s360 A/S

Mariane Thomsens Gade 2F, 4., DK-8000 Aarhus C

Annual Report for 2024

CVR No. 34 05 26 97

The Annual Report was presented and adopted at the Annual General Meeting of the company on 28/5 2025

Mathias Hillerup Larsen
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of s360 A/S for the financial year 1 January - 31 December 2024.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and of the results of the Company operations for 2024.

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

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

Aarhus C, 28 May 2025

Executive Board

Jakob Vedel Lauridsen
CEO

Board of Directors

Torsten Bjerre Rasmussen Chairman	Mathias Hillerup Larsen Vice chairman	Jakob Vedel Lauridsen
Henrik Højsholt Nielsen	Sune Nabe Frederiksen	

Independent Auditor's report

To the shareholders of s360 A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company´s operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of s360 A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies (”the Financial Statements”).

Basis for Opinion

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

Statement on Management’s Review

Management is responsible for Management’s Review.

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

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

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

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

Management’s responsibilities for the Financial Statements

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

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

Independent Auditor's report

Auditor’s responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company´s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company´s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Aarhus C, 28 May 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Kim Danstrup
State Authorised Public Accountant
mne32201

Mads Clement Vestergaard
State Authorised Public Accountant
mne49067

Company information

The Company	s360 A/S Mariane Thomsens Gade 2F, 4. DK-8000 Aarhus C CVR No: 34 05 26 97 Financial period: 1 January - 31 December Incorporated: 8 November 2011 Municipality of reg. office: Aarhus
Board of Directors	Torsten Bjerre Rasmussen, chairman Mathias Hillerup Larsen, vice chairman Jakob Vedel Lauridsen Henrik Højsholt Nielsen Sune Nabe Frederiksen
Executive Board	Jakob Vedel Lauridsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 DK-8000 Aarhus C

Financial Highlights

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

	2024	2023	2022	2021	2020
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit	124,319	117,295	102,093	93,633	67,857
Profit/loss of primary operations	19,004	20,263	23,955	35,058	21,184
Profit/loss of financial income and expenses	1,344	5,418	1,112	-32	-372
Net profit/loss for the year	15,533	20,527	19,360	26,907	15,958
Balance sheet					
Balance sheet total	237,805	150,115	97,002	88,348	61,175
Equity	118,702	85,413	64,885	60,525	33,918
Number of employees	161	151	129	98	76
Ratios					
Return on assets	8.0%	13.5%	24.7%	39.7%	34.6%
Solvency ratio	49.9%	56.9%	66.9%	68.5%	55.4%
Return on equity	15.2%	27.3%	30.9%	57.0%	53.0%

Management's review

Introduction to the company

s360 is a leading European Marketing & Technology agency that helps brands and retailers grow by providing a strong tech foundation, best-in-class execution, and deep industry expertise. With a team of more than 320 digital specialists, s360 operates from ten offices across seven European countries: Denmark, Norway, Sweden, Finland, the Netherlands, the UK, and Spain.

s360 offers services across digital marketing, digital growth, marketing technology, data & analytics, creative and media strategy. The company has a clear ambition to be a thought leader in digital marketing in order to offer the best solutions to clients. Therefore, it is a strategic objective to attract and retain top professional talent, as well as to develop our own people into leading Marketing & Technology specialists.

Strategic highlights

2024 was a year of strong progress for s360. We continued to build on our position as a trusted partner for brands and retailers, expanding our presence across Europe and strengthening our capabilities.

During the year, we successfully executed on our European expansion strategy:

- In the UK, we integrated Reload Digital, rebranding the company to s360 and continued to see strong growth in this key market.
- In Denmark, we completed the full acquisition of Ackermann Kommunikation to further strengthen our offering within marketing automation and activation of first party data — areas that continue to grow in importance for our clients across the group.
- In Sweden, we acquired Docklin Digital to further strengthen our position towards Swedish clients and compliment our existing team.

