorized into two main types: 1) revenue from professional services and 2) revenue from service and support.

Professional services relates to development of websites and SEO optimization as well as other marketing related services. Service and support include maintenance and helpline support in the remaining contract period.

The Group's contracts often include both types of revenue categories, which are considered individual performance obligations. In these situations, the total contract consideration is allocated to the separate performance obligations for the purpose of revenue recognition. The consideration allocated to the different performance obligations is based on their relative stand-alone selling prices, which require judgement. For this purpose, Management applies assumptions and estimates.

Revenue is recognised separately for each performance obligation based on the allocated consideration.

Transaction price

The consideration reflects the amount to which the Group expects to be entitled for the professional services and support and maintenance services rendered to customers. The transaction price is normally fixed for the contract period.

Revenue recognition

Revenue is recognized when the customer has obtained control of the professional services (website, SEO optimization or other marketing related services) and has the ability to use and obtain substantially all the benefits from the professional services or support.

The Group has assessed that the customer obtains control of the professional services when all the following criteria are met: a binding contract is entered into; the professional services have delivered; and the customer has the right to use it. Professional service revenue is therefore generally recognised at a point in time. Revenue from support and service agreements is recognized on a straight-line basis over the term of the services.

Professional services fees are recognized based on the value and price of the service. The assumptions, estimates and uncertainties inherent in determining the value and price of the services affect the timing and amounts of revenue recognized.

Contract work in progress is included in revenue based on the allocated fees so that revenue corresponds to the selling price of the work performed in the financial year.

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of property, plant and equipment, and salary refunds.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

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.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including loss 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 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 which consists of software and customer relations.

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 3-5 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.

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 leased assets include properties and vehicles and the Entity has chosen IFRS 16 as interpretation. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Entity. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate

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

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

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received, and
- any initial direct costs

Variable lease payments other than those based on an index or rate are recognised in the income statement when incurred. Payments associated with short-term or low value leases are recognised on a straight-line basis as an expense in profit or loss under the line item other operating expenses.

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
Leased assets	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 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 value and price of the performance obligations met in the financial period and the total estimated income from the individual contracts in progress.

If the selling price of a project 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 as receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Refer to revenue for further explanation of principles for revenue recognition.

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.

Prepayments

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

Cash

Cash comprises bank deposits.

Lease liabilities

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Other financial liabilities

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

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.

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.