



Sybo Holding ApS

Gammel Strandvej 1A
2990 Nivå
CVR No. 33773773

Annual report 2022

The Annual General Meeting adopted the annual report on 05.07.2023

Mathias Gredal Nørvig
Chairman of the General Meeting

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Entity details

Entity

Sybo Holding ApS
Gammel Strandvej 1A
2990 Nivå

Business Registration No.: 33773773
Registered office: Fredensborg
Financial year: 01.01.2022 - 31.12.2022

Executive Board

Bodie Daniel Jahn-Mulliner
Erik Sylvester Rishøj Jensen
Mathias Gredal Nørvig

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of Sybo Holding ApS for the financial year 01.01.2022 - 31.12.2022.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 05.07.2023

Executive Board

Bodie Daniel Jahn-Mulliner

Erik Sylvester Rishøj Jensen

Mathias Gredal Nørvig

Independent auditor's report

To the shareholders of Sybo Holding ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Sybo Holding ApS for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

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

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

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 05.07.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bjørn Winkler Jakobsen

State Authorised Public Accountant
Identification No (MNE) mne32127

Mads Haugegaard Albrechtsen

State Authorised Public Accountant
Identification No (MNE) mne45846

Management commentary

Financial highlights

	2022	2021	2020	2019	2018
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	383,770	316,750	374,595	119,139	103,101
Gross profit/loss	162,101	177,725	110,783	78,578	61,506
Operating profit/loss	(54,271)	52,576	7,178	(12,583)	(18,146)
Net financials	16,649	29,642	(706)	23,069	(8,864)
Profit/loss for the year	2,894,440	66,943	4,197	8,130	(25,455)
Balance sheet total	2,954,818	422,204	479,893	427,698	418,821
Investments in property, plant and equipment	0	0	371	122	0
Equity	707,922	281,151	313,624	309,430	321,799
Average number of employees	101	95	94	92	80

Ratios

Gross margin (%)	42.24	56.11	29.57	65.95	59.66
Net margin (%)	754.21	21.13	1.12	6.82	(24.69)
Return on equity (%)	585.28	22.51	1.35	2.58	(7.60)
Equity ratio (%)	416.78	66.62	65.30	72.30	76.80

Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

Return on equity (%):

$\frac{\text{Profit/loss for the year excl. minority interests} * 100}{\text{Average equity excl. minority interests}}$

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{total assets}}$

Primary activities

The Group's primary activities comprise of development of mobile games in proprietary universes and expand them to animation and licensing.

Development in activities and finances

In July 2022, Sybo Holding ApS finalized the 100% sale of SYBO (Both Sybo Peopleco ApS and Sybo ApS) to Miniclip and the sale was announced, representing the largest mobile gaming deal in Europe last year. It was paramount for Sybo Holding ApS to find a partner who recognized our vision for the future and could support us on our journey to get there. The Group accounts for 2022 is mainly Sybo ApS financial figures for the period from 1. January until July 2022 and the financial result from the sales in addition to this. As of year end, the group comprised of Syby Holding ApS, Sybo 3 ApS and Ejendomsselskabet Bagsværdlund ApS. The Activity level for Sybo 3 ApS and Ejendomsselskabet Bagsværdlund ApS is considered low and for the financial year 2023 the group will no longer present consolidated financial figures.

This year's financial figures are therefore extraordinary, effected by the sale of Sybo ApS and Sybo Peopleco ApS and in connection to this Sybo Holding ApS has distributed dividend of 2.470 billion in December 2022.

Profit/loss for the year in relation to expected developments

Last year, we expected growth in EBITDA for 2022 compared to 2021 in the range of 10-25 percent, which equals DKK 58M-65M. Reference is made to the above described where 100% of the shares in Sybo and Sybo Peopleco ApS has been sold.

Unusual circumstances affecting recognition and measurement

In 2022, SYBO was acquired by Miniclip, which had an impact on our operations and financial performance. In connection to the sale and earn-out has agreed. The group has assessed the potential outcome of this, but the assessment has some uncertainty since the actual payment of this are in the future. Reference is made to note 1 in the annual report.

Outlook

The Group activities has been reduced significantly since the sale of SYBO. The financial performance for 2023 will depend of the financial markets and the investments Sybo Holding ApS has. The management expects this in the range of DKK 30-50 millions.

