

ADSERVICE A/S
Rosenkrantzgade 23, 2.
8000 Aarhus C
Central Business Registration
No 30545532

Annual report 2019

The Annual General Meeting adopted the annual report on 10.07.2020

Chairman of the General Meeting

Name: Casper Grud

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Entity details

Entity

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

Central Business Registration No (CVR): 30545532

Registered in: Aarhus

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Jesper Grøndahl Hviid, formand
Rikke Bech Nygaard
Niels Christian Grud
Casper Grud
Øystein Åsebø

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 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations and cash flows for the financial year 01.01.2019 - 31.12.2019.

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, 10.07.2020

Executive Board

Casper Grud
CEO

Øystein Åsebø
director

Board of Directors

Jesper Grøndahl Hviid
formand

Rikke Bech Nygaard

Niels Christian Grud

Casper Grud

Øystein Åsebø

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 01.01.2019 - 31.12.2019, 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 31.12.2019, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Other matter 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 Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the

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

Independent auditor's report

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.

Independent auditor's report

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, 10.07.2020

Deloitte

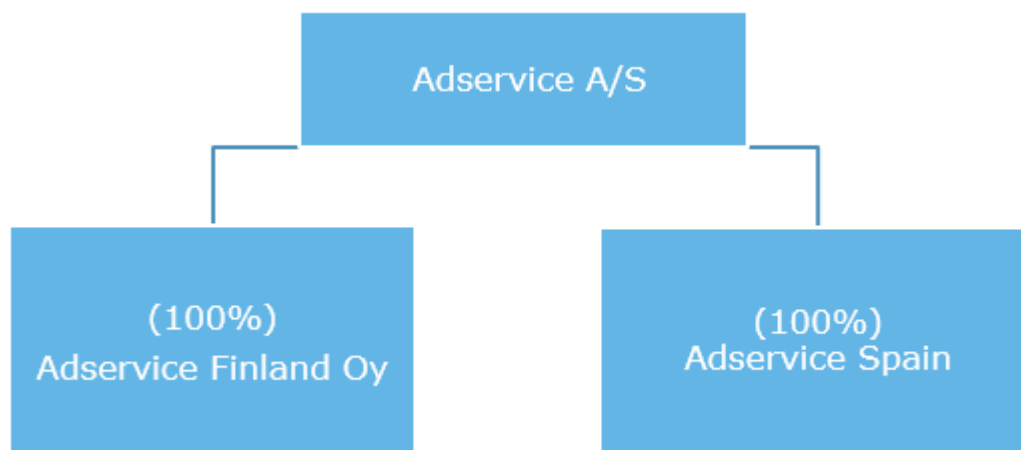
Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Klaus Tvede-Jensen
State Authorised Public Accountant
Identification No (MNE) mne23304

Management commentary

	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000	2015 DKK'000
Financial highlights					
Key figures					
Gross profit	40.783	57.075	43.757	38.038	22.995
Operating profit/loss	16.916	33.640	23.475	21.160	13.392
Net financials	(718)	(191)	(1.577)	188	(921)
Profit/loss for the year	12.566	26.080	16.994	16.625	9.522
Profit/loss for the year excl minority interests	12.566	26.080	16.994	16.625	9.522
Total assets	66.093	82.963	68.403	63.599	38.030
Investments in property, plant and equipment	181	501	1.665	966	848
Equity	28.884	38.318	28.239	25.245	16.620
Equity excl minority interests	28.884	38.318	28.239	25.245	16.620
Ratios					
Return on equity (%)	37,4	78,4	63,5	79,4	57,3
Equity ratio (%)	43,7	46,2	41,3	39,7	43,7

Group overview:



Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Calculation formula reflects
Return on equity (%)	$\frac{\text{Profit/loss for the year excl minority interests} \times 100}{\text{Average equity excl minority interests}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity excl minority interests} \times 100}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

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 2019 generated an operating profit of 16,9M DKK compared to 33,6M DKK in 2018.

The management is satisfied with the result. Compared to 2018 the lower result in 2019 is primarily due to changes in the market but also a historical weak Swedish and Norwegian currency.

Particular risks

Adservice's activities comprise many transactions in foreign currencies including both NOK, SEK, EUR, and PLN. Thereby a particular risk on fluctuation is identified.