Recognition

Throughout 2024, s360 won numerous awards. We were pleased to be named the winner of the Google Agency Excellence Award 2024 in the International Growth category. This recognition reflects our ability to help brands and retailers succeed internationally and underscores our talented team’s expertise in using Google’s advertising solutions to deliver extraordinary client impact.

Financial performance

Management is satisfied with the financial results for the fiscal year 2024, which shows a gross profit of 124 mDKK and a profit after tax of 16 mDKK which is in line with the expectations provided in the financial report for 2023. The performance reflects continued demand for our services as well as increasing investments in strengthening our organisation, as well as expanding across Europe.

Financial risks and use of financial instruments

The company is not exposed to special risks except for what is usual to the line of business.

Events after the balance sheet date

No events materially affecting the company's financial position have occurred subsequent to the financial year-end.

Outlook

For the fiscal year 2025, management expects a gross profit in the range 135-150 mDKK and a profit after tax in the range 15-25 mDKK.

Income statement 1 January - 31 December

	Note	2024	2023
		TDKK	TDKK
Gross profit		**124,319**	**117,295**
Staff expenses	1	-101,255	-93,421
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-4,060	-3,611
Profit/loss before financial income and expenses		**19,004**	**20,263**
Income from investments in subsidiaries		2,148	5,155
Financial income	2	572	954
Financial expenses	3	-1,376	-691
Profit/loss before tax		**20,348**	**25,681**
Tax on profit/loss for the year	4	-4,815	-5,154
Net profit/loss for the year	5	**15,533**	**20,527**

Balance sheet 31 December

Assets

	Note	2024	2023
		TDKK	TDKK
Acquired other similar rights		491	1,137
Goodwill		12,691	9,888
Intangible assets	6	**13,182**	**11,025**
Other fixtures and fittings, tools and equipment		235	205
Property, plant and equipment	7	**235**	**205**
Investments in subsidiaries	8	130,986	53,481
Investments in associates	9	0	2,720
Deposits	10	1,174	1,403
Fixed asset investments		**132,160**	**57,604**
Fixed assets		**145,577**	**68,834**
Trade receivables		67,673	59,988
Contract work in progress	11	0	49
Receivables from group enterprises		9,456	9,167
Receivables from associates		0	20
Other receivables		1,244	2,981
Deferred tax asset	12	221	134
Prepayments	13	2,382	1,185
Receivables		**80,976**	**73,524**
Cash at bank and in hand		**11,252**	**7,757**
Current assets		**92,228**	**81,281**
Assets		**237,805**	**150,115**

Balance sheet 31 December

Liabilities and equity

	Note	2024	2023
		TDKK	TDKK
Share capital	14	516	500
Retained earnings		118,186	84,913
Equity		**118,702**	**85,413**
Other provisions		554	0
Provisions		**554**	**0**
Payables to group enterprises		16,689	0
Long-term debt	15	**16,689**	**0**
Credit institutions		14,694	0
Prepayments received from customers		3,737	3,895
Trade payables		42,801	27,202
Contract work in progress	11	0	40
Payables to group enterprises	15	19,536	4,093
Corporation tax		4,969	5,233
Other payables		16,123	24,239
Short-term debt		**101,860**	**64,702**
Debt		**118,549**	**64,702**
Liabilities and equity		**237,805**	**150,115**
Contingent assets, liabilities and other financial obligations	16		
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Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	500	84,913	85,413
Capital increase	16	17,740	17,756
Net profit/loss for the year	0	15,533	15,533
Equity at 31 December	**516**	**118,186**	**118,702**

Notes to the Financial Statements

		2024	2023
		TDKK	TDKK
1.	**Staff expenses**		
	Wages and salaries	93,963	86,104
	Pensions	4,606	4,124
	Other social security expenses	1,447	1,275
	Other staff expenses	1,239	1,918
		101,255	**93,421**
	Including remuneration to the Executive Board and Board of Directors	**2,420**	**2,583**
	Average number of employees	**161**	**151**

In accordance with section 98 b, subsection 3 of the Danish Financial Statements Act, the remuneration to the Executive Board and the Board of Directors is disclosed collectively.