Knowledge resources

Until July 2022 where Sybo ApS was a part of the group following was a part of the group strategy and therefore included in the management review SYBO is committed to ensuring that all employees are equipped to live up to the ever-changing demands of their jobs. As a result, SYBO prioritizes employee training and education that empowers and enables them to be consistently high performers and deliver high quality products and services to bring new and exciting content to our engaged user base.

Research and development activities

Until July 2022 where Sybo ApS was a part of the group following was a part of the group strategy and therefore included in the management review. Research and development (R&D) is essential to ensure future development and growth of the company and SYBO continues to invest. Our focus on game development, expanding our active player base, and keeping Subway Surfers as a whole successful allows us to simultaneously develop new games and create more revenue streams. By continuously building our product portfolio we add value to users, increase earnings per player and diversify our revenue streams within puzzle games, in app-payment, etc. All costs related to research and development are recognized as costs.

Statutory report on corporate social responsibility

Business model

Until July 2022 where Sybo ApS (98% of the group) was a part of the group following was a part of the group strategy and therefore included in the management review. Reference is also made to the published Annual Report for Sybo ApS 2022.

We integrate our CSR efforts into our actual gameplay, so that they become part of the game itself – not just a badge you can buy. This authenticity-based approach can inspire millions of users to play while taking action for specific causes. SYBO has integrated a myriad of partner initiatives such as Playing for the Planet, Lady Gaga's Born This Way Foundation, and Play 2 Plant with Ecologi.

Human rights

Until July 2022 where Sybo ApS (98% of the group) was a part of the group following was a part of the group strategy and therefore included in the management review. Reference is also made to the published Annual Report for Sybo ApS 2022.

At SYBO, we are committed to promoting human rights and creating a workplace that is free from discrimination of any kind, in line with our Code of Conduct. We strongly value diversity and aim to create a workplace that is inclusive and respectful of all individuals, regardless of their race, gender, age, ethnicity, religion, or sexual orientation. With over 35 nationalities represented in our organization, we are committed to promoting diversity and ensuring that all individuals are treated with fairness and respect.

We have assessed that the risk of impacting human rights arises from our employees not following the Code of Conduct. We have evaluated the risk to be very low, as we are a relatively small company where transparency and diversity are well-established at SYBO.

To support our commitment to human rights, we have partnered with the Born This Way Foundation and their #BeKind initiative. We selected our top-performing social post from the campaign in 2021 and re-introduced Cleo, our spokes character, with a message of kindness and acceptance for all. We also donated USD 25k to support the Born This Way Foundation's mission.

In accordance with our Code of Conduct, all people employed at SYBO should be expected to treat each other with respect, openness, dignity, and fairness. We condemn violence in any shape or form and have zero tolerance for discrimination based on characteristics such as age, gender, race, ethnic background, sexual orientation, gender identity, national origin, or religious beliefs. We work to eliminate all sorts of harassment or bullying in any shape or form, sexual or otherwise, and expect our employees to take responsibility and be aware of how their own actions and dispositions affect others.

If any employee experiences an unsafe or uncomfortable work environment, we highly encourage them to come

forward and report it in accordance with our Code of Conduct. We take all concerns seriously and are committed to creating an environment where employees are comfortable speaking up without fear of retaliation. We also recognize and reward ethical behavior, as outlined in our Code of Conduct.

In 2022, there have been no breaches of human rights within SYBO. We will continue to ensure that our employees understand and adhere to our Code of Conduct and its principles.

Environmental and climate issues

Until July 2022 where Sybo ApS (98% of the group) was a part of the group following was a part of the group strategy and therefore included in the management review. Reference is also made to the published Annual Report for Sybo ApS 2022.

Implementing our environmental and climate policy in our organization is a top priority for SYBO. We have taken various measures to ensure that our business operations and activities have a minimal negative impact on the environment. For instance, we have implemented sustainable practices in our offices, such as reducing energy consumption with solar panels on the roof. We also encourage our employees to adopt environmentally friendly habits, such as recycling and using public transportation or bikes to commute to work.

However, we acknowledge that there are still significant risks that we need to address. The most significant risk is our carbon footprint from the data centers and servers that host our games. We recognize that this is a significant challenge, and we are committed to working towards reducing our carbon footprint in this area.

In the past year, we are also committed to using our platform to educate and motivate our millions of users to take action in the fight against climate change. As part of the founding members of the Play for the Planet initiative, we joined forces with 19 other companies representing 970 million gamers globally to use our platforms to inform, inspire, and take meaningful action.

With Subway Surfers reaching many million active users per month, our game represents a significant portion of the alliance's overall platform. Together with Ecologi, we have implemented an in-game event called the "Subway Forest" initiative, which allows users to plant virtual trees in the game. For every virtual tree planted, one real tree is planted in the real world. To date, this initiative has planted 518K trees and reduced carbon emissions by 44 tonnes.

Looking to the future, we plan to continue our efforts to minimize the negative impact of our operations on the environment. We are exploring ways to reduce our carbon footprint, such as by transitioning to renewable energy sources for our data centers and servers. We also aim to raise awareness among our users and encourage them to take action to reduce their environmental impact. Overall, we are committed to promoting a more sustainable future for our organization, and the planet.

Anti Corruption

Until July 2022 where Sybo ApS (98% of the group) was a part of the group following was a part of the group strategy and therefore included in the management review. Reference is also made to the published Annual Report for Sybo ApS 2022.

After careful consideration, we at SYBO have assessed the risk of corruption within our organization to be low. We are a relatively small and transparent company, with open communication channels and a strong ethical culture. Therefore, we have determined that it is not necessary to implement a specific anti-corruption policy at this time.

However, we remain committed to upholding the highest ethical standards in all aspects of our business. We prioritize transparency and accountability in all of our operations and expect all employees to act with integrity in their interactions with colleagues, customers, and suppliers.

Should the risk of corruption increase in the future, we will re-evaluate our need for an anti-corruption policy and take appropriate measures to prevent and address any potential incidents. In the meantime, we will continue to monitor our internal controls and encourage open communication to ensure a strong culture of ethics and integrity at SYBO.

Employee matters

Until July 2022 where Sybo ApS (98% of the group) was a part of the group following was a part of the group strategy and therefore included in the management review. Reference is also made to the published Annual Report for Sybo ApS 2022.

SYBO is committed to creating a healthy and positive work environment for all employees. We recognize that the mental well-being of our employees is critical to their success and to the overall success of the company. SYBO conducts bi-annual employee surveys and health & safety surveys to ensure open and honest feedback between employers and employees. These provide additional opportunities for direct communication about the well-being of our employees, where we are succeeding and where more support may be needed. The latest two employee engagement surveys—both with 90%+ participation rate—show that our employees value SYBO as a people-oriented company with an inclusive culture that demonstrates our values of transparency and embracing differences.

Mental Work Environment and Stress

We recognize that workplace stress is a common concern in regards to employees' mental health. In 2021, SYBO had a sickness absence of 2,3% of possible working hours, and 2% in 2022. For comparison, the absence rate in the private sector in Denmark was 2,8% in 2021, which leads us to conclude that there is no reason for extraordinary concern about sickness absence at SYBO. However, the latest health & safety assessment conducted in January 2022 identified Mental Health – affected by or partially affected by workplace stress to be a risk for our employees – this will be an area of focus. Based on these findings, SYBO has implemented the Bradford Factor system as part of HR's absence reviews to ensure a more holistic, proactive approach to absence management. SYBO is also reviewing our absence policy to include guidelines for early identification of employee stress and how it should be managed. This will allow leads to handle it more proactively. Our engagement survey, conducted in September 2022, showed a 78% favorable score when employees were asked if their leads generally care for their well-being. It also showed a 90% favorable score when asking if employees feel supported when choosing to make use of flexible working arrangements. This leads us to conclude that we are successful in creating a workplace that prioritizes and supports employees' mental health. This will continue to be an area of focus in 2023 and beyond.

Bullying and Inappropriate Behavior

While our health and safety survey confirmed that SYBO does not have any issues with bullying, harassment, or discrimination, we are committed to ensuring that SYBO continues to offer a healthy and positive work environment for all employees. We will continue to monitor the workplace environment and take any necessary actions to ensure the mental well-being of our employees.

Statutory report on the underrepresented gender

Until July 2022 where Sybo ApS (98% of the group) was a part of the group following was a part of the group strategy and therefore included in the management review. Reference is also made to the published Annual Report for Sybo ApS 2022. The Group Management consists of three individuals where two of those are the majority shareholders and one is the CEO of Sybo ApS. The Group has no KPI's or policies for underrepresented genders as of end of year.

Statutory report on data ethics policy

Until July 2022 where Sybo ApS (98% of the group) was a part of the group following was a part of the group strategy and therefore included in the management review. Reference is also made to the published Annual Report for Sybo ApS 2022. As of now, the group does not have a formal policy in place for data ethics, but we are committed to striving towards ethical data processing and usage.

In the group, working with data ethics is a top priority and it is in the company's interest to increase its work within this area in the future.

