



Adservice A/S

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

Annual report 2021

The Annual General Meeting adopted the
annual report on 02.05.2022

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: 01.01.2021 - 31.12.2021

Board of Directors

Jesper Grøndahl Hviid, chairman of the board
Casper Grud
Øystein Åsebø
Niels Christian Grud
Rikke Bech Nygaard

Executive Board

Casper Grud, CEO
Øystein Åsebø, director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Adservice A/S for the financial year 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021.

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, 02.05.2022

Executive Board

Casper Grud
CEO

Øystein Åsebø
director

Board of Directors

Jesper Grøndahl Hviid
chairman of the board

Casper Grud

Øystein Åsebø

Niels Christian Grud

Rikke Bech Nygaard

Independent auditor's report

To the shareholders of Adservice A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Adservice A/S for the financial year 01.01.2021 - 31.12.2021, 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 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021 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.

Aarhus, 02.05.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Fauerskov

State Authorised Public Accountant
Identification No (MNE) mne35428

Alexander Brix Kronborg

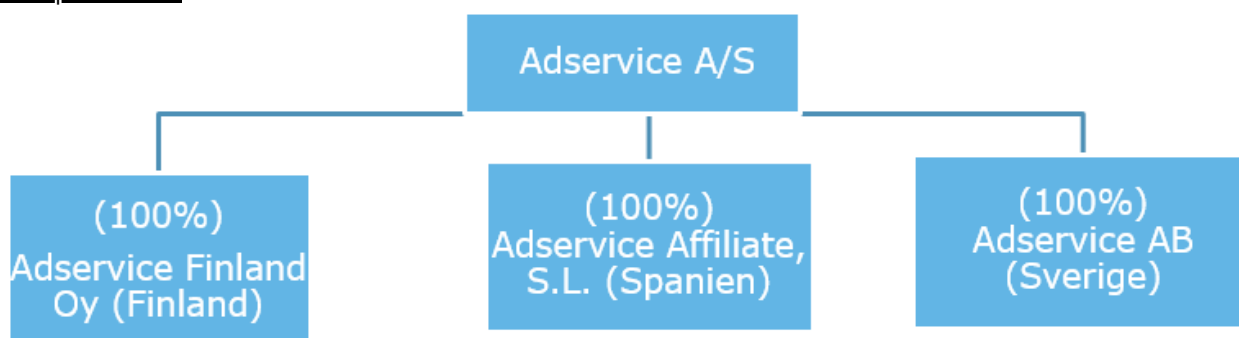
State Authorised Public Accountant
Identification No (MNE) mne47804

Management commentary

Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
Key figures					
Gross profit/loss	32,156	31,134	40,783	57,075	43,757
Operating profit/loss	16,500	13,153	16,916	33,640	23,475
Net financials	354	(16)	(718)	(191)	(1,577)
Profit/loss for the year	13,043	10,241	12,566	26,080	16,994
Balance sheet total	62,209	54,027	66,093	82,963	68,403
Investments in property, plant and equipment	43	35	181	501	1,665
Equity	32,467	27,124	28,884	38,318	28,239
Ratios					
Return on equity (%)	43.78	36.57	37.40	78.37	63.55
Equity ratio (%)	52.19	50.20	43.70	46.19	41.28

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 (%):

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

Average equity

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$

Balance sheet total

Primary activities

Adservice's primary activities are within the affiliate marketing industry. Adservice offers performance marketing solutions for advertisers and publishers who want to grow their business. The main part of this offering is our unique network of connections and industry-leading technology platform. We create solutions that drive results tailored to our clients' needs. Adservice have a strong focus on our core business which is building on more than a decade of know-how and experience.

Development in activities and finances

The Adservice group has in the financial year 2021 generated an operating profit of 16,5M DKK compared to 13,2M DKK in 2020. The management is satisfied with the result.

Profit/loss for the year in relation to expected developments

Due to the Covid-19 situation in 2020 and 2021, Adservice has experienced a decrease in turnover and earning; however, Adservice as a company has in 2021 proven to be an agile company with a solid ability to adapt to market changes.

Outlook

Adservice has a strong focus on tech, which can improve both the Advertiser and publisher experience on the Adservice platform and is now one of the best and most innovative platforms on the market.

The Adservice Group expects to grow in 2022 in all markets and have an EBITDA within 20-30 Mio DKK.

Knowledge resources

Adservice is helping our local education community with resources, training, and knowledge. A donation that has been more significant in 2021.

