MARK

Mark Information A/S

Maglebjergvej 11, 2800 Lyngby

(CVR-NO 31 07 52 62)

2018 Annual report

This annual report has been adopted at the company`s annual general meeting on 26th March 2019

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COMPANY INFORMATION

Company

Mark Information A/S
Maglebjergvej 11
2800 Kgs. Lyngby

www.mark-info.com
E-mail: info.dk@mark-info.com
Registered office: Lyngby-Taarbæk
CVR.no.: 31 07 52 62

Board of directors

Erik Kjeld Kjær, Chairman
Flemming Poulfelt
Arve Johan Andresen

Executive board

Torkel Baden Olrik
Henrik Trolle
Michael Dupont Fischer
Morten Lassen Janum
Bo Køhlert

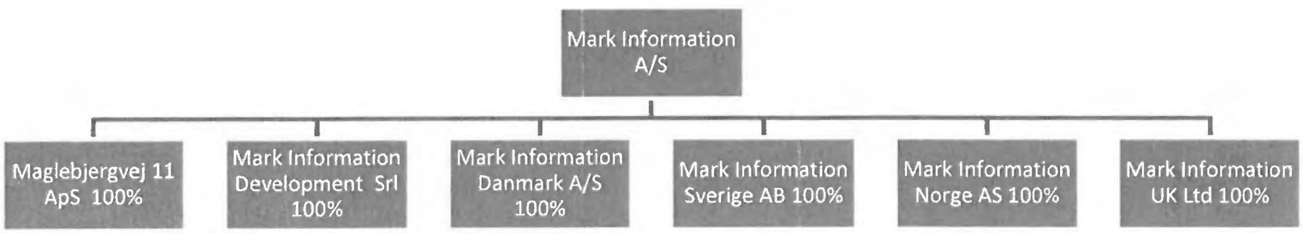
Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Bank

Nordea Danmark
Vesterbrogade 8, 1620 København V.

GROUP STRUCTURE



STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

The board of directors and the executive board have today considered and approved the annual report of Mark Information A/S for the financial year 1 January - 31 December 2018.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for the annual reports of reporting class B entities. The parent company financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the accounting policies applied are appropriate, and the consolidated financial statements and parent company financial statements give a true and fair view of the group's and the parent company's assets, liabilities and financial position at 31 December 2018 and of the results of the group's and the parent company's operations and the group's cash flows for the financial year 1 January - 31 December 2018.
In our opinion, Management`s Review includes a true and fair account of the matters addressed in the Review.

We recommend the adoption of the annual report at the annual general meeting.

Kgs. Lyngby, 26th March 2019

Executive Board

Torkel Baden Olrik

Henrik Trolle

Michael Dupont Fischer

Morten Lassen Janum

Bo Køhlert

Board of Directors

Erik Kjeld Kjær
Chairman

Flemming Poulfelt

Arve Johan Andresen

INDEPENDENT AUDITOR`S REPORT

To the shareholders of Mark Information A/S

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2018 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2018 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2018 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Mark Information A/S Group for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group ("financial statements").

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 Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Company 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company 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 judgment 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 over-ride 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 Parent Company'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 Group's and the Parent Company'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 Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the 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.

Copenhagen, 26th March 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Gert Fisker Tomczyk	Henrik Y. Jensen
State Authorised Public Accountant	State Authorised Public Accountant
mne 9777	mne 35442

GROUP FINANCIAL HIGHLIGHTS

Key figures

DKK 1,000	2018	2017	2016	2015	2014
Profit					
Net revenue	59,051	58,086	57,312	57,128	56,439
Gross profit	50,773	49,989	49,556	48,775	48,152
EBITDA	6,658	5,507	6,931	7,469	6,980
EBIT	4,710	3,814	5,335	5,739	4,729
Net financial expenses	-478	-378	-397	-377	-345
Profit for the year	3.316	2,836	3,750	3,771	3,386
Balance sheet					
Total assets	62,997	62,610	53,886	53,066	51,972
Investments in tangible assets	767	1,117	1,353	2,046	1,120
Equity	35,333	34,646	33,875	32,540	29.820

Key ratios

	2018	2017	2016	2015	2014
Profitability					
Return on equity (ROE)	9.5%	8.3%	11.3%	12.1%	12.0%
Gross margin	86.0%	86.1%	86.5%	85.4%	85.3%
Operating margin	8.0%	6.6%	9.3%	10.0%	8.4%
Solvency					
Solvency ratio	55.5%	55.3%	62.9%	61.3%	57.4%
Other					
Average number of full time employees	49	48	45	42	41

Definition of key ratios

Return on equity: $\frac{\text{Profit after tax} * 100}{\text{Average equity}}$

Gross margin: $\frac{\text{Gross profit} * 100}{\text{Net revenue}}$

Operating margin: $\frac{\text{Operating profit} * 100}{\text{Net revenue}}$

Solvency ratio: $\frac{\text{Equity} * 100}{\text{Total assets}}$

Main activity

Mark Information is an innovative software company offering Workforce Management solutions from offices in Denmark, Sweden, Norway, the UK and Romania.

Mark Information's Workforce Management solution - ProMark - helps customers improve productivity and reduce costs by allocating the right resources to the right project at the right time and ensures that resources are remunerated correctly and efficiently.

Mark Information provides services to global businesses and has more than 1,000 installations and more than 300,000 users.

Financial performance in 2018 and outlook for 2019

In 2018, Mark Information realised a result above the level for previous year. The revenue increased by tDKK 965 (plus 1.7%) to tDKK 59,051, and profit before tax increased by tDKK 797 (plus 23.2%) to tDKK 4,233.

The income statement for 2018 shows a profit of tDKK 3,316 against tDKK 2,836 in 2017. The increase in the profit for the year relative to last year relates to the increase in revenue whereas the total operating costs have been flat and not rising.

The balance sheet as per 31 December 2018 shows an equity of tDKK 35,333, equivalent to an equity ratio of 55.5%, against tDKK 34,646 as per 31 December 2017, equivalent to an equity ratio of 55%.

Management considers the profit for the year to be in line with expectations.

For 2019, we expect further development of ProMark as well as moderate growth in revenue and profits and a higher level of activity.

Significant events after the balance sheet date

There have not been any significant events taking place after the balance date, which have influence on the financial statement as of 31st December 2018.

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME

(DKK 1,000)	Note	2018	2017
Net revenue	3	59.051	58.086
Direct cost		-8.278	-8.097
GROSS PROFIT		**50.773**	**49.989**
Other external expenses		-12.867	-13.706
Staff cost	4	-31.247	-30.776
OPERATING PROFIT BEFORE AMORTISATION		**6.658**	**5.507**
Amortisation and depreciation	5	-1.948	-1.693
OPERATING PROFIT		**4.710**	**3.814**
Financial income	6	0	58
Financial expenses	7	-478	-437
PROFIT BEFORE TAX		**4.232**	**3.436**
Tax on profit for the year	8	-916	-600
PROFIT FOR THE YEAR		**3.316**	**2.837**

Consolidated statement of other comprehensive income:

Profit for the year	3.316	2.837
Items that will be reclassified to income statement when certain conditions are meet:		
Currency translation differences, foreign enterprises	-130	-65
TOTAL OTHER COMPREHENSIVE INCOME	**-130**	**-65**
TOTAL COMPREHENSIVE INCOME	**3.186**	**2.772**
Total comprehensive income is attributable to:		
Shareholders of Mark Information A/S	3.186	2.772
Non-controlling interest	0	0
Total	3.186	2.772

CONSOLIDATED BALANCE SHEET

ASSETS

(DKK 1,000)	Note	2018	2017
Software, rights & contracts		8.662	7.890
Goodwill		26.367	26.367
INTANGIBLE ASSETS	**9,10**	**35.030**	**34.257**
Land and buildings		13.330	13.375
Operating equipment		1.316	1.911
PROPERTY, PLANT AND EQUIPMENT	**11**	**14.646**	**15.286**
Other receivables		74	76
RECEIVABLES		**74**	**76**
NON-CURRENT ASSETS		**49.750**	**49.619**
INVENTORIES	**12**	**2.455**	**1.974**
Trade receivables	**13**	6.901	8.322
Other receivables		18	47
Prepayments		1.285	1.146
RECEIVABLES		**8.203**	**9.514**
CASH		**2.588**	**1.503**
CURRENT ASSETS		**13.247**	**12.991**
TOTAL ASSETS		**62.997**	**62.610**

CONSOLIDATED BALANCE SHEET

EQUITY AND LIABILITIES

(DKK 1,000)	Note	2018	2017
Share capital		2.000	2.000
Reserve for foreign-exchange adjustments		-393	-263
Retained earnings		28.726	30.409
Proposed dividend for the year		5.000	2.500
EQUITY	**14**	**35.333**	**34.646**
Provisions for deferred tax	**8**	1.530	1.456
Credit institutions	**15**	8.760	10.806
TOTAL NON-CURRENT LIABILITIES		**10.290**	**12.262**
Credit institutions	**15**	8.368	8.496
Trade payables		2.052	2.685
Corporate tax		170	159
Other payables		5.547	4.061
Debt to group enterprises		1.000	0
Deferred income		237	302
TOTAL CURRENT LIABILITIES		**17.374**	**15.702**
TOTAL LIABILITIES		**27.664**	**27.964**
TOTAL EQUITY AND LIABILITIES		**62.997**	**62.610**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(DKK 1,000)	Share capital	Reserve for foreign-exchange adjustments	Retained earnings	Proposed dividend for the year	Total
Equity 1. January 2018	2.000	-263	30.409	2.500	34.646
Profit for the year	0	0	-1.684	5.000	3.316
Other comprehensive income	0	-130	0	0	-130
Total comprehensive income	**0**	**-130**	**-1.684**	**5.000**	**3.186**
Transactions with owners:					
Dividend paid	0	0	0	-2.500	-2.500
Transactions with owners	**0**	**0**	**0**	**-2.500**	**-2.500**
EQUITY 31. DECEMBER 2018	**2.000**	**-393**	**28.726**	**5.000**	**35.333**

Financial year 2017

(DKK 1,000)	Share capital	Reserve for foreign-exchange adjustments	Retained earnings	Proposed dividend for the year	Total
Equity 1. January 2017	2.000	-198	30.073	2.000	33.875
Profit for the year	0	0	336	2.500	2.836
Other comprehensive income	0	-65	0	0	-65
Total comprehensive income	**0**	**-65**	**336**	**2.500**	**2.771**
Transactions with owners:					
Dividend paid	0	0	0	-2.000	-2.000
Transactions with owners	**0**	**0**	**0**	**-2.000**	**-2.000**
EQUITY 31. DECEMBER 2017	**2.000**	**-263**	**30.409**	**2.500**	**34.646**

CONSOLIDATED CASH FLOW STATEMENT

(DKK 1,000)	Note	2018	2017
Operating profit		4.710	3.814
Depreciation and amortisation		1.948	1.693
Adjustments for non-cash items		-110	-79
CASH FLOW FROM OPERATING PROFIT		**6.548**	**5.428**
Change in inventories		-481	110
Change in trade receivables		1.421	-1.960
Change in payables to group enterprises		1.000	0
Change in other receivables and prepayments		-110	13
Change in trade payables		-633	160
Change in other payables and deferred income		1.421	57
CHANGE IN WORKING CAPITAL		**2.617**	**-1.621**
CASH FLOW BEFORE FINANCIALS & TAX		**9.165**	**3.808**
Financial income received		0	56
Financial cost paid		-478	-437
Paid taxes		-763	-79
FINANCIALS AND TAX		**-1.241**	**-460**
CASH FLOW FROM OPERATING ACTIVITIES		**7.924**	**3.348**
Purchase of tangible assets		-767	-1.117
Purchase of intangible assets		-1.843	-5.898
Sales of operating equipment		445	507
CASH FLOW FROM INVESTING ACTIVITIES		**-2.165**	**-6.508**
FREE CASH FLOW		**5.759**	**-3.160**
EXTERNAL FINANCING:			
Repayment of mortage loan		-302	-298
Repayment of long-term, bank debt		-1.317	-48
Repayment of lease, borrowings		-906	-998
Increase of long-term, bank debt		0	5.000
Finance lease, borrowings		217	356
EXTERNAL FINANCING	**16**	**-2.308**	**4.012**
SHAREHOLDERS:			
Dividends paid		-2.500	-2.000
CASH FLOW FROM FINANCING ACTIVITIES		**-4.808**	**2.012**
CASH FLOW FOR THE YEAR		**951**	**-1.149**
Cash and cash equivalents 1. January		-4.615	-3.466
CASH AND CASH EQUIVALENTS 31. DECEMBER		**-3.664**	**-4.615**
Cash at year end can be specified as:			
Cash		2.588	1.503
Short term debt to credit institutions		-6.253	-6.118
Total		**-3.664**	**-4.615**

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NOTES

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1. ACCOUNTING POLICIES

Mark Information A/S is a public limited company domiciled in Denmark. The consolidated financial statements for 2018 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for the annual reports of reporting class B entities, cf. the Danish Executive Order on Adoption of IFRSs issued pursuant to the Danish Companies Act.

The consolidated financial statements are presented in Danish Kroner (DKK), which is the presentation currency of the group and the functional currency of the parent company.

Changes in accounting policies
The group has applied the following IFRS standards for the first time, with effect from 1 January 2018:

- IFRS 9: Financial instruments
- IFRS 15: Revenue from contracts with customers

Mark Information has had to change its accounting policies and make certain retrospective adjustments following the adoption of IFRS 9 and IFRS 15.
The effect of adoption of both IFRS 9 and IFRS 15 is not material.

IFRS 9, Financial Instruments, has been adopted retrospectively without restatement of comparative financial information for 2017. The adoption of IFRS 9 has resulted in the following change in the accounting policies:

- Impairment of receivables is measured based on expected credit losses rather than incurred credit losses. The group is using the simplified approach to measure expected credit losses

IFRS 15 has been adopted using the modified retrospective method. By using this method the cumulative effect of initially applying the standard is recognized at the date of initial application 1 January 2018, and comparative financial information for 2017 is not restated.