Events after the balance sheet date

Nothing significant has happened since the balance sheet date that would have affected the evaluation of the annual report.

Consolidated income statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Revenue	2	383,770	316,750
Costs of raw materials and consumables		(130,336)	(122,453)
Other external expenses	3	(91,310)	(16,829)
Property costs		(23)	0
Gross profit/loss		162,101	177,468
Staff costs	4	(215,197)	(105,764)
Depreciation, amortisation and impairment losses	5	(1,175)	(19,384)
Operating profit/loss		(54,271)	52,320
Income from investments in group enterprises		2,934,974	0
Income from investments in associates		0	(117)
Income from other fixed asset investments		7,556	0
Other financial income	6	57,697	51,682
Impairment losses on financial assets		0	(8,736)
Other financial expenses	7	(48,604)	(13,304)
Profit/loss before tax		2,897,352	81,845
Tax on profit/loss for the year	8	(2,912)	(14,902)
Profit/loss for the year	9	2,894,440	66,943

Consolidated balance sheet at 31.12.2022

Assets

	Notes	2022 DKK'000	2021 DKK'000
Acquired intangible assets		0	979
Intangible assets	10	0	979
Investment property		56,056	57,025
Other fixtures and fittings, tools and equipment		0	483
Property, plant and equipment	11	56,056	57,508
Investments in group enterprises		0	0
Investments in associates		12,092	4,551
Other investments		31,704	32,017
Other receivables		860,788	0
Deferred tax	13	418	4,019
Financial assets	12	905,002	40,587
Fixed assets		961,058	99,074
Trade receivables		0	43,508
Other receivables		5,431	4,651
Tax receivable		22,238	4,415
Joint taxation contribution receivable		416	284
Prepayments	14	8	1,835
Receivables		28,093	54,693
Other investments		130,759	132,619
Investments		130,759	132,619
Cash		1,834,908	135,628
Current assets		1,993,760	322,940
Assets		2,954,818	422,014

Equity and liabilities

	Notes	2022 DKK'000	2021 DKK'000
Contributed capital		80	80
Retained earnings		706,886	282,446
Equity belonging to Parent's shareholders		706,966	282,526
Equity belonging to minority interests		0	(1,627)
Equity		706,966	280,899
Mortgage debt		29,033	29,540
Deposits		1,167	0
Non-current liabilities other than provisions	15	30,200	29,540
Current portion of non-current liabilities other than provisions	15	541	543
Deposits		0	1,169
Trade payables		1,159	15,136
Payables to associates		0	3,209
Payables to owners and management		2,170,354	0
Tax payable		5,690	8,123
Other payables		39,908	75,280
Deferred income	16	0	8,115
Current liabilities other than provisions		2,217,652	111,575
Liabilities other than provisions		2,247,852	141,115
Equity and liabilities		2,954,818	422,014
Uncertainty relating to recognition and measurement	1		
Fair value information	18		
Unrecognised rental and lease commitments	19		
Assets charged and collateral	20		
Subsidiaries	21		

Consolidated statement of changes in equity for 2022

	Contributed capital DKK'000	Retained earnings DKK'000	Equity belonging to Parent's shareholders DKK'000	Equity belonging to minority interests DKK'000	Total DKK'000
Equity beginning of year	80	282,446	282,526	(1,627)	280,899
Effect of mergers and business combinations	0	0	0	1,627	1,627
Extraordinary dividend paid	0	(2,470,000)	(2,470,000)	0	(2,470,000)
Profit/loss for the year	0	2,894,440	2,894,440	0	2,894,440
Equity end of year	80	706,886	706,966	0	706,966

Consolidated cash flow statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Operating profit/loss		(54,271)	52,320
Amortisation, depreciation and impairment losses		1,175	19,384
Working capital changes	17	165,624	(11,311)
Exchange rate adjustment		7,364	10,685
Cash flow from ordinary operating activities		119,892	71,078
Financial income received		41,918	29,737
Financial expenses paid		(39,876)	(13,099)
Taxes refunded/(paid)		(28,700)	(15,466)
Cash flows from operating activities		93,234	72,250
Acquisition etc. of property, plant and equipment		0	(352)
Acquisition of fixed asset investments		(7,541)	(15,946)
Sale of fixed asset investments		0	245
Dividends received		7,556	0
Acquisitions of other investments		0	(4,264)
Divestment of other investments		1,860	121,801
Divestment of subsidiaries		1,907,535	0
Cash flows from investing activities		1,909,410	101,484
Free cash flows generated from operations and investments before financing		2,002,644	173,734
Repayments of loans etc.		(509)	(4,410)
Dividend paid		0	(100,000)
Repayment of debt to owners		(302,855)	(20,383)
Cash flows from financing activities		(303,364)	(124,793)

Increase/decrease in cash and cash equivalents	1,699,280	48,941
Cash and cash equivalents beginning of year	135,628	86,687
Cash and cash equivalents end of year	1,834,908	135,628
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Cash and cash equivalents at year-end are composed of:		
Cash	1,834,908	135,628
Cash and cash equivalents end of year	1,834,908	135,628
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Notes to consolidated financial statements

1 Uncertainty relating to recognition and measurement

In connection to the sale of SYBO and earn out was agreed as a part of the transaction. The earn out is based on SYBO's financial results in the future and is therefore subject to a significant uncertainty in recognition and measurement of the financial receivable (earn out) in the group and parent financial statement. The receivable are measured at fair value as of year end and amounts to DKK 860 millions.

2 Revenue

Information on how revenue is distributed on activities and geographical markets has been left out in accordance with §96 in the Danish Financial Statements Act. The information has been left out due to competitive reasons

3 Fees to the auditor appointed by the Annual General Meeting

	2022 DKK'000	2021 DKK'000
Statutory audit services	321	193
Other assurance engagements	85	0
Tax services	429	211
Other services	1,306	105
	2,141	509

4 Staff costs

	2022 DKK'000	2021 DKK'000
Wages and salaries	192,695	95,239
Pension costs	19,625	6,907
Other social security costs	137	233
Other staff costs	2,740	3,385
	215,197	105,764

Average number of full-time employees	101	95
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	Remuneration of management 2022 DKK'000	Remuneration of management 2021 DKK'000
Executive Board	1,412	8,207
	1,412	8,207

5 Depreciation, amortisation and impairment losses

	2022	2021
	DKK'000	DKK'000
Amortisation of intangible assets	65	18,206
Depreciation on property, plant and equipment	1,110	1,178
	1,175	19,384

6 Other financial income

	2022	2021
	DKK'000	DKK'000
Other interest income	32,602	34,260
Exchange rate adjustments	15,779	17,422
Other financial income	9,316	0
	57,697	51,682

7 Other financial expenses

	2022	2021
	DKK'000	DKK'000
Financial expenses from associates	45	619
Other interest expenses	39,831	5,946
Exchange rate adjustments	8,728	6,737
	48,604	13,302

8 Tax on profit/loss for the year

	2022	2021
	DKK'000	DKK'000
Current tax	4,966	17,236
Change in deferred tax	(3,963)	(737)
Adjustment concerning previous years	1,909	(1,597)
	2,912	14,902

9 Proposed distribution of profit/loss

	2022	2021
	DKK'000	DKK'000
Retained earnings	2,894,440	66,864
Minority interests' share of profit/loss	0	79
	2,894,440	66,943

10 Intangible assets

	Acquired intangible assets DKK'000
Cost beginning of year	100,041
Disposals on divestments etc.	(100,041)
Cost end of year	0
Amortisation and impairment losses beginning of year	(99,062)
Disposals on divestments etc	99,127
Amortisation for the year	(65)
Amortisation and impairment losses end of year	0
Carrying amount end of year	0

11 Property, plant and equipment

	Investment property DKK'000	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	60,900	909
Disposals on divestments etc.	0	(909)
Cost end of year	60,900	0
Depreciation and impairment losses beginning of year	(3,875)	(426)
Disposals on divestments etc	0	567
Depreciation for the year	(969)	(141)
Depreciation and impairment losses end of year	(4,844)	0
Carrying amount end of year	56,056	0

12 Financial assets

	Investments in group enterprises DKK'000	Investments in associates DKK'000	Other investments DKK'000	Other receivables DKK'000	Deferred tax DKK'000
Cost beginning of year	0	4,902	42,752	0	4,019
Disposals on divestments etc.	0	0	0	0	(5,656)
Transfers	0	600	(600)	0	0
Additions	0	6,941	1,972	860,788	3,963
Disposals	0	0	0	0	(1,908)
Cost end of year	0	12,443	44,124	860,788	418
Revaluations beginning of year	0	(351)	(5,903)	0	0
Exchange rate adjustments	0	0	(1,202)	0	0
Impairment losses for the year	0	0	(483)	0	0
Revaluations end of year	0	(351)	(7,588)	0	0
Impairment losses beginning of year	0	0	(4,832)	0	0
Adjustment of intra-group profits	(22,830)	0	0	0	0
Reversal regarding disposals	22,830	0	0	0	0
Impairment losses end of year	0	0	(4,832)	0	0
Carrying amount end of year	0	12,092	31,704	860,788	418

The carrying amount of goodwill related to Investments in associates end of year are DKK 2,503,515. The carrying amount of goodwill start of year was DKK 2,861,160.

On 7 July 2022, Sybo Holding ApS completed a transaction to divest 100% ownership and control of a Sybo ApS and Sybo PeopleCo A/S to the Miniclip Group. In connection to the divestment an Earn out was agreed. The Earn out is linked to future adjusted EBITDA performance of Sybo ApS from the period 1 July 2022 – 31 December 2026.

There are multiple variables in estimating the value of the earn out.

- Estimated adjusted EBITDA (management estimate)
 - Budgets and sensitivity analyses
- Weighted average cost of capital ("WACC") (management estimate)
 - Geared beta, cost of equity, cost of debt and sector gearing

Sybo Holding ApS estimates the probability of adjusted EBITDA performance. Each EBITDA performance is given a probability, which is then used to compute a weighted average of the value of the earn out for each of the periods. The above will provide an expected value of the earn out for each of the 4 earn out periods.

The value of each of the earn out periods are discounted based on the estimated WACC for Sybo ApS. The WACC has been estimated in the model and must be updated for each time the valuation must be prepared and reflects the fact that the risk and payment is USD linked. These 4 values are then aggregated to determine the fair value of the earn out to be recognized in the financial statements of Sybo Holding ApS.

13 Deferred tax

	2022	2021
	DKK'000	DKK'000
Changes during the year		
Beginning of year	4,019	3,282
Recognised in the income statement	(4,378)	737
Disposals	777	0
End of year	418	4,019

	2022	2021
	DKK'000	DKK'000
Deferred tax has been recognised in the balance sheet as follows		
Deferred tax assets	418	4,019
	418	4,019

Deferred tax assets

Deferred tax assets is tax losses recognized due to its expected use in the group.

14 Prepayments

Prepayments consist of office rent, consulting services, subscriptions and other prepayments.

15 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK'000	Due within 12 months 2021 DKK'000	Due after more than 12 months 2022 DKK'000	Outstanding after 5 years 2022 DKK'000
Mortgage debt	541	543	29,033	26,918
Deposits	0	0	1,167	1,167
	541	543	30,200	28,085

16 Deferred income

Deferred income consists of contract accrual.

17 Changes in working capital

	2022	2021
	DKK'000	DKK'000
Increase/decrease in receivables	8,070	(6,078)
Increase/decrease in trade payables etc.	157,554	(5,233)
	165,624	(11,311)

18 Fair value information

	Stocks	Bonds	Other
	DKK'000	DKK'000	receivables
			DKK'000
Fair value end of year	28,954	101,805	860,788
Unrealised fair value adjustments recognised in the income statement	(902)	(831)	(35,541)

19 Unrecognised rental and lease commitments

	2022	2021
	DKK'000	DKK'000
Total liabilities under rental or lease agreements until maturity	0	1,346

20 Assets charged and collateral

As security for all balances with Danske Bank, Sybo Holding ApS has granted a charge on a portfolio of securities corresponding to DKK 2,191 thousand.

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor on Investment Property of DKK 32.400 thousand nominal. The carrying amount of mortgaged properties is DKK 56,056 thousand.

21 Subsidiaries

	Registered in	Corporate form	Ownership %
Sybo 3 ApS	Copenhagen	ApS	100.00
Ejendomsselskabet Bagsværdlund ApS	Copenhagen	ApS	100.00
SYBO PeopleCo A/S	Copenhagen	A/S	85.00
Sybo ApS	Copenhagen	ApS	100.00

100% of the shares in Sybo ApS, SYBO PeopleCo A/S and Boom 808 were sold in July 2023. Boom 808 was fully owned by Sybo ApS.