The management handles this risk by serving bank accounts in different foreign currencies and has decided not to hold any financial instruments or foreign exchange contracts.

Events after the balance sheet date

Management believes that the impact of the outbreak and spread of COVID-19 in the first half of 2020 is not yet known, but it is expected to have a negative impact on the result for 2020 due to macroeconomic conditions. On that background the management has suspended a more detailed outlook for the financial year 2020.

Consolidated income statement for 2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Gross profit		40.783.189	57.074.861
Staff costs	1	(23.256.530)	(22.746.736)
Depreciation, amortisation and impairment losses	2	(610.970)	(688.544)
Operating profit/loss		16.915.689	33.639.581
Other financial income		4.334.600	4.262.346
Other financial expenses		(5.052.685)	(4.453.466)
Profit/loss before tax		16.197.604	33.448.461
Tax on profit/loss for the year	3	(3.631.660)	(7.368.704)
Profit/loss for the year	4	12.565.944	26.079.757

Consolidated balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Acquired rights		0	0
Intangible assets	5	<u>0</u>	<u>0</u>
Other fixtures and fittings, tools and equipment		492.225	611.653
Leasehold improvements		876.381	1.187.057
Property, plant and equipment	6	<u>1.368.606</u>	<u>1.798.710</u>
Deposits		360.735	360.735
Fixed asset investments	7	<u>360.735</u>	<u>360.735</u>
Fixed assets		<u>1.729.341</u>	<u>2.159.445</u>
Trade receivables		37.507.290	50.357.658
Other receivables		1.700.353	15.771
Income tax receivable		131.123	0
Prepayments	8	190.367	104.202
Receivables		<u>39.529.133</u>	<u>50.477.631</u>
Cash		<u>24.834.317</u>	<u>30.325.864</u>
Current assets		<u>64.363.450</u>	<u>80.803.495</u>
Assets		<u>66.092.791</u>	<u>82.962.940</u>

Consolidated balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Contributed capital		500.000	500.000
Retained earnings		16.384.330	15.818.386
Proposed dividend		12.000.000	22.000.000
Equity		28.884.330	38.318.386
Deferred tax	9	31.000	40.000
Provisions		31.000	40.000
Other payables		660.168	0
Non-current liabilities other than provisions		660.168	0
Trade payables		34.570.732	40.173.077
Income tax payable		0	1.120.553
Other payables		1.862.683	3.254.233
Deferred income	10	83.878	56.691
Current liabilities other than provisions		36.517.293	44.604.554
Liabilities other than provisions		37.177.461	44.604.554
Equity and liabilities		66.092.791	82.962.940
Unrecognised rental and lease commitments	12		
Transactions with related parties	13		

Consolidated statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	500.000	15.818.386	22.000.000	38.318.386
Ordinary dividend paid	0	0	(22.000.000)	(22.000.000)
Profit/loss for the year	0	565.944	12.000.000	12.565.944
Equity end of year	500.000	16.384.330	12.000.000	28.884.330

Consolidated cash flow statement for 2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Operating profit/loss		16.915.689	33.639.581
Amortisation, depreciation and impairment losses		610.970	688.544
Working capital changes	11	4.772.656	(8.077.068)
Cash flow from ordinary operating activities		22.299.315	26.251.057
Financial income received		4.334.600	4.262.346
Financial expenses paid		(5.052.685)	(4.453.466)
Income taxes refunded/(paid)		(4.891.911)	(4.440.459)
Cash flows from operating activities		16.689.319	21.619.478
Acquisition etc of property, plant and equipment		(180.866)	(500.970)
Acquisition of fixed asset investments		0	(7.073)
Cash flows from investing activities		(180.866)	(508.043)
Dividend paid		(22.000.000)	(16.000.000)
Cash flows from financing activities		(22.000.000)	(16.000.000)
Increase/decrease in cash and cash equivalents		(5.491.547)	5.111.435
Cash and cash equivalents beginning of year		30.325.864	25.214.429
Cash and cash equivalents end of year		24.834.317	30.325.864

Notes to consolidated financial statements

	2019 DKK	2018 DKK
1. Staff costs		
Wages and salaries	20.356.272	20.144.737
Pension costs	1.688.213	1.712.388
Other social security costs	361.630	318.069
Other staff costs	850.415	571.542
	23.256.530	22.746.736
Average number of employees	46	45
	Remunera- tion of manage- ment 2019 DKK	Remunera- tion of manage- ment 2018 DKK
Total amount for management categories	2.424.978	2.424.736
	2.424.978	2.424.736
	2019 DKK	2018 DKK
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	610.970	688.544
	610.970	688.544
	2019 DKK	2018 DKK
3. Tax on profit/loss for the year		
Current tax	3.609.339	7.394.505
Change in deferred tax	(9.000)	(24.000)
Adjustment concerning previous years	31.321	(1.801)
	3.631.660	7.368.704
	2019 DKK	2018 DKK
4. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	12.000.000	22.000.000
Retained earnings	565.944	4.079.757
	12.565.944	26.079.757

Notes to consolidated financial statements

	Acquired rights DKK	
	<hr/>	
5. Intangible assets		
Cost beginning of year		429.878
Cost end of year		<hr/> 429.878 <hr/>
Amortisation and impairment losses beginning of year		(429.878)
Amortisation and impairment losses end of year		<hr/> (429.878) <hr/>
Carrying amount end of year		<hr/> 0 <hr/>
	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
	<hr/>	<hr/>
6. Property, plant and equipment		
Cost beginning of year	1.910.758	1.561.631
Additions	180.866	0
Disposals	(1.600)	0
Cost end of year	<hr/> 2.090.024 <hr/>	<hr/> 1.561.631 <hr/>
Depreciation and impairment losses beginning of year	(1.299.105)	(374.574)
Depreciation for the year	(300.294)	(310.676)
Reversal regarding disposals	1.600	0
Depreciation and impairment losses end of year	<hr/> (1.597.799) <hr/>	<hr/> (685.250) <hr/>
Carrying amount end of year	<hr/> 492.225 <hr/>	<hr/> 876.381 <hr/>
		Deposits DKK
		<hr/>
7. Fixed asset investments		
Cost beginning of year		360.735
Cost end of year		<hr/> 360.735 <hr/>
Carrying amount end of year		<hr/> 360.735 <hr/>

8. Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

Notes to consolidated financial statements

	2019
	DKK
9. Deferred tax	
Changes during the year	
Beginning of year	40.000
Recognised in the income statement	(9.000)
End of year	31.000

10. Short-term deferred income

Deferred income comprise deferred income received in 2019 but according to the financial year 2020.

	2019	2018
	DKK	DKK
11. Change in working capital		
Increase/decrease in receivables	11.079.118	(11.460.935)
Increase/decrease in trade payables etc	(6.306.462)	3.383.867
	4.772.656	(8.077.068)

	2019	2018
	DKK	DKK
12. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	462.178	360.735

13. 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.

Parent income statement for 2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Gross profit		38.934.811	54.988.511
Staff costs	1	(21.333.267)	(20.880.180)
Depreciation, amortisation and impairment losses	2	(610.970)	(688.544)
Operating profit/loss		16.990.574	33.419.787
Income from investments in group enterprises		(76.118)	160.625
Other financial income		4.334.600	4.262.346
Other financial expenses		(5.051.914)	(4.453.072)
Profit/loss before tax		16.197.142	33.389.686
Tax on profit/loss for the year	3	(3.631.198)	(7.330.752)
Profit/loss for the year	4	12.565.944	26.058.934

Parent balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Acquired rights		0	0
Intangible assets	5	0	0
Other fixtures and fittings, tools and equipment		492.225	611.653
Leasehold improvements		876.381	1.187.057
Property, plant and equipment	6	1.368.606	1.798.710
Investments in group enterprises		106.910	160.625
Deposits		360.735	360.735
Fixed asset investments	7	467.645	521.360
Fixed assets		1.836.251	2.320.070
Trade receivables		37.507.290	50.357.658
Other receivables		1.689.350	0
Income tax receivable		131.123	0
Prepayments	8	190.367	104.202
Receivables		39.518.130	50.461.860
Cash		24.540.923	29.768.027
Current assets		64.059.053	80.229.887
Assets		65.895.304	82.549.957

Parent balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Contributed capital		500.000	500.000
Reserve for net revaluation according to the equity method		65.924	142.042
Retained earnings		16.318.373	15.676.311
Proposed dividend		12.000.000	22.000.000
Equity		28.884.297	38.318.353
Deferred tax	9	31.000	40.000
Provisions		31.000	40.000
Other payables		660.168	0
Non-current liabilities other than provisions		660.168	0
Trade payables		34.457.156	39.816.785
Income tax payable		0	1.120.553
Other payables		1.862.683	3.254.266
Current liabilities other than provisions		36.319.839	44.191.604
Liabilities other than provisions		36.980.007	44.191.604
Equity and liabilities		65.895.304	82.549.957
Unrecognised rental and lease commitments	10		
Assets charged and collateral	11		
Related parties with controlling interest	12		
Transactions with related parties	13		

Parent statement of changes in equity for 2019

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend DKK
Equity beginning of year	500.000	142.042	15.676.311	22.000.000
Ordinary dividend paid	0	0	0	(22.000.000)
Profit/loss for the year	0	(76.118)	642.062	12.000.000
Equity end of year	500.000	65.924	16.318.373	12.000.000
				Total DKK
Equity beginning of year				38.318.353
Ordinary dividend paid				(22.000.000)
Profit/loss for the year				12.565.944
Equity end of year				28.884.297

Notes to parent financial statements

	2019 DKK	2018 DKK
1. Staff costs		
Wages and salaries	18.759.704	18.594.210
Pension costs	1.390.725	1.422.326
Other social security costs	332.423	292.102
Other staff costs	850.415	571.542
	21.333.267	20.880.180
Average number of employees	40	41
	Remunera- tion of manage- ment 2019 DKK	Remunera- tion of manage- ment 2018 DKK
Total amount for management categories	2.424.978	2.424.736
	2.424.978	2.424.736
	2019 DKK	2018 DKK
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	610.970	688.544
	610.970	688.544
	2019 DKK	2018 DKK
3. Tax on profit/loss for the year		
Current tax	3.608.877	7.356.553
Change in deferred tax	(9.000)	(24.000)
Adjustment concerning previous years	31.321	(1.801)
	3.631.198	7.330.752
	2019 DKK	2018 DKK
4. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	12.000.000	22.000.000
Transferred to reserve for net revaluation according to the equity method	(76.118)	0
Retained earnings	642.062	4.058.934
	12.565.944	26.058.934

Notes to parent financial statements

	Acquired rights DKK	
	<u> </u>	
5. Intangible assets		
Cost beginning of year		429.878
Cost end of year		<u>429.878</u>
Amortisation and impairment losses beginning of year		(429.878)
Amortisation and impairment losses end of year		<u>(429.878)</u>
Carrying amount end of year		<u>0</u>
	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
	<u> </u>	<u> </u>
6. Property, plant and equipment		
Cost beginning of year	1.910.758	1.561.631
Additions	180.866	0
Disposals	(1.600)	0
Cost end of year	<u>2.090.024</u>	<u>1.561.631</u>
Depreciation and impairment losses beginning of year	(1.299.105)	(374.574)
Depreciation for the year	(300.294)	(310.676)
Reversal regarding disposals	1.600	0
Depreciation and impairment losses end of year	<u>(1.597.799)</u>	<u>(685.250)</u>
Carrying amount end of year	<u>492.225</u>	<u>876.381</u>

Notes to parent financial statements

	Invest- ments in group enterprises DKK	Deposits DKK
7. Fixed asset investments		
Cost beginning of year	18.583	360.735
Additions	22.403	0
Cost end of year	40.986	360.735
Revaluations beginning of year	142.042	0
Share of profit/loss for the year	(76.118)	0
Revaluations end of year	65.924	0
Carrying amount end of year	106.910	360.735

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

8. Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

	2019 DKK
9. Deferred tax	
Changes during the year	
Beginning of year	40.000
Recognised in the income statement	(9.000)
End of year	31.000

	2019 DKK	2018 DKK
10. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	462.178	360.735

12. Related parties with controlling interest

No related parties have the ultimate controlling interest on the entity.

13. 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 presented 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.

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, 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 acquisition date, with net assets having been calculated at fair value.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of raw materials and consumables 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.

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.

Accounting policies

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 etc comprise the hosted website www.adservice.com.

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.

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:

Accounting policies

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

In the parent financial statements, investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

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.

Income tax payable or receivable

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

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.

Accounting policies

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.

Operating leases

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

Other financial liabilities

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

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 and short-term securities with an insignificant price risk less short-term bank loans.