		2024	2023
		TDKK	TDKK
2.	**Financial income**		
	Interest received from group enterprises	169	191
	Other financial income	403	763
		572	**954**

		2024	2023
		TDKK	TDKK
3.	**Financial expenses**		
	Interest paid to group enterprises	333	16
	Exchange rate adjustments	747	675
	Other financial expenses	296	0
		1,376	**691**

Notes to the Financial Statements

	2024	2023
	TDKK	TDKK
4. Income tax expense		
Current tax for the year	4,867	5,233
Deferred tax for the year	-53	-85
Adjustment of tax concerning previous years	1	6
	4,815	**5,154**

	2024	2023
	TDKK	TDKK
5. Profit allocation		
Retained earnings	15,533	20,527
	15,533	**20,527**

6. Intangible fixed assets

	Acquired other similar rights	Goodwill
	TDKK	TDKK
Cost at 1 January	2,691	25,097
Additions for the year	0	6,099
Cost at 31 December	2,691	31,196
Impairment losses and amortisation at 1 January	1,554	15,209
Amortisation for the year	646	3,296
Impairment losses and amortisation at 31 December	2,200	18,505
Carrying amount at 31 December	**491**	**12,691**

7. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	TDKK
Cost at 1 January	1,343
Additions for the year	148
Cost at 31 December	1,491
Impairment losses and depreciation at 1 January	1,138
Depreciation for the year	118
Impairment losses and depreciation at 31 December	1,256
Carrying amount at 31 December	**235**

Notes to the Financial Statements

	2024	2023
	TDKK	TDKK
8. Investments in subsidiaries		
Cost at 1 January	53,481	25,312
Additions for the year	77,514	33,897
Disposals for the year	-9	-5,728
Cost at 31 December	130,986	53,481
Value adjustments at 1 January	0	-3,305
Reversals for the year of revaluations in previous years	0	3,305
Value adjustments at 31 December	0	0
Carrying amount at 31 December	**130,986**	**53,481**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Owner-ship	Equity	Net profit/loss for the year
search360 Oy	Finland, Helsinki	EUR 2.500	100%	10,411,945	2,151,952
s360 AB*	Sweden, Stockholm	SEK 25.000	100%	0	0
s360 Norge AS	Norway, Oslo	NOK 117.925	89,5%	2,376,024	1,027,951
- Indent AS	Norway, Oslo	NOK 30.000	81%	18,894	653,119
Helion B2B Group ApS	Denmark, Aarhus	DKK 40.000	62,5%	749,980	408,333
- Helion B2B A/S	Denmark, Aarhus	DKK 400.000	59%	3,300,972	2,900,972
s360 Digital NL B.V*	Netherlands, Amsterdam	EUR 100	85%	0	0
s360 Digital UK Ltd (former Reload Digital Ltd)*	England, London	GBP 100	100%	0	0
Docklin Digital AB	Sweden, Stockholm	SEK 62.500	100%	43,449,013	30,552,501
				60,306,828	**37,694,828**

* Equity and net profit/loss for the year is not included, as the annual report for 2024 is not yet approved.

Notes to the Financial Statements

	2024	2023
	TDKK	TDKK
9. Investments in associates		
Cost at 1 January	2,720	0
Additions for the year	0	2,720
Disposals for the year	-2,720	0
Cost at 31 December	0	2,720
Carrying amount at 31 December	**0**	**2,720**

In 2024, S360 A/S has acquired the remaining 68% of the shares in Ackermann Kommunikation ApS resulting in 100% ownership as of 01.11.2024. Subsequently S360 A/S has completed a merger with Ackermann Kommunikation ApS with effective date 01.01.2024

10. Other fixed asset investments

	Deposits
	TDKK
Cost at 1 January	1,403
Disposals for the year	-229
Cost at 31 December	1,174
Carrying amount at 31 December	**1,174**

	2024	2023
	TDKK	TDKK
11. Contract work in progress		
Contract work in progress is recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	0	49
Prepayments received recognised in debt	0	-40
	0	**9**

Notes to the Financial Statements

12. Deferred tax asset

	2024	2023
	TDKK	TDKK
Deferred tax asset at 1 January	134	49
Amounts recognised in the income statement for the year	88	85
Amounts recognised in equity for the year	-1	0
Deferred tax asset at 31 December	**221**	**134**

13. Prepayments

Accruals include the deferral of expenses that pertain to subsequent years, including rent, insurance, and subscriptions.

14. Share capital

The share capital consists of 515,555 shares of a nominal value of TDKK 1. No shares carry any special rights.

During the financial year, the share capital was increased by a nominal DKK 15.555.

15. Long-term debt

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

The debt falls due for payment as specified below:

	2024	2023
	TDKK	TDKK
Payables to group enterprises		
After 5 years	0	0
Between 1 and 5 years	16,689	0
Long-term part	16,689	0
Other short-term debt to group enterprises	19,536	4,093
	36,225	**4,093**

	2024	2023
	TDKK	TDKK

16. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

	2024	2023
Lease obligations, period of non-terminability 1-2 years	2,061	2,195

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Egmont International Holding A/S group, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

17. Related parties and disclosure of consolidated financial statements

	Basis
Controlling interest	
Story House Egmont A/S	Parent company
Egmont International Holding A/S	Controlling influence in Story House Egmont A/S
Egmont Fonden	Ultimate parent company

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(6) of the Danish Financial Statements Act.

All transactions during the financial year has been on an arm's length basis.

Consolidated Financial Statements

The Company is included in the consolidated financial statements of the ultimate Parent Company:

Name	Place of registered office
Egmont Fonden, CVR-no. 11 45 61 11	Vognmagergade 11, 1120 København K

18. Subsequent events

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

Notes to the Financial Statements

19. Accounting policies

The Annual Report of s360 A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Annual report is presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2024 of Egmont Fonden, the Company has not prepared consolidated financial statements.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Egmont Fonden, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Business combinations

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Notes to the Financial Statements

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Intragroup business combinations are accounted for under the book value method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The book value method is applied at the date of acquisition, and comparative figures have not been restated.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statement

Revenue

Revenue from the sale of services is recognised when the risks and rewards relating to the services sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Cost of goods sold

Cost of goods sold comprise the purchase price etc. for services sold in the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, cost of goods sold and other external expenses.

Staff expenses

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

Notes to the Financial Statements

Amortisation, depreciation and impairment losses

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

Income from investments in subsidiaries and associates

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

Financial income and expenses

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

Tax on profit/loss for the year

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

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

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 7 years, determined on the basis of Management's experience with the individual business areas. The amortization period is determined based on the average expected repayment period, taking into account the earnings profile and market position.

Other intangible fixed assets

Other intangible fixed assets are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Property, plant and equipment

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

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

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5 years

The fixed assets' residual values are determined at nil.

Notes to the Financial Statements

Impairment of fixed assets

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

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Investments in subsidiaries and associates

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

Gains and losses on the disposal of investments in subsidiaries and associates are determined as the difference between the net selling price and the carrying amount of the net assets disposed of at the time of sale, including undepreciated goodwill. Gains and losses are recognized in the income statement under income from investments in subsidiaries and associates.

Other fixed asset investments

Other fixed asset investments consist of deposit and is measured at amortized cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company´s experience from previous years.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

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

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Notes to the Financial Statements

Deferred tax assets and liabilities

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

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

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

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

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

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

Financial Highlights

Explanation of financial ratios

Return on assets	Profit/loss of primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity