Group Online A/S

Metalbuen 66
2750 Ballerup
CVR No. 29414815

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

Group Online A/S
Metalbuen 66
2750 Ballerup

Business Registration No.: 29414815
Registered office: Ballerup
Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Jens Albert Harsaae, Chairman
Rasmus Philip Buhl Lokvig, Deputy chairman
Jens Jørgen Hahn-Petersen
Jacob Sloth Bennedsen, Employee Elected Representative
Brian Broholt Hoffmann, Employee Elected Representative

Executive Board

Monika Juul Henriksen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Group Online 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 financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations 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

Jens Jørgen Hahn-Petersen

Jacob Sloth Bennedsen
Employee Elected Representative

Brian Broholt Hoffmann
Employee Elected Representative

Independent auditor's report

To the shareholder of Group Online A/S

Opinion

We have audited the financial statements of Group Online 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. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations 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 financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the 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 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 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 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 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 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 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 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. 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 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the 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 DKK'000	2023 DKK'000	2022 DKK'000	2021 DKK'000	2020 DKK'000
Key figures					
Gross profit/loss	(11,977)	157,635	159,910	121,300	102,453
Operating profit/loss	(137,910)	40,926	49,295	27,960	22,673
Net financials	(10,856)	(10,155)	(4,046)	(160)	(56)
Profit/loss for the year	(132,387)	26,249	35,705	21,120	17,675
Total assets	558,605	726,039	305,949	210,340	173,811
Investments in property, plant and equipment	5,082	8,458	3,655	375	2,237
Equity	398,212	530,690	152,530	124,817	96,537
Average number of employees	152	181	176	159	112
Ratios					
Return on equity (%)	(28.50)	7.68	25.75	19.08	32.33
Equity ratio (%)	71.29	73.09	49.85	59.34	55.54

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

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

Return on equity (%):
Profit/loss for the year * 100
Average equity

Equity ratio (%):
Equity * 100
Total assets

Primary activities

Group Online A/S is the leading provider of websites and online marketing for small and medium-sized companies in Denmark. The primary activities include website production, search engine optimization, email solutions and advertising at Google and Facebook.

Development in activities and finances

Gross profit for the year amount to a loss of DKK 12 million and the result after tax amounted to loss of DKK 160.9 million. Equity amounted to DKK 398.2 million at 31 December 2024. Management consider the results unsatisfactory.

Profit/loss for the year in relation to expected developments

Management expected a EBITDA in the range of DKK 65 - 75 million but the realized EBITDA loss of DKK 117.1 million and the result is not in line with Management expectations. EBITDA is lower due to a 1) decrease in sales compared to the expeced sales for 2024, 2) higher costs compared to expectations and a extraordinary provision change of DKK 86.8 million (refer to note 2).

Outlook

Management expect to grow sales, however, due to investments in the organisation EBITDA is expected in the range of DKK 17 - 21 million.

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.

Income statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Gross profit/loss		**(11,977)**	**157,635**
Staff costs	4	(100,811)	(101,746)
Depreciation, amortisation and impairment losses	5	(20,766)	(14,963)
Other operating expenses	6	(4,356)	0
Operating profit/loss		**(137,910)**	**40,926**
Income from investments in group enterprises		(12,093)	2,732
Other financial income		422	191
Other financial expenses	7	(11,278)	(10,346)
Profit/loss before tax		**(160,859)**	**33,503**
Tax on profit/loss for the year	8	28,472	(7,254)
Profit/loss for the year	9	**(132,387)**	**26,249**