The adoption of IFRS 15 revenue from contracts with customers from 1 January 2018 resulted in the following change in the accounting policies:

- Sale is recognized when control of the products or services has transferred being when the products or services are delivered, and the customer has the right to use it.
- For multi-element contracts, the basis for revenue recognition is an assessment of the standalone selling prices for the identified performance obligations, including rebates, discounts, allowances, and inherent interest. The right to use software li-

cense is considered a separate performance obligation when it satisfies the following conditions: can be delivered separately from other services, can be installed by a third party, can be used without upgrades, and is functional without upgrades or technical support.

Consolidated financial statements

The consolidated financial statements comprise the financial statements of Mark Information A/S (the parent company) and entities (subsidiaries) controlled by the parent company.

The consolidated financial statements are prepared on the basis of the financial statements of Mark Information A/S and its subsidiaries. The consolidated financial statements are prepared by combining financial statement items of a uniform nature, determined in accordance with the group's accounting policies.

On consolidation, intra-group income and expenses, intra-group balances and dividends as well as gains and losses on transactions between consolidated entities are eliminated.

Business combinations

Newly acquired or newly established entities are recognised in the consolidated financial statements from the date of acquisition or establishment. The date of acquisition is the date when control of the entity actually passes to the group. Entities sold or discontinued are recognised in the consolidated statement of comprehensive income up to the date of disposal or discontinuance.

Acquisitions in which the group gains control of the acquiree are accounted for applying the purchase method, under which identifiable assets, liabilities and contingent liabilities acquired are measured at fair value at the date of acquisition. Restructuring costs are only recognised in the pre-acquisition balance sheet if they constitute a liability for the acquiree. The tax effect of the revaluation made is provided for.

The consideration paid for an entity is stated as the fair value of the consideration paid. If the final determination of the consideration is contingent on one or more future events, these are recognised at fair value at the date of acquisition. Costs attributable to the business combination are recognised in the income statement as incurred.

Any excess of the consideration paid for an acquiree over the fair value of the acquired assets, liabilities and contingent liabilities (goodwill) is recognised under intangible assets and tested for impairment at least once a year. If the carrying amount of the asset exceeds its recoverable amount, the asset is written down to the lower recoverable amount.

In case of negative differences (negative goodwill), the calculated fair values and the calculated consideration paid for the entity are reassessed. If the difference is still negative, the difference is recognised as income in the income statement.

Foreign currency translation

On initial recognition, transactions denominated in currencies other than the individual entity's functional currency are translated at the exchange rate ruling 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 at the exchange rate at the balance sheet date. Exchange differences between the exchange rate at the transaction date and the exchange rate at the date of payment or the balance sheet date, respectively, are recognised in the income statement under financial items. Property, plant and equipment and intangible assets, inventories and other non-monetary assets acquired in foreign currency and measured based on historical cost are translated at the exchange rate at the transaction date.

Exchange differences arising on the translation of foreign entities' opening balance sheet items to the exchange rates at the balance sheet date and on the translation of income statements from average exchange rates to exchange rates at the balance sheet date are recognised in other comprehensive income. Similarly, exchange differences arising as a result of changes made directly in the equity of the foreign entity are also recognised in other comprehensive income.

Tax

The tax for the year, which includes the year's current tax and changes in deferred tax, is recognised in the income statement as regards the portion attributable to the tax for the year and directly in equity or other comprehensive income as regards the portion attributable to items under equity or other comprehensive income.

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax paid on account.

The current tax charge for the year is calculated based on the tax rules and rates applicable at the balance sheet date.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to the initial recognition of goodwill or the initial recognition of a transaction, apart from business combinations, and where the temporary difference existing at the date of initial recognition affects neither profit/loss for the year nor taxable income. Deferred tax is calculated based on the planned use of the individual asset or the planned settlement of the individual liability, respectively.

Deferred tax is measured using the tax rules and tax rates that are expected to apply in the respective countries when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax resulting from changed tax rules or tax rates are recognised in profit or loss, unless the deferred tax is attributable to transactions previously recognised directly in equity or in other comprehensive income. In the latter case, the change in deferred tax is also recognised directly in equity or in other comprehensive income.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised in the balance sheet at the value at which the asset is expected to be realised, either through a set-off against deferred tax liabilities or as net tax assets to be offset against future positive taxable income. At each balance sheet date, it is assessed whether it is likely that there will be sufficient future taxable income for the deferred tax asset to be utilised.

The group is part of a joint taxation group comprising the Danish companies. Current Danish income tax is allocated among the jointly taxed Danish entities according to their taxable income.

Statement of comprehensive income

Revenue

The group does not disclose information regarding allocation of transaction price to the remaining performance obligations when the performance obligation is part of a contract that has an original expected duration of one year or less.

The group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence the group does not adjust any of the transaction prices for the time value of money.

Software

The main performance obligation related to software and license agreements is a right-to-use software license. The right to use the software license is considered a separate performance obligation when it satisfies the following conditions: can be delivered separately from other services, can be installed by a third party, can be used without upgrades and is functional without upgrades or technical support from Mark Information.

Revenue from sale of standard software licenses and fixed fee special developed software are recognized at point-in-time when delivered, provided the delivery does not depend on client acceptance of its functionality. If there is a requirement for client acceptance of functionality, the license revenue is recognized at the time of acceptance.

Maintenance

Performance obligations include unspecified future upgrades, maintenance and helpline support. Revenue from maintenance agreements is recognized on a straight-line basis over the contract period.

Services

Professional services may comprise multiple performance obligations. The total contract sum is allocated to the separate components of those contracts which comprise several components and performance obligations. The individual allocations are recognized according to the principles herein described.

Professional service fees sold on a time and materials basis are recognized as and when the work is performed.

Hardware

Revenue from the sale of hardware products is recognized at point-in-time in the income statement when the customer has gained control over the hardware.

Other revenue

Other revenue, such as revenue from training courses and hosting activities, is recognized when the services have been delivered.

External expenses

Other external expenses comprise expenses incurred for marketing, administration, premises, bad debts, rental expenses under operating leases, etc.

Staff costs
Staff costs comprise wages and salaries and social security costs, pensions, etc. for the employees of the group.

Amortisation and depreciation
Amortisation of intangible assets and depreciation of property, plant and equipment is made to systematically distribute the asset's cost over its expected useful life. The group applies the following useful lives and residual values:

	Useful life	Residual value (%)
Completed development projects	3 - 7 years	0%
Acquired rights & contracts	3 - 15 years	0%
Buildings	50 years	0%
Other fixtures and fittings, tools and equipment	3 - 5 years	0-30%

Land is not depreciated.

Amortisation/depreciation methods, useful lives and residual values are reassessed annually.

Net financials
Financial income and expenses comprise interest income and expenses, the interest element of finance lease payments and realised and unrealised exchange gains on transactions in foreign currency.

Amortisation of exchange losses and borrowing costs relating to financial assets and liabilities is recognised in the income statement as financial expenses or financial income.

Balance sheet

Goodwill
On initial recognition, goodwill is measured and recognised as the excess of the cost of the acquire over the fair value of the acquired assets, liabilities and contingent liabilities, as described in the section on business combinations.

On recognition of goodwill, the goodwill amount is allocated to those of the group's activities that generate separate cash flows (cash-generating units). The determination of cash-generating units is based on the group's management structure and internal financial management and reporting.

Goodwill is not amortised, but is tested for impairment at least once a year, cf. the section on impairment of assets below.

Other intangible assets
Intangible assets are measured at the lower of cost less accumulated amortisation and recoverable amount, cf. the section on impairment of assets below.

Development projects are recognised in the balance sheet when the projects aim to develop a specific product or a specific process which the group intends to make or use in its production and the development costs relating to individual projects can be measured reliably. On initial recognition, development projects are measured at cost. The cost of development projects includes costs such as wages and amortisation that are directly attributable to the development projects and are necessary to complete the project, calculated from the date when the development project first qualifies for recognition as an asset. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

Development projects are written down to their recoverable amount where this is lower than the carrying amount, cf. the section on impairment of assets below. Development projects in progress are tested for impairment at least once a year.

Property, plant and equipment
Items of property, plant and equipment are measured at the lower of cost less accumulated depreciation and recoverable amount.

Cost comprises the purchase price, any costs directly attributable to the acquisition and any preparation costs incurred until the date when the asset is available for use. For assets held under finance leases, the cost is the lower of the fair value of the asset and the present value of future minimum lease payments. After initial recognition, assets held under finance leases are recognised and measured like other items of property, plant and equipment.

Items of property, plant and equipment are written down to their recoverable amount where this is lower than the carrying amount, cf. the section on impairment of assets below.

Gains or losses on disposal of property, plant and equipment are stated as the difference between the selling price less costs to sell and the carrying amount at the date of disposal.

Non-current financial assets
Other receivables recognised under non-current financial assets include deposits and are measured at the lower of cost and recoverable amount.

Impairment of assets
The carrying amounts of property, plant and equipment and intangible assets with definite useful lives are reviewed for impairment once a year. If indications of impairment are identified, the recoverable amount of the asset is determined to assess whether an impairment loss should be recognised and the amount of such impairment loss.

The recoverable amount of development projects in progress and goodwill is computed annually regardless of whether any indication of impairment has been identified.

If the asset does not generate any cash flows independently of other assets, the recoverable amount is calculated for the smallest cash-generating unit of which the asset forms part.

Recoverable amounts are calculated as the higher of the fair value less costs to sell and the value in use of the asset or the group of assets, respectively. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from disposal at the end of its useful life.

If indications of impairment are identified, each asset or group of assets is tested for impairment. If the recoverable amount of the asset is lower than the carrying amount, the carrying amount is reduced to the recoverable amount. For cash-generating units, the impairment loss is allocated in such a way that goodwill amounts are written down first, following which any remaining impairment loss is allocated to the other assets of the unit. However, the carrying amount of an asset is not reduced below its fair value less expected costs to sell.

Impairment losses are recognised in the income statement. If impairment losses are subsequently reversed as a result of changes in the estimates used to determine the recoverable amount, the carrying amount of the asset or the group of assets is increased to the adjusted recoverable amount. However, the carrying amount is not increased above the carrying amount that would have been determined had no impairment loss been recognised for the asset or group of assets in prior years. Impairment losses recognised for goodwill are not reversed.

Fair value

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value. The cost of goods for resale, raw materials and consumables is calculated as the acquisition price plus costs directly related to the acquisition.

The net realisable value of inventories is calculated as the expected selling price less completion costs and costs incurred in making the sale. The value is determined taking into account marketability, obsolescence and developments in the expected selling price.

Receivables

Receivables comprise trade receivables and other receivables. Receivables are classified as loans and receivables, which are financial assets with fixed or determinable payments that are not quoted in an active market and are not derivative financial instruments.

On initial recognition, receivables are measured at fair value and subsequently at amortised cost, which usually corresponds to the nominal value less provisions for bad debts.

Provisions for bad debts are determined based on an individual assessment of each receivable.

IFRS 9, Financial Instruments, has been adopted retrospectively without restatement of comparative financial information for 2017. The adoption of IFRS 9 has resulted in the following change in the accounting policies:

- Impairment of receivables is measured based on expected credit losses rather than incurred credit losses. The group is using the simplified approach to measure expected credit losses

Prepayments

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

Dividend

Dividends are recognised as a liability when approved by the shareholders at the annual general meeting.

Treasury shares

Acquisition and sales sums arising on the purchase and sale of treasury shares and dividends on treasury shares are recognised directly in retained earnings under equity.

Liabilities

Non-current liabilities comprise mortgage debt and leasing debt. Mortgage debt is measured at cost at the date when the debt was incurred. The liabilities are subsequently measured at amortised cost, which means that the difference between the proceeds at the time of borrowing and the repayable amount is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Residual lease liabilities concerning assets held under finance leases are recognised in the balance sheet as liabilities and measured at the inception of the lease at the lower of the fair value of the leased asset and the present value of future lease payments. On subsequent recognition, lease liabilities are measured at amortised cost. The difference between the present value and the nominal value of the lease payments is recognised in the income statement over the term of the lease as a financial expense.

Other financial liabilities comprise bank debt, trade payables and other payables to public authorities, etc.

On initial recognition, other financial liabilities are measured at fair value less any transaction costs. In subsequent periods, the liabilities are measured at amortised cost, applying the effective interest method, to the effect that the difference between the proceeds and the nominal value is recognised in the income statement as financial expenses over the term of the loan.

Deferred income

Deferred income is income received for 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.

The cash effect of acquisitions and divestments of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the date of acquisition and cash flows from divested companies until the time of divestment.

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 as well as financial income, financial expenses and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of entities and financial assets as well as acquisition, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the parent company's share capital and related costs as well as the raising and repayment of loans, instalments on interest-bearing debt, acquisition and disposal of treasury shares and payment of dividends.

Cash flows in currencies other than the functional currency are recognised in the cash flow statement by using average exchange rates for the months under review, unless they deviate significantly from the actual exchange rates at the transaction dates.

Cash and cash equivalents comprise cash less bank overdrafts that are an integral part of the cash management.

2. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the consolidated financial statements, management makes several significant accounting estimates and judgements that affect the carrying amounts of assets, liabilities, income, costs and cash flows as well as the presentation of these items.

Accounting estimates reflect management's best estimates of items whose measurement is associated with uncertainty, typically because the estimate is based on assumptions regarding future events. Accounting estimates are based on historical experience and other assumptions which management considers relevant but which are inherently subject to uncertainty, and actual results may thus differ from the estimates made. Estimates are reviewed on a current basis, and the effect of any changes made is recognised in the consolidated financial statements.

Accounting judgements reflect decisions made by management concerning the use of accounting policies in specific situations where the accounting treatment depends on qualitative assessments, for instance as to when risk passes to the buyer or how to present a transaction or an item so as to ensure that reliable and relevant information is provided.

The following accounting estimates and judgements have had the most significant effect on the consolidated financial statements for 2018:

Goodwill

Determining whether goodwill is impaired requires a calculation of the value in use of the cash-generating units to which goodwill amounts have been allocated. Calculating the value in use assumes that an estimate of future cash flows in the individual cash-generating unit has been made and that a reasonable discount rate has been determined. These estimates are associated with some degree of uncertainty, and changes in estimates may significantly affect the consolidated financial statements. For a description of the assumptions, discount rates, etc. used, please see note 10.

Carrying amount as at 31 December 18: tDKK 26,367 (31 December 17 tDKK 26,367)

(DKK 1,000)

3. NET REVENUE

Activities	2018	2017
Maintenance	29.994	29.951
Services	15.965	13.252
Software	7.112	10.141
Hardware	5.980	4.742
TOTAL	**59.051**	**58.086**

4. STAFF RELATIONS

	2018	2017
Wages and salaries	27.450	26.571
Defined contribution plans	1.094	1.139
Other social security costs	1.328	1.602
Other staff related cost	1.375	1.463
TOTAL	**31.247**	**30.776**
Average number of employees	49	48

These amounts include remunerations to key management personnel:

Financial year 2018	Parent companys board	Parent companys directors	Other key manage-ment personnel
Wages, and fees	190	4.905	0
Defined contribution plans	0	235	0
TOTAL	**190**	**5.140**	**0**

Financial year 2017	Parent companys board	Parent companys directors	Other key manage-ment personnel
Wages, and fees	190	5.105	0
Defined contribution plans	0	248	0
TOTAL	**190**	**5.353**	**0**

(DKK 1,000)

5. AMORTISATION AND DEPRECIATION	2018	2017
Amortisation, development projects	0	0
Amortisation of other intangible assets	1.069	849
Depreciation of property, plant and equipment	838	844
AMORTISATION AND DEPRECIATION	**1.908**	**1.693**

In amortisation of other intangible rights, is included DKK 360 thousand related to acquired rights in business acquisition.

6. FINANCIAL INCOME	2018	2017
Interest income	0	0
Net foreign exchange gains	0	58
FINANCIAL INCOME	**0**	**58**

7. FINANCIAL EXPENSES	2018	2017
Interest costs, banks and credit institutes	367	364
Other interest costs	48	72
Net exchange rate loss	63	0
FINANCIAL EXPENSES	**478**	**437**

(DKK 1,000)

8. CORPORATE TAX	2018	2017
Tax on profit for the year	656	803
Change in deferred tax	260	-203
Tax adjustment relating to previous year	0	0
TAX FOR THE YEAR	**916**	**600**

Tax of the years continued activities	**2018**	**2017**
Calculated tax 22%	931	756
Effect from different tax rate in other countries	-12	0
Tax effect from non-deductable cost	1	4
Tax effect from unrecognized tax losses	-75	-160
Tax adjustment relating to previous year	71	0
Tax	**916**	**600**
Effective tax rate	**21,6%**	**17,5%**

PROVISIONS FOR DEFERRED TAX	**2018**	**2017**
Deferred tax 1. january	1.456	71
Change in deferred tax	260	-203
Change in deferred tax, business combinations (note 21)	-106	1.586
Other adjustments	-80	2
PROVISION FOR DEFERRED TAX	**1.530**	**1.456**

Specification of deferred tax	2018	2017
Intangible assets	1.906	1.736
Tangible assets	-350	-185
Tax losses from previous years	-1.162	-1.249
Current assets	0	0
Re-taxation account from joint taxation	1.154	1.154
Unrecognized items, net	-18	0
PROVISIONS FOR DEFERRED TAX	**1.530**	**1.456**

Provisions for deferred tax recognized in the balance sheet:	**2018**	**2017**
Deferred tax assets	-26	-495
Deferred tax obligations	1.556	1.951
PROVISIONS FOR DEFERRED TAX	**1.530**	**1.456**

Deferred tax continued

Unrecognized deferred tax assets of tDKK 1,162 (2017: tDKK 1,249) primarily relate to tax losses in the Mark Information UK Ltd. subsidiary. Based on budgets for the coming years, it is considered unlikely that the company will be able to utilise these tax losses within the next few years, and the deferred tax asset has therefore not been recognised. Similarly, the balance of tax losses for future recapture within the international joint taxation arrangement concerning Mark Information UK Ltd., tDKK 1,102 (2017 : tDKK 1,102), has not been recognised as the group is able to control whether the liability should be triggered and finds it unlikely that the liability will be triggered in the foreseeable future.

9. INTANGIBLE FIXED ASSETS	Assets Under Construction	Completed development projects	Software Rights & Contracts	Goodwill
Financial year 2018				
Cost as at 1/1-2018	0	1.950	13.206	26.367
Additions	1.610	0	233	0
Disposal	0	0	0	0
Cost as at 31/12-2018	**1.610**	**1.950**	**13.439**	**26.367**
Amortisation and impairment losses as at 1/1-2018	0	1.950	5.317	0
Amortisation during the year	0	0	1.069	0
Amortisation of assets disposed of	0	0	0	0
Amortisation and impairment as at 31/12-2018	**0**	**1.950**	**6.386**	**0**
CARRYING AMOUNT AS AT 31/12-2018	**1.610**	**0**	**7.053**	**26.367**

	Completed development projects	Software Rights & Contracts	Goodwill
Financial year 2017			
Cost as at 1/1-2017	1.950	5.722	26.367
Additions	0	7.484	0
Disposal	0	0	0
Cost as at 31/12-2017	**1.950**	**13.206**	**26.367**
Amortisation and impairment losses as at 1/1-2017	1.950	4.467	0
Amortisation during the year	0	849	0
Amortisation of assets disposed of	0	0	0
Amortisation and and impairment as at 31/12-2017	**1.950**	**5.316**	**0**
CARRYING AMOUNT AS AT 31/12-2017	**0**	**7.890**	**26.367**

10. IMPAIRMENT TEST - GOODWILL

Goodwill arising in connection with acquisitions is allocated at the date of acquisition to the cash-generating unit(s) expected to obtain economic benefits from the business combination. The group consists of one cash-generating unit, to which goodwill has been allocated. Goodwill is tested for impairment at least once a year and more frequently if there are indications of impairment.

The recoverable amount is determined as the value in use, calculated on the basis of 5-year budgets and forecasts approved by the board of directors. For financial years after the budget periods (terminal period), cash flows in the latest budget period have been projected using the expected growth rate.

The group's budgets and forecasts for the next five years, and thus the recoverable amounts of the cash-generating unit, are significantly affected by management's growth expectations for the period until 2023.

The growth rate of 1% is based on the company's CAGR for the last four years.
The growth rate is furthermore in line with the market growth of work force management systems, in previously years, in accordance with Gartner research group. However, there are no single workforce management software market, so the growth within the specific market is difficult to define, however growth has previously been at a level of 1,3% within the last 4-5 years.

The assumption for the profitability is based on historical data, which shows a very high consistency in gross margin.

The most important assumptions used to calculate recoverable amounts are:

	2018	2017
Average yearly increase in revenue in the 5-year budget period	1%	1%
Discount rate	7%	7%
Growth in the terminal period	0,5%	0,5%

Sensitivity:
Management assessment is, that a reasonable possible change in the key assumptions, will not lead to impairment.

