



## Adservice A/S

Rosenkrantzgade 23, 2.  
8000 Aarhus C  
CVR No. 30545532

## Annual report 2023

The Annual General Meeting adopted the annual report on 17.04.2024

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**Casper Grud**

Chairman of the General Meeting

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# Entity details

## Entity

Adservice A/S  
Rosenkrantzgade 23, 2.  
8000 Aarhus C

Business Registration No.: 30545532  
Registered office: Aarhus  
Financial year: 01.01.2023 - 31.12.2023

## Board of Directors

Simon Fredrik Gustafson, chairman  
Markus Joakim Bjernvall  
Casper Grud  
Øystein Åsebø

## Executive Board

Casper Grud, CEO

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
City Tower, Værkmestergade 2  
8000 Aarhus C

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Adservice A/S for the financial year 01.01.2023 - 31.12.2023.

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 31.12.2023 and of the results of its operations and cash flows for the financial year 01.01.2023 - 31.12.2023.

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.

Aarhus, 17.04.2024

## Executive Board

**Casper Grud**  
CEO

## Board of Directors

**Simon Fredrik Gustafson**  
chairman

**Markus Joakim Bjervall**

**Casper Grud**

**Øystein Åsebø**

# Independent auditor's report

## To the shareholders of Adservice A/S

### Opinion

We have audited the financial statements of Adservice A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement 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 31.12.2023 and of the results of its operations and cash flows for the financial year 01.01.2023 - 31.12.2023 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.

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 of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 17.04.2024

**Deloitte**

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

**Mads Fauerskov**

State Authorised Public Accountant

Identification No (MNE) mne35428

**Lena Lykkegård**

State Authorised Public Accountant

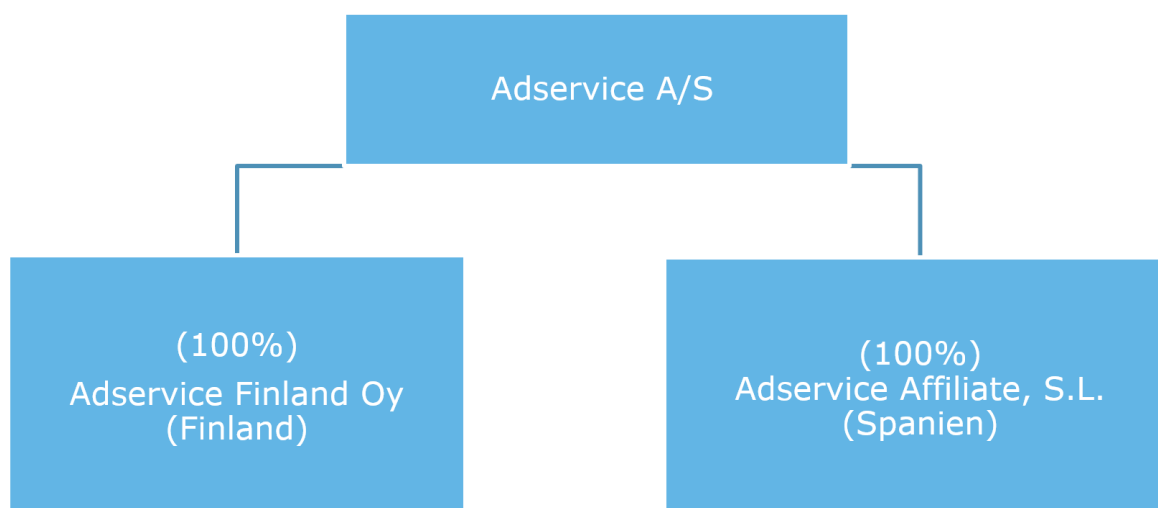
Identification No (MNE) mne47836

# Management commentary

## Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Gross profit/loss	34,042	37,026	28,894	27,795	38,084
Operating profit/loss	21,288	25,129	16,294	12,799	16,991
Net financials	(1,504)	(1,245)	354	(13)	(717)
Profit/loss for the year	15,667	19,097	13,043	10,241	12,566
Total assets	53,127	71,484	61,770	53,727	65,895
Investments in property, plant and equipment	126	77	37	22	181
Equity	17,567	38,561	32,467	27,124	28,884
<b>Ratios</b>					
Return on equity (%)	55.83	53.77	43.78	36.57	37.40
Equity ratio (%)	33.07	53.94	52.56	50.48	43.83

## Group overview



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

Adservice's primary activities lie within the affiliate marketing industry. We offer performance marketing solutions for advertisers and publishers who wish to grow their businesses. The cornerstone of our offering is our unique network of connections combined with our industry-leading technology platform. We create solutions that drive results, tailored to the specific needs of our clients. Adservice has a strong focus on our core business, which builds on more than a decade of know-how and experience.

### Development in activities and finances

The Adservice group generated an operating profit of 21.3M DKK in the financial year 2023, compared to 25.1M DKK in 2022. The management is satisfied with the results.

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

In 2023, Adservice achieved a satisfactory financial performance. The company's strong focus on proactive improving client and publisher performance has contributed to establishing it as one of the best partner platforms in the market. This focus on technological advancements has driven growth across all markets and played a key role in achieving the expected EBITDA within the range of 20-30 million DKK for the year. The positive results in 2023 validate the company's strategic direction.

In 2023, Adservice A/S became part of Adtraction Group. Being part of a larger company and having access to a much larger tech team has made it easier to handle potential cybersecurity threats.

### Outlook

In 2024, Adservice will migrate all clients, publishers, and key functionalities to the Adtraction platform. This new setup will enable the Group to focus all resources on creating the absolute best platform in the market and expand the service level to clients and publishers. Adservice expects to grow in 2024 across all markets and to achieve an EBITDA within the range of 20-30 million DKK.

### Use of financial instruments

The group conducts activities in Danish kroner, as well as in Norwegian and Swedish kroner and euros. The group strives to balance income and costs in local currencies. The group does not engage in exchange rate hedging and has no official policy regarding this. The group has no significant interest-bearing debt, and thus does not bear a significant interest rate risk.

### Environmental performance

Adservice is committed to minimizing our negative impact on the environment. We make daily efforts to reduce the use of paper, plastic, and energy.

### Research and development activities

Research and development activities primarily consist of developing the ACT platform, which is recognized in the profit and loss statement.

### Events after the balance sheet date

After the closure of the balance sheet, as mentioned above, it has been decided to close Adservice as a brand and platform in order for all employees to focus on improving and expanding the Adtraction platform.

# Income statement for 2023

	Notes	2023 DKK	2022 DKK
<b>Gross profit/loss</b>		<b>34,042,371</b>	<b>37,026,320</b>
Staff costs	2	(12,668,225)	(11,528,718)
Depreciation, amortisation and impairment losses	3	(86,371)	(368,656)
<b>Operating profit/loss</b>		<b>21,287,775</b>	<b>25,128,946</b>
Income from investments in group enterprises		254,344	480,453
Other financial income		1,946,047	2,196,979
Other financial expenses		(3,449,656)	(3,442,389)
<b>Profit/loss before tax</b>		<b>20,038,510</b>	<b>24,363,989</b>
Tax on profit/loss for the year	4	(4,371,247)	(5,266,910)
<b>Profit/loss for the year</b>	5	<b>15,667,263</b>	<b>19,097,079</b>

# Balance sheet at 31.12.2023

## Assets

	Notes	2023 DKK	2022 DKK
Acquired rights		0	0
<b>Intangible assets</b>	6	<b>0</b>	<b>0</b>
Other fixtures and fittings, tools and equipment		156,151	114,775
Leasehold improvements		1,653	3,592
<b>Property, plant and equipment</b>	7	<b>157,804</b>	<b>118,367</b>
Investments in group enterprises		670,909	1,101,891
Deposits		379,410	379,410
<b>Financial assets</b>	8	<b>1,050,319</b>	<b>1,481,301</b>
<b>Fixed assets</b>		<b>1,208,123</b>	<b>1,599,668</b>
Trade receivables		31,341,565	31,350,935
Receivables from group enterprises		0	118,225
Deferred tax	9	6,599	29,000
Other receivables		1,310,492	2,402,658
Joint taxation contribution receivable		2,135,796	889,090
Receivables from owners and management	10	1,007,315	0
Prepayments	11	133,223	16,577
<b>Receivables</b>		<b>35,934,990</b>	<b>34,806,485</b>
<b>Cash</b>		<b>15,983,892</b>	<b>35,077,487</b>
<b>Current assets</b>		<b>51,918,882</b>	<b>69,883,972</b>
<b>Assets</b>		<b>53,127,005</b>	<b>71,483,640</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2023 DKK</b>	<b>2022 DKK</b>
Contributed capital	12	500,000	500,000
Translation reserve		(3,575)	(3,666)
Reserve for net revaluation according to the equity method		629,918	1,027,561
Retained earnings		16,440,991	37,036,848
<b>Equity</b>		<b>17,567,334</b>	<b>38,560,743</b>
Bank loans		458,293	0
Prepayments received from customers		1,222,090	0
Trade payables		31,074,914	32,580,328
Tax payable		2,085,453	0
Other payables	13	718,921	342,569
<b>Current liabilities other than provisions</b>		<b>35,559,671</b>	<b>32,922,897</b>
<b>Liabilities other than provisions</b>		<b>35,559,671</b>	<b>32,922,897</b>
<b>Equity and liabilities</b>		<b>53,127,005</b>	<b>71,483,640</b>
Events after the balance sheet date	1		
Contingent liabilities	15		
Related parties with controlling interest	16		
Non-arm's length related party transactions	17		

## Statement of changes in equity for 2023

	Contributed capital DKK	Translation reserve DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed extraordinary dividend DKK	Total DKK
Equity beginning of year	500,000	(3,666)	1,027,561	37,036,848	0	38,560,743
Extraordinary dividend paid	0	0	0	0	(31,700,000)	(31,700,000)
Value adjustments	0	91	0	0	0	91
Other entries on equity	0	0	0	(6,359,952)	0	(6,359,952)
Tax of entries on equity	0	0	0	1,399,189	0	1,399,189
Profit/loss for the year	0	0	(397,643)	(15,635,094)	31,700,000	15,667,263
<b>Equity end of year</b>	<b>500,000</b>	<b>(3,575)</b>	<b>629,918</b>	<b>16,440,991</b>	<b>0</b>	<b>17,567,334</b>

Other entries on equity items relate to option agreements settled in connection with the divestment of the company in January 2023.

# Cash flow statement for 2023

	Notes	2023 DKK	2022 DKK
Operating profit/loss		21,287,775	25,128,946
Amortisation, depreciation and impairment losses		86,371	368,656
Share-based payment		(6,359,952)	0
Working capital changes	14	188,828	2,877,395
<b>Cash flow from ordinary operating activities</b>		<b>15,203,022</b>	<b>28,374,997</b>
Financial income received		1,946,047	2,196,979
Financial expenses paid		(3,449,656)	(3,442,389)
Taxes refunded/(paid)		(2,121,510)	(8,496,189)
<b>Cash flows from operating activities</b>		<b>11,577,903</b>	<b>18,633,398</b>
Acquisition etc of property, plant and equipment		(125,808)	(76,836)
Disposal of enterprises		32,709	0
Dividends received		663,308	0
<b>Cash flows from investing activities</b>		<b>570,209</b>	<b>(76,836)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>12,148,112</b>	<b>18,556,562</b>
Dividend paid		(31,700,000)	(13,000,000)
<b>Cash flows from financing activities</b>		<b>(31,700,000)</b>	<b>(13,000,000)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>(19,551,888)</b>	<b>5,556,562</b>
Cash and cash equivalents beginning of year		35,077,487	29,520,925
<b>Cash and cash equivalents end of year</b>		<b>15,525,599</b>	<b>35,077,487</b>
Cash and cash equivalents at year-end are composed of:			
Cash		15,983,892	35,077,487
Short-term debt to banks		(458,293)	0
<b>Cash and cash equivalents end of year</b>		<b>15,525,599</b>	<b>35,077,487</b>

# Notes

## 1 Events after the balance sheet date

After the closure of the balance sheet, as mentioned above, it has been decided to close Adservice as a brand and platform in order for all employees to focus on improving and expanding the Adtraction platform.

## 2 Staff costs

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	10,928,155	10,144,090
Pension costs	1,562,941	1,209,490
Other social security costs	177,129	175,138
	<b>12,668,225</b>	<b>11,528,718</b>
Average number of full-time employees	20	20

	<b>Remuneration of Management 2023 DKK</b>	<b>Remuneration of Management 2022 DKK</b>
Total amount for management categories	1,871,982	1,867,051
	<b>1,871,982</b>	<b>1,867,051</b>

## 3 Depreciation, amortisation and impairment losses

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Depreciation of property, plant and equipment	86,371	368,656
	<b>86,371</b>	<b>368,656</b>

## 4 Tax on profit/loss for the year

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	4,561,098	5,310,910
Change in deferred tax	22,400	(44,000)
Refund in joint taxation arrangement	(212,251)	0
	<b>4,371,247</b>	<b>5,266,910</b>



## 5 Proposed distribution of profit and loss

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Extraordinary dividend distributed in the financial year	31,700,000	0
Retained earnings	(16,032,737)	19,097,079
	<b>15,667,263</b>	<b>19,097,079</b>

## 6 Intangible assets

	<b>Acquired rights DKK</b>
Cost beginning of year	429,877
<b>Cost end of year</b>	<b>429,877</b>
Amortisation and impairment losses beginning of year	(429,877)
<b>Amortisation and impairment losses end of year</b>	<b>(429,877)</b>
<b>Carrying amount end of year</b>	<b>0</b>