Environmental performance

Adservice is focused on only having a small negative impact on our environment. Daily we try to minimize the use of paper, plastic, and energy consumption.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss	1	32,155,757	31,133,682
Staff costs	2	(15,150,490)	(17,463,655)
Depreciation, amortisation and impairment losses	3	(505,433)	(516,935)
Operating profit/loss		16,499,834	13,153,092
Other financial income		2,319,558	2,603,035
Other financial expenses		(1,965,621)	(2,619,074)
Profit/loss before tax		16,853,771	13,137,053
Tax on profit/loss for the year	4	(3,810,667)	(2,896,267)
Profit/loss for the year	5	13,043,104	10,240,786

Consolidated balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Acquired rights		0	0
Intangible assets	6	0	0
Other fixtures and fittings, tools and equipment		158,456	310,173
Leasehold improvements		266,074	576,398
Property, plant and equipment	7	424,530	886,571
Deposits		379,410	371,535
Financial assets	8	379,410	371,535
Fixed assets		803,940	1,258,106
Trade receivables		27,598,180	22,828,994
Receivables from group enterprises		1,729,551	0
Other receivables		1,902,085	622,786
Prepayments	9	35,693	33,188
Receivables		31,265,509	23,484,968
Cash		30,139,340	29,284,189
Current assets		61,404,849	52,769,157
Assets		62,208,789	54,027,263

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		500,000	500,000
Retained earnings		18,967,258	26,624,154
Proposed dividend for the financial year		13,000,000	0
Equity		32,467,258	27,124,154
Deferred tax	10	15,000	24,000
Provisions		15,000	24,000
Other payables		0	1,593,672
Non-current liabilities other than provisions	11	0	1,593,672
Trade payables		26,273,223	22,813,463
Tax payable		0	635,182
Joint taxation contribution payable		2,296,189	236,439
Other payables		998,426	1,464,225
Deferred income	12	158,693	136,128
Current liabilities other than provisions		29,726,531	25,285,437
Liabilities other than provisions		29,726,531	26,879,109
Equity and liabilities		62,208,789	54,027,263
Unrecognised rental and lease commitments	14		
Transactions with related parties	15		
Subsidiaries	16		

Consolidated statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Proposed extraordinary dividend DKK	Proposed dividend for the financial year DKK	Total DKK
Equity beginning of year	500,000	26,624,154	0	0	27,124,154
Extraordinary dividend paid	0	0	(7,700,000)	0	(7,700,000)
Profit/loss for the year	0	(7,656,896)	7,700,000	13,000,000	13,043,104
Equity end of year	500,000	18,967,258	0	13,000,000	32,467,258

Consolidated cash flow statement for 2021

	Notes	2021 DKK	2020 DKK
Operating profit/loss		16,499,834	13,153,092
Amortisation, depreciation and impairment losses		505,433	516,935
Working capital changes	13	(4,628,138)	4,743,069
Cash flow from ordinary operating activities		12,377,129	18,413,096
Financial income received		2,319,558	2,603,035
Financial expenses paid		(1,965,621)	(2,619,074)
Taxes refunded/(paid)		(4,093,394)	(1,901,487)
Cash flows from operating activities		8,637,672	16,495,570
Acquisition etc. of property, plant and equipment		(56,773)	(34,898)
Acquisition of fixed asset investments		(25,748)	(10,800)
Cash flows from investing activities		(82,521)	(45,698)
Free cash flows generated from operations and investments before financing		8,555,151	16,449,872
Dividend paid		(7,700,000)	(12,000,000)
Cash flows from financing activities		(7,700,000)	(12,000,000)
Increase/decrease in cash and cash equivalents		855,151	4,449,872
Cash and cash equivalents beginning of year		29,284,189	24,834,317
Cash and cash equivalents end of year		30,139,340	29,284,189
Cash and cash equivalents at year-end are composed of:			
Cash		30,139,340	29,284,189
Cash and cash equivalents end of year		30,139,340	29,284,189

Notes to consolidated financial statements

1 Gross profit/loss

The gross profit contains DKK 283.371 from the fixed cost compensation of support schemes set up as a result of the spread and outbreak of COVID-19 (DKK 264.725 in 2020).

2 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	13,699,668	15,678,795
Pension costs	954,638	1,138,479
Other social security costs	463,156	476,114
Other staff costs	33,028	170,267
	15,150,490	17,463,655
Average number of full-time employees	24	31

	Remuneration of manage- ment 2021 DKK	Pension liabilities 2021 DKK	Remuneration of manage- ment 2020 DKK	Pension liabilities 2020 DKK
Total amount for management categories	2,770,586	74,609	2,418,122	68,391
	2,770,586	74,609	2,418,122	68,391

Remuneration of the management is comprised with reference to the Danish GAAP Act section 98 b.