Parent income statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Other external expenses		(77,792)	(782)
Gross profit/loss		(77,792)	(782)
Staff costs	2	(1,412)	(552)
Operating profit/loss		(79,204)	(1,334)
Income from investments in group enterprises		2,997,054	50,575
Other financial income from group enterprises		994	1,297
Other financial income		41,811	32,426
Impairment losses on financial assets		0	(5,903)
Other financial expenses	3	(44,218)	(5,696)
Profit/loss before tax		2,916,437	71,365
Tax on profit/loss for the year	4	833	(4,501)
Profit/loss for the year	5	2,917,270	66,864

Parent balance sheet at 31.12.2022

Assets

	Notes	2022 DKK'000	2021 DKK'000
Investments in group enterprises		1,264	135,622
Receivables from group enterprises		0	23,634
Investments in associates		12,092	0
Other investments		54,518	4,142
Other receivables		860,788	0
Deferred tax	7	418	0
Financial assets	6	929,080	163,398
Fixed assets		929,080	163,398
Receivables from group enterprises		32,717	1,535
Other receivables		5,375	486
Tax receivable		22,233	0
Joint taxation contribution receivable		416	0
Receivables		60,741	2,021
Other investments		130,759	130,968
Investments		130,759	130,968
Cash		1,825,666	3,548
Current assets		2,017,166	136,537
Assets		2,946,246	299,935

Equity and liabilities

	Notes	2022 DKK'000	2021 DKK'000
Contributed capital		80	80
Reserve for net revaluation according to equity method		135,290	135,290
Retained earnings		594,426	147,156
Equity		729,796	282,526
Trade payables		967	121
Payables to owners and management		2,170,354	3,209
Tax payable		5,289	7,641
Other payables		39,840	56
Deferred income	8	0	6,382
Current liabilities other than provisions		2,216,450	17,409
Liabilities other than provisions		2,216,450	17,409
Equity and liabilities		2,946,246	299,935

Uncertainty relating to recognition and measurement	1
Fair value information	9
Contingent liabilities	10
Assets charged and collateral	11
Related parties with controlling interest	12
Transactions with related parties	13

Parent statement of changes in equity for 2022

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	80	135,290	147,156	282,526
Extraordinary dividend paid	0	0	(2,470,000)	(2,470,000)
Profit/loss for the year	0	0	2,917,270	2,917,270
Equity end of year	80	135,290	594,426	729,796

Notes to parent financial statements

1 Uncertainty relating to recognition and measurement

In connection to the sale of SYBO and earn out was agreed as a part of the transaction. The earn out is based on SYBO's financial results in the future and is therefore subject to a significant uncertainty in recognition and measurement of the financial receivable (earn out) in the group and parent financial statement. The receivable are measured at fair value as of year end and amounts to DKK 860 millions.

2 Staff costs

	2022 DKK'000	2021 DKK'000
Wages and salaries	1,360	514
Pension costs	51	41
Other social security costs	3	3
Other staff costs	(2)	(6)
	1,412	552
Average number of full-time employees	3	1

3 Other financial expenses

	2022 DKK'000	2021 DKK'000
Financial expenses from group enterprises	1	126
Financial expenses from associates	45	619
Other interest expenses	39,074	4,951
Exchange rate adjustments	5,098	0
	44,218	5,696

4 Tax on profit/loss for the year

	2022 DKK'000	2021 DKK'000
Current tax	(415)	4,501
Change in deferred tax	(418)	0
	(833)	4,501

5 Proposed distribution of profit and loss

	2022 DKK'000	2021 DKK'000
Retained earnings	2,917,270	66,864
	2,917,270	66,864

6 Financial assets

	Investments in group enterprises DKK'000	Investments in associates DKK'000	Other investments DKK'000	Other receivables DKK'000	Deferred tax DKK'000
Cost beginning of year	919	0	10,045	0	0
Transfers	0	600	(600)	0	0
Additions	0	11,492	52,661	860,788	418
Disposals	(497)	0	0	0	0
Cost end of year	422	12,092	62,106	860,788	418
Revaluations beginning of year	134,958	0	(5,903)	0	0
Disposals on divestments etc.	(190,526)	0	0	0	0
Exchange rate adjustments	0	0	(1,202)	0	0
Share of profit/loss for the year	56,744	0	0	0	0
Impairment losses for the year	0	0	(483)	0	0
Investments with negative equity value depreciated over receivables	26	0	0	0	0
Revaluations end of year	1,202	0	(7,588)	0	0
Impairment losses beginning of year	(255)	0	0	0	0
Adjustment of intra-group profits	(22,830)	0	0	0	0
Other adjustments	(360)	0	0	0	0
Reversal regarding disposals	23,085	0	0	0	0
Impairment losses end of year	(360)	0	0	0	0
Carrying amount end of year	1,264	12,092	54,518	860,788	418

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

The carrying amount of goodwill related to Investments in associates end of year are DKK 2,503,515. The carrying amount of goodwill start of year was DKK 2,861,160.

On 7 July 2022, Sybo Holding ApS completed a transaction to divest 100% ownership and control of a Sybo ApS and Sybo PeopleCo A/S to the Miniclip Group. In connection to the divestment an Earn out was agreed. The Earn out is linked to future adjusted EBITDA performance of Sybo ApS from the period 1 July 2022 – 31 December 2026.

There are multiple variables in estimating the value of the earn out.

- Estimated adjusted EBITDA (management estimate)
 - Budgets and sensitivity analyses
- Weighted average cost of capital ("WACC") (management estimate)
 - Geared beta, cost of equity, cost of debt and sector gearing

Sybo Holding ApS estimates the probability of adjusted EBITDA performance. Each EBITDA performance is given a probability, which is then used to compute a weighted average of the value of the earn out for each of the periods. The above will provide an expected value of the earn out for each of the 4 earn out periods.

The value of each of the earn out periods are discounted based on the estimated WACC for Sybo ApS. The WACC has been estimated in the model and must be updated for each time the valuation must be prepared and reflects the fact that the risk and payment is USD linked. These 4 values are then aggregated to determine the fair value of the earn out to be recognized in the financial statements of Sybo Holding ApS.

Investments in associates	Registered in	Corporate form	Ownership %
Funday Games ApS	Denmark	ApS	36.10
Glowlight ApS	Denmark	ApS	29.32

7 Deferred tax

	2022
	DKK'000
Tax losses carried forward	418
Deferred tax	418

	2022
	DKK'000
Changes during the year	
Recognised in the income statement	833
Used in joint taxation	(415)
End of year	418

Deferred tax assets

The Company is expected to generate positive income in the future.

8 Deferred income

Deferred income consists of profits from sale of shares within the Group.

9 Fair value information

	Stocks	Bonds	Other
	DKK'000	DKK'000	receivables
			DKK'000
Fair value end of year	28,954	101,805	860,788
Unrealised fair value adjustments recognised in the income statement	(902)	(831)	(35,541)

10 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. 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 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

11 Assets charged and collateral

Sybo Holding ApS has granted an unlimited letter of support to the subsidiaries Ejendomselskabet Bagsværdlund ApS and Sybo 3 ApS to meet its obligations as they mature until 31 December 2022.

12 Related parties with controlling interest

The shareholders of the company consists of:

* B. Jahn-Mulliner Holding ApS (controls 50% of the shares)

* S. Rishøj Holding ApS (controls 50% of the shares)

13 Transactions with related parties

All transactions with related parties is made on arms length basis.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

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. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are regarded as associates.

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

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

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.

Property costs

Property costs include costs incurred to operate the Entity's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

Staff costs

Staff costs comprise salaries and wages as well as 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, as well as gains and losses from the sale of intangible assets as well as 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 internal profits or losses.

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of internal profits or losses.

Income from other fixed asset investments

Income from other fixed asset investments comprises gains in the form of interest, dividends, etc on fixed asset investments which are not investments in group enterprises or associates.

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc. on receivables from group enterprises.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables

and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Impairment losses on financial assets

Impairment losses on financial assets comprises impairment losses on financial assets which are not measured at fair value on a current basis.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as 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**Intellectual property rights etc.**

Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement. The amortisation period amounts to 5 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 are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

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

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investment property

Investment property are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Investmentment property	20 years
-------------------------	----------

Estimated useful lives and residual values are reassessed annually.

Items of investment property 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.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in associates.

Associates with negative equity value are measured at DKK 0. Any receivables from these associates 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 associate, 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 associates 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 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 10 years.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Investments in associates fall within the definitions of both participating interests and associates, yet in these consolidated financial statements they have been presented as investments in associates because this designation reflects more accurately the Group's involvement in the relevant entities.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Earn outs are considered derived financial instruments and are measured at fair value. Changes to the fair value of earn out is recognized in the statement of profit and loss and offset on the receivable. The change in the statement of profit and loss must be on the same line in the statement of profit and loss as the initial gain / loss was recorded on.

Other investments

Other investments comprise unlisted investments measured at the lower of cost and net realisable value.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable

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

Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

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

Other investments (current assets)

Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date, and unlisted investments measured at the lower of cost and net realisable value.

Cash

Cash comprises cash in hand and bank deposits.

Minority interests

On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Other financial liabilities

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

Deferred income

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

Cash flow statement

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

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

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

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

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