## 7 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improvements DKK</b>
Cost beginning of year	2,225,713	1,561,631
Additions	125,808	0
<b>Cost end of year</b>	<b>2,351,521</b>	<b>1,561,631</b>
Depreciation and impairment losses beginning of year	(2,110,938)	(1,558,039)
Depreciation for the year	(84,432)	(1,939)
<b>Depreciation and impairment losses end of year</b>	<b>(2,195,370)</b>	<b>(1,559,978)</b>
<b>Carrying amount end of year</b>	<b>156,151</b>	<b>1,653</b>

## 8 Financial assets

	<b>Investments in group enterprises DKK</b>	<b>Deposits DKK</b>
Cost beginning of year	74,330	379,410
Exchange rate adjustments	91	0
Disposals	(33,430)	0
<b>Cost end of year</b>	<b>40,991</b>	<b>379,410</b>
Revaluations beginning of year	1,027,561	0
Disposals on divestments etc	1,829	0
Share of profit/loss for the year	263,836	0
Dividend	(663,308)	0
<b>Revaluations end of year</b>	<b>629,918</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>670,909</b>	<b>379,410</b>

Adservice AB (the swedish department) has been sold in the financial year 2023.

<b>Investments in subsidiaries</b>	<b>Registered in</b>	<b>Corporate form</b>	<b>Equity interest %</b>
Adservice Finland Oy	Finland	Oy	100.00
Adservice Affiliate S.L.	Spain	S.L.	100.00

## 9 Deferred tax

	<b>2023 DKK</b>	<b>2022 DKK</b>
Property, plant and equipment	6,599	29,000
<b>Deferred tax</b>	<b>6,599</b>	<b>29,000</b>

<b>Changes during the year</b>	<b>2023 DKK</b>	<b>2022 DKK</b>
Beginning of year	29,000	(15,000)
Recognised in the income statement	(22,401)	44,000
<b>End of year</b>	<b>6,599</b>	<b>29,000</b>

### Deferred tax assets

Deferred tax consist of temporary differences between tangible assets.

## 10 Receivables from owners and management

Receivables from owners and management originates from joint taxation arrangement with 25. Maj Holding ApS from before the sale of Adservice A/S to Atraction AB.

### 11 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

### 12 Share capital

	Number	Par value DKK	Nominal value DKK
Shares of 1.000 kr.	500	1000	500,000
	<b>500</b>		<b>500,000</b>

### 13 Other payables

	2023 DKK	2022 DKK
Wages and salaries, personal income taxes, social security costs, etc payable	444,669	60,411
Holiday pay obligation	239,252	247,158
Other costs payable	35,000	35,000
	<b>718,921</b>	<b>342,569</b>

### 14 Changes in working capital

	2023 DKK	2022 DKK
Increase/decrease in receivables	95,800	(3,054,337)
Increase/decrease in trade payables etc	93,028	5,931,732
	<b>188,828</b>	<b>2,877,395</b>

### 15 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement from february the 1st. From january the 1st to january the 31th, the administrative company was 25. Maj Holding ApS. The second part of the tax year the company acted as administrative 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 these entities.

### 16 Related parties with controlling interest

Adtraction Group AB, Biblioteksgatan 29  
114 35 Stockholm, Sverige  
Org. No.: 559303-4753

Adtraction Group AB have controlling interest in the company.

### 17 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

# Accounting policies

## Reporting class

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

The accounting policies applied to these financial statements are consistent with those applied last year, with a few reclassifications.

## 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.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

## **Income statement**

### **Gross profit or loss**

Gross profit or loss comprises revenue, other operating income, cost of sales and external expenses.

### **Revenue**

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### **Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

### **Cost of sales**

Costs of sales includes the direct cost on the revenue including expenses for publishers, direct suppliers etc.

### **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 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 for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing 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.

### **Other financial income**

Other financial income comprises transactions in foreign currencies, etc.

### Other financial expenses

Other financial expenses comprise interest expenses, transactions in foreign currencies, 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.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

### Balance sheet

#### Intellectual property rights etc

Intellectual property rights comprises the hosted website adservice.com

Intellectual property rights acquired are measured at cost less accumulated amortisation.

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.

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:

	<b>Useful life</b>
Other fixtures and fittings, tools and equipment	4 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period. 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.

#### 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 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 the 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.

**Receivables**

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

**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.

**Joint taxation contributions receivable or payable**

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax.

**Prepayments**

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

**Cash**

Cash comprises bank deposits.

**Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

**Other financial liabilities**

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

**Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

**Tax receivable or payable**

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

**Cash flow statement**

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

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

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

Cash and cash equivalents comprise cash.