3 Depreciation, amortisation and impairment losses

	2021	2020
	DKK	DKK
Depreciation on property, plant and equipment	505,433	516,935
	505,433	516,935

4 Tax on profit/loss for the year

	2021	2020
	DKK	DKK
Current tax	3,705,232	2,903,267
Change in deferred tax	(9,000)	(7,000)
Adjustment concerning previous years	114,435	0
	3,810,667	2,896,267

5 Proposed distribution of profit/loss

	2021 DKK	2020 DKK
Ordinary dividend for the financial year	13,000,000	0
Extraordinary dividend distributed in the financial year	(7,700,000)	0
Retained earnings	7,743,104	10,240,786
	13,043,104	10,240,786

6 Intangible assets

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

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	2,111,537	1,575,016
Additions	37,340	6,053
Cost end of year	2,148,877	1,581,069
Depreciation and impairment losses beginning of year	(1,801,364)	(998,618)
Exchange rate adjustments	0	(1)
Depreciation for the year	(189,057)	(316,376)
Depreciation and impairment losses end of year	(1,990,421)	(1,314,995)
Carrying amount end of year	158,456	266,074

8 Financial assets

	Deposits DKK
Cost beginning of year	371,535
Additions	7,875
Cost end of year	379,410
Carrying amount end of year	379,410

9 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

10 Deferred tax

	2021	2020
	DKK	DKK
Property, plant and equipment	15,000	24,000
Deferred tax	15,000	24,000

Changes during the year	2021	2020
	DKK	DKK
Beginning of year	24,000	31,000
Recognised in the income statement	(9,000)	(7,000)
End of year	15,000	24,000

11 Non-current liabilities other than provisions

Non-current other payables in 2020 comprise holiday pay to employees according to the danish holiday act. The holiday pay is paid to 'Lønmodtagernes Feriefond' in 2021. There is no non-current liabilities after 5 years.

12 Deferred income

Deffered income comprise deffered income received in 2021 but related to the financial year 2022.

13 Changes in working capital

	2021	2020
	DKK	DKK
Increase/decrease in receivables	(6,050,992)	16,521,468
Increase/decrease in trade payables etc.	1,422,854	(11,778,399)
	(4,628,138)	4,743,069

14 Unrecognised rental and lease commitments

	2021	2020
	DKK	DKK
Total liabilities under rental or lease agreements until maturity	513,000	469,000

15 Transactions with related parties

No transactions with related parties were made in the financial year, which were not made on an arm's length basis.

16 Subsidiaries

	Registered in	Corporate form	Ownership %
Adservice Finland Oy	Finland	Oy	100.00
Adservice Affiliate S.L.	Spain	S.L.	100.00
Adservice AB	Sweden	AB	100.00

Adservice AB is not included in the consolidated amounts, as it is considered as immaterial for the consolidated numbers (< 1% of the total assets).

Parent income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss	1	28,926,551	27,965,160
Staff costs	2	(12,131,343)	(14,650,705)
Depreciation, amortisation and impairment losses	3	(501,383)	(515,891)
Operating profit/loss		16,293,825	12,798,564
Income from investments in group enterprises		196,126	285,828
Other financial income		2,319,558	2,603,035
Other financial expenses		(1,965,135)	(2,616,170)
Profit/loss before tax		16,844,374	13,071,257
Tax on profit/loss for the year	4	(3,801,270)	(2,830,471)
Profit/loss for the year	5	13,043,104	10,240,786

Parent balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Acquired rights		0	0
Intangible assets	6	0	0
Other fixtures and fittings, tools and equipment		158,456	310,173
Leasehold improvements		251,731	564,055
Property, plant and equipment	7	410,187	874,228
Investments in group enterprises		625,032	391,809
Deposits		379,410	371,535
Financial assets	8	1,004,442	763,344
Fixed assets		1,414,629	1,637,572
Trade receivables		27,247,498	22,820,994
Receivables from group enterprises		1,729,551	0
Other receivables		1,835,280	608,426
Prepayments	9	21,729	21,899
Receivables		30,834,058	23,451,319
Cash		29,520,925	28,638,319
Current assets		60,354,983	52,089,638
Assets		61,769,612	53,727,210

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		500,000	500,000
Reserve for net revaluation according to equity method		546,996	350,893
Retained earnings		18,420,262	26,273,261
Proposed dividend for the financial year		13,000,000	0
Equity		32,467,258	27,124,154
Deferred tax	10	15,000	24,000
Provisions		15,000	24,000
Other payables		0	1,593,672
Non-current liabilities other than provisions	11	0	1,593,672
Trade payables		26,014,087	22,676,299
Tax payable		0	635,182
Joint taxation contribution payable		2,296,189	236,439
Other payables		977,078	1,437,464
Current liabilities other than provisions		29,287,354	24,985,384
Liabilities other than provisions		29,287,354	26,579,056
Equity and liabilities		61,769,612	53,727,210
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		
Related parties with controlling interest	14		
Transactions with related parties	15		