Balance sheet at 31.12.2024

Assets

	Notes	2024 DKK'000	2023 DKK'000
Completed development projects	11	6,716	3,869
Acquired intangible assets		2,450	1,112
Acquired rights		10,488	12,586
Goodwill		10,405	17,239
Development projects in progress	11	0	1,303
Intangible assets	10	**30,059**	**36,109**
Other fixtures and fittings, tools and equipment		4	29
Leasehold improvements		569	812
Leased assets		14,042	17,243
Property, plant and equipment	12	**14,615**	**18,084**
Investments in group enterprises		305,615	334,708
Deposits		2,459	2,267
Financial assets	13	**308,074**	**336,975**
Fixed assets		**352,748**	**391,168**
Trade receivables		25,235	31,903
Contract work in progress	14	176,862	285,777
Receivables from group enterprises		2,234	981
Other receivables		0	14,435
Prepayments	15	1,423	1,594
Receivables		**205,754**	**334,690**
Cash		**103**	**181**
Current assets		**205,857**	**334,871**
Assets		**558,605**	**726,039**

Equity and liabilities

	Notes	2024 DKK'000	2023 DKK'000
Contributed capital		3,701	3,701
Reserve for net revaluation according to the equity method		0	3,543
Reserve for development expenditure		5,237	4,034
Retained earnings		389,274	519,412
Equity		**398,212**	**530,690**
Deferred tax	16	2,961	30,097
Provisions		**2,961**	**30,097**
Lease liabilities		6,775	8,842
Other payables		7,811	7,789
Non-current liabilities other than provisions	17	**14,586**	**16,631**
Current portion of non-current liabilities other than provisions	17	7,945	9,178
Bank loans		20,848	25,637
Contract work in progress	14	19,371	18,992
Trade payables		4,177	5,923
Payables to group enterprises		80,133	77,539
Other payables		10,372	11,352
Current liabilities other than provisions		**142,846**	**148,621**
Liabilities other than provisions		**157,432**	**165,252**
Equity and liabilities		**558,605**	**726,039**

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Statement of changes in equity for 2024

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	3,701	3,543	4,034	519,412	530,690
Other entries on equity	0	0	0	(91)	(91)
Dividends from group enterprises	0	(3,543)	0	3,543	0
Transfer to reserves	0	0	1,203	(1,203)	0
Profit/loss for the year	0	0	0	(132,387)	(132,387)
Equity end of year	**3,701**	**0**	**5,237**	**389,274**	**398,212**

Notes

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 estimate and judgements to be significant in the preparation of the financial statements; work in progress (revenue recognition and provision).

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 DKK'000	2023 DKK'000
Wages and salaries	96,487	98,126
Pension costs	3,169	2,540
Other social security costs	1,155	1,080
	100,811	**101,746**

Average number of full-time employees	152	181

	Remuneration of Management 2024 DKK'000	Remuneration of Management 2023 DKK'000
Executive Board	5,815	0
Board of Directors	140	0
Total amount for management categories	0	3,568
	5,955	**3,568**

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 DKK'000	2023 DKK'000
Amortisation of intangible assets	6,458	6,381
Impairment losses on intangible assets	5,757	0
Depreciation of property, plant and equipment	8,551	8,582
	20,766	**14,963**

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	8,093	8,287
Other interest expenses	2,935	2,008
Other financial expenses	250	51
	11,278	**10,346**

8 Tax on profit/loss for the year

	2024 DKK'000	2023 DKK'000
Change in deferred tax	(28,646)	7,935
Adjustment concerning previous years	174	(681)
	(28,472)	**7,254**

9 Proposed distribution of profit and loss

	2024 DKK'000	2023 DKK'000
Retained earnings	(132,387)	26,249
	(132,387)	**26,249**

10 Intangible assets

	Completed development projects DKK'000	Acquired intangible assets DKK'000	Acquired rights DKK'000	Goodwill DKK'000	Development projects in progress DKK'000
Cost beginning of year	54,562	4,246	20,978	21,547	1,303
Transfers	1,493	(257)	0	0	(1,236)
Additions	4,140	2,092	0	0	0
Disposals	0	0	0	0	(67)
Cost end of year	**60,195**	**6,081**	**20,978**	**21,547**	**0**
Amortisation and impairment losses beginning of year	(50,693)	(3,134)	(8,392)	(4,308)	0
Impairment losses for the year	0	0	0	(5,757)	0
Amortisation for the year	(2,786)	(497)	(2,098)	(1,077)	0
Amortisation and impairment losses end of year	**(53,479)**	**(3,631)**	**(10,490)**	**(11,142)**	**0**
Carrying amount end of year	**6,716**	**2,450**	**10,488**	**10,405**	**0**

11 Development projects

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

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

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	2,389	31,058
Additions	0	307	4,775
Cost end of year	**6,432**	**2,696**	**35,833**
Depreciation and impairment losses beginning of year	(6,403)	(1,577)	(13,815)
Depreciation for the year	(25)	(550)	(7,976)
Depreciation and impairment losses end of year	**(6,428)**	**(2,127)**	**(21,791)**
Carrying amount end of year	**4**	**569**	**14,042**

13 Financial assets

	Investments in group enterprises DKK'000	Deposits DKK'000
Cost beginning of year	331,165	2,267
Additions	0	192
Cost end of year	**331,165**	**2,459**
Revaluations beginning of year	3,543	0
Amortisation of goodwill	(17,366)	0
Share of profit/loss for the year	8,673	0
Dividend	(17,000)	0
Impairment losses for the year	(3,400)	0
Revaluations end of year	**(25,550)**	**0**
Carrying amount end of year	**305,615**	**2,459**

The carrying amount of goodwill at year end 31.12.2024 amounts to DKK 295,472 thousands.

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Web-Koncept A/S	Ballerup, Denmark	A/S	100

14 Contract work in progress

	2024 DKK'000	2023 DKK'000
Contract work in progress	483,185	500,988
Progress billings regarding contract work in progress	(325,694)	(234,203)
Transferred to liabilities other than provisions	19,371	18,992
	176,862	**285,777**

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 DKK'000	2023 DKK'000
Intangible assets	3,740	3,078
Property, plant and equipment	(240)	(120)
Receivables	29,359	50,601
Liabilities other than provisions	0	(171)
Tax losses carried forward	(29,898)	(23,291)
Deferred tax	**2,961**	**30,097**

Changes during the year	2024 DKK'000	2023 DKK'000
Beginning of year	30,097	22,162
Recognised in the income statement	(27,136)	7,935
End of year	**2,961**	**30,097**

17 Non-current liabilities other than provisions

	Due within 12 months 2024 DKK'000	Due within 12 months 2023 DKK'000	Due after more than 12 months 2024 DKK'000	Outstanding after 5 years 2024 DKK'000
Lease liabilities	7,945	9,178	6,775	0
Other payables	0	0	7,811	7,811
	7,945	**9,178**	**14,586**	**7,811**

Other payables consists of holiday pay obligation and leasing liabilities are not due after more than 5 years.

18 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.

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 largest group:
CC Globe Invest ApS

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
CC Globe Holding II A/S

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 financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operation income, work in progress, own work capitalised and external expenses.

Revenue

Group Online A/S 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.

Group Online A/S'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 may 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 Group Online A/S's 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.

Group Online A/S 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, salary refunds and gains and losses from the sale of intangible assets and property, plant and equipment.

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 salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

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 intangible assets, and acquired intellectual property rights.

Development projects on clearly defined and identifiable 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 market or apply the 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 of 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. 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 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
Other fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

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 udeful 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 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.

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 positive difference between cost of investments 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 5 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 explaination of principles for revenue recognizion.

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

Cash
Cash comprises cash in hand and bank deposits.

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.

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.

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.

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

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

Cash flow statement

Referring to 86(4) of the Danish Financial Statements Act, no consolidated cashflow statement have been prepared. A cashflow statement has been prepared for the Group in CC Globe Holding II A/S (central business registration number: 40858865) that comprises the Entity and the subsidiaries.