(DKK 1,000)

11. PROPERTY, PLANT & EQUIPMENT	Land & buildings	Operating equipment & furniture
Financial year 2018		
Cost as at 1/1-2018	15.588	4.271
Additions	142	625
Disposals	0	-1.152
Exchange rate adjustments	0	-32
Cost as at 31/12-2018	**15.730**	**3.712**
Depreciation as at 1/1-2018	2.213	2.360
Depreciation during the year	187	651
Reversal related to disposals	0	-643
Exchange rate adjustments	0	28
Depreciation as at 31/12-2018	**2.400**	**2.396**
CARRYING AMOUNT AS AT 31/12-2018	**13.330**	**1.316**
Carrying amount of leased assets		767
Financial year 2017		
Cost as at 1/1-2017	15.227	4.639
Additions	361	756
Disposals	0	-1.095
Exchange rate adjustments	0	-29
Cost as at 31/12-2017	**15.588**	**4.271**
Depreciation as at 1/1-2017	2.020	2.387
Depreciation for the year	193	651
Reversal related to disposals	0	-666
Exchange rate adjustments	0	-12
Depreciation as at 31/12-2017	**2.213**	**2.360**
CARRYING AMOUNT AS AT 31/12-2017	**13.375**	**1.911**
Carrying amount of leased assets		1.450

(DKK 1,000)

12. INVENTORIES	2018	2017
Finished goods and goods for resale	2.455	1.974
Write-downs of inventory by the end of the year	-389	-89

The entire inventory is expected to be sold within a period of 12 months from closing date.

13. TRADE RECEIVABLES	2018	2017
Receivables from sale of goods and services	6.522	6.069
Contractual assets	470	2.345
Provisions for bad debt	-91	-92
TRADE RECEIVABLES	**6.901**	**8.322**

Provisions for bad debt is recognized in the income statement when the value based on an individual assessment of the debtor's ability to pay is impaired. The provision as at 31 December 2018 means that receivables are measured at day value.

	2018	2017
Provisions for bad debt as at 01.01.2018	91	162
Provision made in the year	0	3
Actual loss	0	0
Reversed provisions	0	-73
PROVISIONS AS AT 31.12.2018	**91**	**92**

Due but not impaired receivables:	2018	2017
Due below 30 days	1.637	1.487
From 31 - 60 days	356	361
Above 60 days	618	1.107
TOTAL	**2.611**	**2.955**

14. EQUITY

Capital management

The group assesses the potential for optimising its capital structure on a current basis, the overall goal being to maintain a capital structure that supports long-term growth while at the same time maximising returns for owners. The group's overall strategy is unchanged relative to last year. The target for the equity ratio is 30-40%. At 31 December 2018, the equity ratio was 51,9% (31 December 2017: 55,3%). The target for the return on equity is 15-20%. The return on equity for 2018 was 9,8% (2017: 8,3%). The company is focusing to increase profitability in its foreign subsidiaries to meet the target of 15-20% return on equity. It is company policy to distribute the main part of profits after tax for each year, taking into consideration the company's financial position, interests and strategy. Treasury shares are only traded in connection with partners' joining and retiring from the company.

Dividend

It is recommended that ordinary dividend of tDKK 5,000 is paid for 2018, corresponding to a dividend of tDKK 2.5 per share. At the annual general meeting on 22nd March 2018, it was decided to distribute dividend of tDKK 2,500 for 2017, corresponding to a dividend of DKK 1.25 thousand per share. The distribution of dividend has no tax implications for the company or the group.

Other reserves

The reserve for foreign-exchange adjustments comprises all foreign-exchange adjustments arising on the translation of financial statements of entities with a functional currency other than Danish kroner and foreign-exchange adjustments relating to assets and liabilities that are part of the group's net investment in such entities. In connection with the transition to IFRS, the reserve was set at tDKK 0 at 1 January 2013.

(DKK 1,000)

14. EQUITY (continued)

Share capital	2018	2017	2018	2017
	Number of shares		Nominel value	
Issued shares, 1. January	2.000	2.000	2.000	2.000
Issued shares, 31. December	2.000	2.000	2.000	2.000

The shares are divided into 3 classes with special voting rights:

	2018	2017	2018	2017
	Number of shares		Voting rights	
Shares in class A	1.400	1.400	10	10
Shares in class B	400	400	1	1
Shares in class C	200	200	None	None
Total	2.000	2.000		

(DKK 1,000)

15. CREDIT INSTITUTIONS

	2018	2017
Mortgage loan	4.985	5.287
Leasing debt	766	1.455
Bank debt, long-term	5.125	6.442
Short term debt	-2.116	-2.378
Long-term debt	**8.760**	**10.806**
Bank debt, short-term	6.253	6.118
Short term part of long term debt	2.116	2.378
Short-term debt	**8.368**	**8.496**

The interest rate on mortage and leasing debt is fixed with below rates.
Besides the interest on the mortage loan the credit institution charge a fee of 1,75% p.a.

Financial year 2018	Interest	Currency	Duration years	Carrying amount
Mortage loan (fixed interest rate until 01.04.19)	0,12%	DKK	16	4.985
Bank debt, long-term	2,5%	DKK	2	3.750
Bank debt, long-term	2,5%	DKK	18	1.375
Leasing debt	1,5-3,5%	DKK/SEK/NOK	1-3	766
				10.876

The fair value of mortage loans (level 2) amounts to DKK 4,977 thousand (2017: DKK 5,298 thousand). The fair value of other financial liabilities (level 2) measured at amortised cost does not differ significantly from carrying amount.

Financial year 2017	Interest	Currency	Duration years	Carrying amount
Mortage loan (fixed interest rate until 01.04.18)	0,29%	DKK	17	5.287
Bank debt, long-term	2,5%	DKK	3	5.000
Bank debt, long-term	2,5%	DKK	19	1.442
Leasing debt	1,5-3,5%	DKK/SEK/NOK	1-2	1.455
				13.184

(DKK 1,000)

16. DEBT OBLIGATIONS FROM FINANCING ACTIVITY

Financial year 2018	1/1	Cashflow	31/12
Mortage loan	5.287	-302	4.985
Leasing debt	1.455	-689	766
Bank debt, long-term	6.442	-1.317	5.125
DEBT OBLIGATIONS FROM FINANCING ACTIVITY	**13.184**	**-2.308**	**10.876**
Financial year 2017			
Mortage loan	5.585	-298	5.287
Leasing debt	2.097	-642	1.455
Bank debt, long-term	1.490	4.952	6.442
DEBT OBLIGATIONS FROM FINANCING ACTIVITY	**9.172**	**4.012**	**13.184**

17. CONTINGENT LIABILITIES

The group's Danish entities are jointly taxed with Hantoc ApS and are, as from financial year 2013, subject to secondary and limited liability, together with the other jointly taxed entities, for the total income tax payable and for any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed entities.

18. COLLATERAL

As security for debts to mortgage credit institutions, tDKK 4,985 (31 December 2017: DKK 5,287 thousand), land and buildings with a carrying amount of tDKK 13,330 (31 December 2017: DKK 13,375 thousand) have been pledged.

As security for the Group's debt to credit institutions, collateral of tDKK 12.620 has been issued (31 December 2017: tDKK 13,944), dividend distributions are subject to prior approval from the credit institution. The proposed dividend has been approved.

Finance lease liabilities are secured by the lessor's title to the assets.

19. FINANCIAL RISK & INSTRUMENTS

Risk management policy

The group's financial risks are managed by the executive board. The group has not laid down any specific policies for the identification and handling of risks. The management of the group's risks is part of the executive board's day-to-day monitoring of the group.

Interest rate risk

The group's property has been financed by a long-term mortgage loan with a fixed interest rate until 1 January 2019. The loan is with fixed interest rate for three years. Part of the group's other capital expenditure has been financed by finance leases with a fixed interest rate throughout the lease term. Additional financing information is provided by note 15.

The group's remaining funding requirements are covered by floating-rate bank loans.

Other things being equal, a change in market interest rates of 1 percentage point would increase next year's interest expenses by less than tDKK 50.
In management's opinion, the group is not subject to any material interest rate risk and interest rate risks have therefore not been hedged.

Credit risk

The maximum credit risk associated with trade receivables is equal to the carrying amount. Disclosures on overdue trade receivables are provided by note 13.

The group carries out credit assessments of large customers and has laid down a fixed dunning procedure to ensure that bad debts are kept at a minimum. Consequently, losses incurred are limited.

Liquidity risk

The maturity dates of financial liabilities appear from the table below. All amounts are contractual cash flows, i.e. including interest (estimates in case of floating interest rates).
In management's opinion, the group is not exposed to any material liquidity risks insofar as its liquidity requirements are covered by existing financing agreements.

Financial year 2018

DKK1,000	Below 1 year	2-5 years	Above 5 years	Total
Mortage debt	410	1.640	3.690	5.740
Bank debt, long-term facilities	1.434	2.980	1.187	5.601
Financial leasing obligations	501	288	0	789
Bank debt	6.252	0	0	6.252
Trade payables	2.052	0	0	2.052
Other contractual debt	2.631	0	0	2.631
TOTAL	**13.279**	**4.908**	**4.877**	**23.064**

Financial year 2017

DKK1,000	Below 1	2-5 years	Above 5	Total
Mortage debt	410	1.640	4.100	6.150
Bank debt, long-term facilities	1.467	4.309	1.292	7.068
Financial leasing obligations	789	737	0	1.526
Bank debt	6.118	0	0	6.118
Trade payables	2.685	0	0	2.685
Other contractual debt	1.559	0	0	1.559
TOTAL	**13.028**	**6.686**	**5.392**	**25.106**

Other contractual debt comprises other debt, received prepayments, deferred income, excluding holiday accruals and VAT.

Currency risk

Besides Denmark, the group carries on business in Sweden, Norway and the UK. Foreign entities use their respective local currencies as functional currency. Future currency risks with respect to current operations are thus limited to net cash flows in the countries mentioned above.

20. LEASING

Finance leases – the Group as lessee

The Group has entered into finance leases regarding other equipment (cars). On expiry of the leases, the Group will acquire the cars at market value or a pre-agreed purchase price. The leased assets secure the lease obligations.

Accordingly, liabilities related to assets held under finance leases are included in lease obligations (note 15).

(DKK 1,000)	2018		2017	
	Minimum lease payments	Present value of minmum lease payments	Minimum lease payments	Present value of minmum lease payments
Within a year	501	482	789	751
Between two and five years	288	284	732	704
After five years	0	0	0	0
	789	766	1.521	1.455
Interest element	-22	-	-66	-
Present value of minimum lease payments	**766**	**766**	**1.455**	**1.455**

Under the terms of the leases, no contingent rents are payable.
The carrying amount of assets held under finance leases is stated in note 11.

Operating leases – the Group as lessee

The Group leases properties, cars and other operating equipment under operating leases. The lease term is typically between one and four years with an option to extend on expiry.
Under the terms of the leases, no contingent rents are payable.

Lease payments under non-cancellable leases are as follows:

(DKK 1,000)	2018	2017
Total future lease obligations from operational leasing contracts		
Within a year	209	168
Between two and five years	194	268
After five years	0	0
	402	**436**
Expected residual amounts on expiry of the contracts	0	0

An amount of tDKK 402 has been recognised in the consolidated income statement for 2018 concerning operating leases (2017: tDKK 447).

(DKK 1,000)

21. RELATED PARTIES AND OWNERSHIP RELATIONS

Controlling interest	**Background**
Hantoc ApS, Parkvaenget 39, 2920 Charlottenlund	Principal shareholder

Consolidated financial statement

Below companies are included in the consolidated financial statement:

Name	Location	Ownership
Mark Information Danmark A/S	Lyngby, Denmark	100% Subsidiary
Mark Information Sverige AB	Solna, Sweden	100% Subsidiary
Mark Information Norge AS	Oslo, Norway	100% Subsidiary
Mark Information UK Ltd	Leicester, United Kingdom	100% Subsidiary
Maglebjergvej 11 ApS	Lyngby, Denmark	100% Subsidiary
Mark Information Development Srl.	Bucharest, Romania	100% Subsidiary

Information about parent companies consolidated financial statements

Mark Information A/S is not included in upstream consolidated financial statements.

Transactions with key management personnel

Information about management renumeration appears in note 4. All trades of treasury shares have been with key management personnel. There has been no other transactions with key management personnel.

Transactions with other related parties.

Apart from dividend, sales of treasury shares and management remuneration, there has been transactions with the following related parties.

	2018	2017
Services from parent company Hantoc ApS	393	357

22. APPROVAL OF THE ANNUAL REPORT FOR PUBLICATION

The Board of Directors has on board meeting March 26th, 2019 approved the present annual report for publication. The annual report is presented to Mark Information A/S' shareholders for approval at the Annual General Meeting on March 26th, 2019.

23. NEW ACCOUNTING REGULATION

At the date of publication of this annual report, the ISAB has issued the following new and amended standards and interpretations, which are not mandatory for Mark Information A/S in the preparation of the annual report for 2018:

Subsequent amendments to IFRS 9, IAS 28 and IAS 19
IFRS 16 Leases
IFRIC 23 Uncertainty over Income Tax Treatments
Parts of Annual Improvements to IFRSs 2015-2017 Cycle

Of the above IFRS 16 Leases and related amendments have been adopted by the EU. Adopted standards and interpretations that have not yet come into force will be implemented as and when they become mandatory for Mark Information A/S.

IFRS 16: "Leases". New standard on accounting for leases. Going forward, the lessee is required to recognise all leases as a lease liability and a lease asset in the balance sheet. The standard will be effective for financial years beginning on or after 1 January 2019.
Based on a preliminary analysis of the effects of the new standard, Mark Information A/S estimates that the standard will have some effect on the Group's balance sheet and statement of cash flows, while the effects on the income statement, based on the current lease portfolio, will be insignificant.
Of the Group's operating leases, representing minimum lease obligations of about tDKK 450, it is expected that leases with a present value of about tDKK 400, corresponding to about 0.7% of total assets, would have to be recognised in the balance sheet if IFRS 16 had been implemented in 2018. Also, under IFRS 16, annual operating lease payments of about tDKK 450 would be presented as cash flows from financing activities, while under the current lease standard operating lease payments are presented as cash flows from operating activities.

PARENT COMPANY CONTENT

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PARENT COMPANY INCOME STATEMENT

(DKK 1,000)	Note	2018	2017
Other external expenses		-166	-169
Staff cost		-190	-190
OPERATING PROFIT		**-356**	**-359**
Income from investments in subsidiaries		2.700	4.000
Financial expenses	2	-137	-177
PROFIT BEFORE TAX		**2.207**	**3.464**
Tax on profit for the year	3	108	170
PROFIT FOR THE YEAR		**2.315**	**3.634**

Profit for the year is attributable to:

Dividend to shareholders	5.000	2.500
Retained earnings	-2.685	1.134
Total	**2.315**	**3.634**

PARENT COMPANY BALANCE SHEET

ASSETS

(DKK 1,000)	Note	2018	2017
Investments in subsidiaries	4	52.759	52.723
INVESTMENTS		**52.759**	**52.723**
NON-CURRENT ASSETS		**52.759**	**52.723**
Corporation tax receivable from group enterprises		108	118
RECEIVABLES		**108**	**118**
CASH		35	4
CURRENT ASSETS		**143**	**122**
TOTAL ASSETS		**52.902**	**52.845**

EQUITY AND LIABILITIES

(DKK 1,000)	Note	2018	2017
Share capital		2.000	2.000
Retained earnings		34.523	37.208
Proposed dividend for the year		5.000	2.500
EQUITY	5	**41.523**	**41.708**
Provision for deferred tax		0	0
Credit institutions		3.750	5.000
TOTAL NON-CURRENT LIABILITIES		**3.750**	**5.000**
Trade payables		114	737
Payables to group enterprises		7.325	5.210
Other payables		190	190
SHORT-TERM LIABILITIES		**7.629**	**6.137**
TOTAL LIABILITIES		**11.379**	**11.137**
TOTAL EQUITY AND LIABILITIES		**52.902**	**52.845**

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PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

(DKK 1,000)	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity 1 January 2018	2.000	37.208	2.500	41.708
Profit for the year	0	-2.685	5.000	2.315
Currency translation adjustments, foreign enterprises	0	0	0	0
Total comprehensive income	**0**	**-2.685**	**5.000**	**2.315**
Transactions with owners:				
Dividend paid	0	0	-2.500	-2.500
Transactions with owners	**0**	**0**	**-2.500**	**-2.500**
EQUITY 31 DECEMBER 2018	**2.000**	**34.523**	**5.000**	**41.523**

Financial year 2017

(DKK 1,000)	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity 1 January 2017	2.000	36.074	2.000	40.074
Profit for the year	0	1.134	2.500	3.634
Currency translation adjustments, foreign enterprises	0	0	0	0
Total comprehensive income	**0**	**1.134**	**2.500**	**3.634**
Transactions with owners:				
Dividend paid	0	0	-2.000	-2.000
Transactions with owners	**0**	**0**	**-2.000**	**-2.000**
EQUITY 31 DECEMBER 2017	**2.000**	**37.208**	**2.500**	**41.708**

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the parent company, Mark Information A/S, have been prepared in accordance with the provisions of the Danish Financial Statements Act applicable to reporting class B entities as well as selected rules applying to reporting class C. The accounting policies are consistent with those applied last year.

The financial statements are presented in Danish Kroner, rounded to thousands DKK (DKK'000).

Differences relative to the group's accounting policies
The parent company applies the same accounting policies for recognition and measurement as the group, apart from the below exceptions and additions. For a complete description of the company's and the group's accounting policies, please see note 1 to the consolidated financial statements.

INCOME STATEMENT
Profit/loss from investments in subsidiaries
Dividends from subsidiaries are recognised in the parent company's income statement in the year in which the dividend is declared.

Tax
The parent company is taxed jointly with all Danish group entities.

The current Danish income tax is allocated by the settlement of joint taxation contributions between the Danish jointly taxed entities in proportion to their taxable incomes. In connection with the settlement, entities with a negative taxable income receive a joint taxation contribution from entities that have used this tax loss to reduce their own taxable income.

BALANCE SHEET
Investments in subsidiaries
Investments in subsidiaries are measured at cost in the parent company's financial statements. Where the recoverable amount of the investments is lower than cost, the investments are written down to this lower value.

Current and deferred taxes
Joint taxation contributions payable and receivable are recognised in the balance sheet as income tax receivable or income tax payable, respectively.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, unless the parent company is able to control when the deferred tax is to be realised and it is likely that the deferred tax will not crystallise as current tax within the foreseeable future.

MARK

(DKK 1,000)

2. FINANCIAL EXPENSES

	2018	2017
Interest costs, banks and credit institutes	103	146
Interest expenses, other	0	0
Interest expenses, group enterprises	35	31
FINANCIAL EXPENSES	**137**	**177**

3. CORPORATE TAX

	2018	2017
Tax on profit for the year	-108	-118
Change in deferred tax	0	-52
Tax adjustment relating to previous year	0	0
TAX FOR THE YEAR	**-108**	**-170**

4. INVESTMENTS IN GROUP ENTITIES

Mark Information A/S owns the following subsidiaries, all of which are included in the consolidated financial statement.

	Ownership share 2018	Ownership share 2017	Registered office	Subsidiary share capital Cur 000	Equity DKK 000	Result DKK 000
Mark Information Danmark A/S	100%	100%	Lyngby, Denmark	2.143	5.761	3.045
Maglebjergvej 11 ApS	100%	100%	Lyngby, Denmark	368	5.796	586
Mark Information Sverige AB	100%	100%	Solna, Sweden	600	2.168	-11
Mark Information UK Ltd	100%	100%	Solihull, UK	450	782	404
Mark Information Norge AS	100%	100%	Oslo Norge	90	595	28
Mark Information Development Srl.	100%	100%	Bucharest Romania	45	201	92

4. INVESTMENTS IN GROUP ENTITIES (CONTINUED)

(DKK 1,000)

	2018	2017
Cost as at 1/1-2018	52.723	46.523
Additions	36	6.200
Cost as at 31/12-2018	**52.759**	**52.723**
Impairment losses as at 1/1-2018	0	0
Impairment during the year	0	
Amortisation and and impairment as at 31/12-2018	0	0
CARRYING AMOUNT AS AT 31/12-2018	**52.759**	**52.723**

5. EQUITY

Share capital	**2018**	**2017**	**2018**	**2017**
	Number of shares		Nominel value	
Issued shares, 1. January	2.000	2.000	2.000	2.000
Issued shares, 31. December	2.000	2.000	2.000	2.000

The shares are divided into 3 classes with special voting rights:

	2018	**2017**	**2018**	**2017**
	Number of shares		Voting rights	
Shares in class A	1.400	1.400	10	10
Shares in class B	400	400	1	1
Shares in class C	200	200	None	None
	2.000	2.000		

6. CONTINGENT LIABILITIES

The company is taxed jointly with other group entities and is, as from financial year 2013, proportionately liable for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed entities. The liability will not exceed an amount corresponding to the proportion of the company's capital held directly or indirectly by the ultimate parent company, Hantoc ApS.

The company has issued a guarantee whereby it assumes primary liability for subsidiaries' debts to credit institutions. The guarantee is capped at tDKK 7,039. The subsidiaries' debts to the credit institutions in question amount to tDKK 14,540 at the balance sheet date.

The company is registered for VAT together with its group entities and is therefore liable for VAT payable together with these entities.

The company has issued a Letter of Continued Support to its UK subsidiary, Mark Information Ltd., valid for 2019 and the near future.

7. COLLATERAL

As security for subsidiaries' debts to credit institutions, collateral of tDKK 8,870 has been issued. Dividend distributions must be approved by the credit institution. The proposed dividend for 2018 has been approved.

As security for the company's and the subsidiaries' debts to credit institutions, tDKK 14,540, the company has charged its shares in the subsidiary Mark Information Danmark A/S, whose carrying amount is tDKK 44,638.