Parent statement of changes in equity for 2021

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed extraordinary dividend DKK	Proposed dividend for the year DKK
Equity beginning of year	500,000	350,893	26,273,261	0	0
Extraordinary dividend paid	0	0	0	(7,700,000)	0
Profit/loss for the year	0	196,103	(7,852,999)	7,700,000	13,000,000
Equity end of year	500,000	546,996	18,420,262	0	13,000,000

	Total DKK
Equity beginning of year	27,124,154
Extraordinary dividend paid	(7,700,000)
Profit/loss for the year	13,043,104
Equity end of year	32,467,258

Notes to parent financial statements

1 Gross profit/loss

The gross profit contains DKK 283.371 from the fixed cost compensation of support schemes set up as a result of the spread and outbreak of COVID-19 (DKK 264.725 in 2020).

2 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	11,159,205	13,345,011
Pension costs	764,684	914,442
Other social security costs	174,426	220,985
Other staff costs	33,028	170,267
	12,131,343	14,650,705
Average number of full-time employees	19	26

	Remuneration of Manage- ment 2021 DKK	Pension liabilities 2021 DKK	Remuneration of Manage- ment 2020 DKK	Pension liabilities 2020 DKK
Total amount for management categories	2,770,586	74,609	2,418,122	68,391
	2,770,586	74,609	2,418,122	68,391

Remuneration of the management is comprised with reference to the Danish GAAP Act section 98 b.

3 Depreciation, amortisation and impairment losses

	2021	2020
	DKK	DKK
Depreciation on property, plant and equipment	501,383	515,891
	501,383	515,891

4 Tax on profit/loss for the year

	2021	2020
	DKK	DKK
Current tax	3,695,835	2,837,471
Change in deferred tax	(9,000)	(7,000)
Adjustment concerning previous years	114,435	0
	3,801,270	2,830,471

5 Proposed distribution of profit and loss

	2021 DKK	2020 DKK
Ordinary dividend for the financial year	13,000,000	0
Extraordinary dividend distributed in the financial year	(7,700,000)	0
Retained earnings	7,743,104	10,240,786
	13,043,104	10,240,786

6 Intangible assets

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

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	2,111,537	1,561,631
Additions	37,340	0
Cost end of year	2,148,877	1,561,631
Depreciation and impairment losses beginning of year	(1,801,364)	(997,574)
Depreciation for the year	(189,057)	(312,326)
Depreciation and impairment losses end of year	(1,990,421)	(1,309,900)
Carrying amount end of year	158,456	251,731

8 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	40,916	371,535
Exchange rate adjustments	(17)	0
Additions	37,097	7,875
Cost end of year	77,996	379,410
Revaluations beginning of year	350,893	0
Exchange rate adjustments	40	0
Share of profit/loss for the year	196,103	0
Revaluations end of year	547,036	0
Carrying amount end of year	625,032	379,410

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

9 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

10 Deferred tax

	2021 DKK	2020 DKK
Changes during the year		
Beginning of year	24,000	31,000
Recognised in the income statement	(9,000)	(7,000)
End of year	15,000	24,000

11 Non-current liabilities other than provisions

Non-current other payables comprise holiday pay to employees according to the new danish holiday law.

12 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Total liabilities under rental or lease agreements until maturity	473,000	469,000

13 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which 25. Maj Holding ApS serves as the administration company.

According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore secondarily liable for income taxes etc. for the jointly taxed entities, limited to the equity interest by which the Entity participates in the Group, and also secondarily liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability

under the joint taxation arrangement is disclosed in the administration company's financial statements.

14 Related parties with controlling interest

25. Maj Holding ApS, 8240 Risskov, have controlling interest in the company, since possessing the majority of the shares in the company.

Casper Grud, 8240 Risskov, have controlling interest in 25. Maj Holding ApS, as he posses all the shares in the company.

15 Transactions with related parties

No transactions with related parties were made in the financial year, which were not made on an arm's length basis.

Accounting policies

Reporting class

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

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intragroup 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 acquisition date, with net assets having been calculated at fair value.

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 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 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.

Costs 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 dividends, 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.

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:

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.

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.

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 or the planned settlement of each liability.

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.

Other financial liabilities

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

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's

taxable income, adjusted for prepaid tax.

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 as well as 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 income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as 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 as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash.