Mark Information A/S

Maglebjergvej 11, 2800 Lyngby

(CVR-NO 31 07 52 62)

2021 Annual report

This annual report has been adopted at the company`s annual general meeting on 24th March 2022

Torkel Olrik
Chairman of the meeting

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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

Morten Schaldemose, Chairman
Morten Bruun Steiner
Niels Peder Nielsen

Executive board

Torkel Baden Olrik
Henrik Trolle
Morten Lassen Janum
Bo Køhlert
Troels Kristensen
Charlotte Bortolozzo

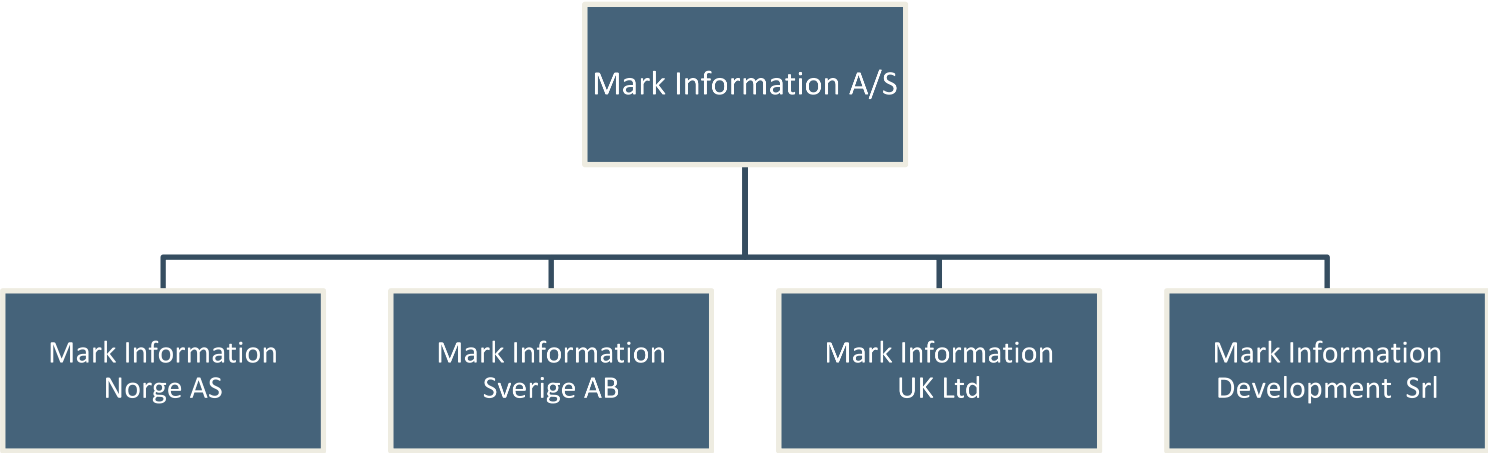
Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Bank

Sydbank

GROUP STRUCTURE



INDEPENDENT AUDITOR`S REPORT

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Mark Information A/S for the financial year 1 January – 31 December 2021.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and the Parent Company Financial Statements have been prepared in accordance with the Danish Financial Statements Act. Management's Review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year 1 January - 31 December 2021.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Kgs. Lyngby, 24th March 2022

Executive Board

Torkel Baden Olrik	Henrik Trolle	Morten Lassen Janum
Bo Køhlert	Troels Kristensen	Charlotte Bortolozzo

Board of Directors

Morten Schaldemose Chairman	Morten Bruun Steiner	Niels Peder Nielsen

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 2021 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2021 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 2021 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2021 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 2021, 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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, 24th March 2022
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Gert Fisker Tomczyk	Steffen Kaj Pedersen
State Authorised Public Accountant	State Authorised Public Accountant
mne9777	mne34357

GROUP FINANCIAL HIGHLIGHTS

Key figures

DKK 1,000	2021	2020	2019	2018[1]	2017[1]
Profit					
Net revenue	66,629	62,710	62,099	59,051	58,086
Gross profit	59,042	56,149	53,855	50,773	49,989
EBITDA	6,839	10,883	9,647	6,658	5,507
EBIT	3,391	7,051	6,853	4,710	3,814
Net financial expenses	-269	-276	-451	-478	-378
Profit for the year	2,541	5,460	5,037	3,316	2,836
Balance sheet					
Total assets	67,582	65,250	58,461	62,997	62,610
Investments in tangible assets	70	156	405	767	1,117
Equity	39,591	34,777	35,408	35,333	34,646

[1]Comparative figures for 2017-2018 have not been restated to include IFRS 16

Key ratios

	2021	2020	2019	2018	2017
Profitability					
Return on equity (ROE)	6.4%	15.8%	14.2%	9.5%	8.3%
Gross margin	88.6%	89.5%	86.7%	86.0%	86.1%
Operating margin	5.1%	11.2%	11.0%	8.0%	6.6%
Solvency					
Solvency ratio	58.6%	53.4%	60.6%	55.5%	55.3%
Other					
Number of full-time employees end of year	62	55	52	50	48

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, 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 in more than 20 countries.

Highlights 2021 - a historic year for Mark Information

In 2021 we have accelerated the transformation of our business from On Premise to Cloud. 82% of all new customers have implemented a ProMark Cloud solution – either one of the new ProMark 365 Essentials, Professional or Enterprise editions or a ProMark Private Cloud solution.

With 6% of the existing customer base on a ProMark Cloud solution the transformation of Mark Information to a Cloud based software company will accelerate further in 2022.

In 2021 the transformation has secured an 8.7% increase in annual recurring revenue from tDKK 36.9 mDKK as of 31 December 2020 to 40.1 mDKK as of 31 December 2021.

MI continue to maintain a low gross churn rate of 3.4% in 2021 compared to 2.5% in 2020.

Because of significant increase in customer activities as well as product and service development the number of employees has grown to 62 end of 2021 compared to 55 end of 2020.

To simplify Mark Informations corporate structure the two Danish companies Mark Information A/S and Mark Information Danmark A/S have been merged as per 1 January 2021, with Mark Information A/S as the operating company in Denmark going forward.

Financial performance in 2021 and outlook for 2022

Revenue increased 6.3% with tDKK 3,919 to tDKK 66,629, and profit before tax decreased 53.9% with tDKK 3,653 to tDKK 3,112.

The income statement for 2021 shows a profit after tax of tDKK 2,541 against tDKK 5,460 in 2020. The decrease is due to continuous investments in our employees and product and services throughout 2021 in order to accommodate the business 2022 and forward.

The balance sheet as per 31 December 2021 shows an equity of tDKK 39,590 equivalent to an equity ratio of 58.6%, against tDKK 34,777 as per 31 December 2020, equivalent to an equity ratio of 53.4%.

Management considers the result for 2021 to be in line with our expectations, based on the initiated activities throughout the year. The order intake from cloud solution were relatively larger than expected versus the order intake from On Premise solutions effecting the revenue expectations set in the annual report for 2020.
Management expects the investments and activities made in 2021 will ensure revenue growth in 2022 of at least 10% in revenue, with a large increase in profits as well. Management expect EBITDA-% to be back at 2020-level.

Financial risks

Currency risk

Besides Denmark, the group carries out business in Sweden, Norway, Romania 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.

Interest rate risk

The company has limited interest exposure.

Credit risk

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.

Environmental matters

The company has no exceptional impact on the external environment within the industry.

Knowledge resources

The most important factor to meet the customers' demands and thereby maintain a strong position in the market is the ability to attract and retain competent staff. Mark Information will therefore continue to focus on development of our employees' competencies.

Research and development activities

Mark Information is committed to constant developing of our ProMark platform. We will continue our policy of investing in developing our platform to retain a competitive position in the market.

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 2021.

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME

(DKK 1,000) 1 January - 31 December	Note	2021	2020
Net revenue	3	66,629	62,710
Direct cost		-7,587	-6,561
GROSS PROFIT		**59,042**	**56,149**
Other external expenses		-15,946	-14,025
Staff cost	4	-36,257	-31,241
OPERATING PROFIT BEFORE AMORTISATION		**6,839**	**10,883**
Amortisation and depreciation	5	-3,448	-3,832
OPERATING PROFIT		**3,391**	**7,051**
Financial income	6	0	43
Financial expenses	7	-269	-319
PROFIT BEFORE TAX		**3,122**	**6,775**
Tax on profit for the year	8	-581	-1,314
PROFIT FOR THE YEAR		**2,541**	**5,460**
Consolidated statement of other comprehensive income:			
Profit for the year		2,541	5,460
Items that will be reclassified to income statement when certain conditions are meet:			
Currency translation differences, foreign enterprises		-152	-68
TOTAL OTHER COMPREHENSIVE INCOME		**-152**	**-68**
TOTAL COMPREHENSIVE INCOME		**2,389**	**5,392**
Total comprehensive income is attributable to:			
Shareholders of Mark Information A/S		2,389	5,392
Non-controlling interest		0	0
Total		**2,389**	**5,392**

CONSOLIDATED BALANCE SHEET

(DKK 1,000) 31 December	Note	2021	2020
Development projects under construction		1,490	0
Software, rights & contracts		6,030	8,125
Goodwill		26,367	26,367
INTANGIBLE ASSETS	**9.10**	**33,887**	**34,492**
Investments		373	353
Investments		**373**	**353**
Land and buildings		8,687	9,708
Operating equipment		883	540
PROPERTY, PLANT AND EQUIPMENT	**11**	**9,570**	**10,248**
Receivables from group entreprises		596	619
Other receivables		79	48
RECEIVABLES		**675**	**666**
NON-CURRENT ASSETS		**44,505**	**45,759**
INVENTORIES	**12**	**1,018**	**537**
Trade receivables	**13**	9,378	9,947
Other receivables		248	225
Prepayments		1,102	926
RECEIVABLES		**10,728**	**11,098**
CASH		**11,331**	**7,855**
CURRENT ASSETS		**23,077**	**19,491**
TOTAL ASSETS		**67,582**	**65,250**

CONSOLIDATED BALANCE SHEET

(DKK 1,000) 31 December	Note	2021	2020
Share capital		2,000	1,780
Reserve for foreign-exchange adjustments		-575	-423
Retained earnings		35,666	31,420
Proposed dividend for the year		2,500	2,000
EQUITY	**14**	**39,591**	**34,777**
Provisions for deferred tax	**8**	1,317	1,639
Lease liabilities	**15**	8,254	8,645
TOTAL NON-CURRENT LIABILITIES		**9,571**	**10,284**
Credit institutions	**15**	0	796
Lease liabilities	**15**	1,412	1,454
Trade payables		2,972	2,275
Corporate tax		655	1,407
Other payables		3,067	11,206
Debt to group enterprises		10,314	3,050
TOTAL CURRENT LIABILITIES		**18,420**	**20,189**
TOTAL LIABILITIES		**27,991**	**30,473**
TOTAL EQUITY AND LIABILITIES		**67,582**	**65,250**

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 2021	1,780	-423	31,420	2,000	34,777
Transactions with owners:					
Share Capital increase	220	0	4,205	0	4,425
Dividend paid	0	0	0	-2,000	-2,000
Transactions with owners	**220**	**0**	**4,205**	**-2,000**	**2,425**
Profit for the year	0	0	41	2,500	2,541
Other comprehensive income	0	-152	0	0	-152
Total comprehensive income	**0**	**-152**	**41**	**2,500**	**2,389**
EQUITY 31 DECEMBER 2021	**2,000**	**-575**	**35,666**	**2,500**	**39,591**

(DKK 1,000)	Share capital	Reserve for foreign-exchange adjustments	Retained earnings	Proposed dividend for the year	Total
Equity 1 January 2020	2,000	-355	31,263	2,500	35,408
Transactions with owners:					
Share Capital reduction	-220	0	220	0	0
Acquisition of treasury shares	0	0	-5,729	0	-5,729
Sale of treasury shares	0	0	1,806	0	1,806
Dividend paid	0	0	0	-2,500	-2,500
Dividend treasury shares	0	0	400	0	400
Transactions with owners	**-220**	**0**	**-3,303**	**-2,500**	**-6,023**
Profit for the year	0	0	3,460	2,000	5,460
Other comprehensive income	0	-68	0	0	-68
Total comprehensive income	**0**	**-68**	**3,460**	**2,000**	**5,392**
EQUITY 31 DECEMBER 2020	**1,780**	**-423**	**31,420**	**2,000**	**34,777**

CONSOLIDATED CASH FLOW STATEMENT

(DKK 1,000)	Note	2021	2020
Operating profit		3,391	7,051
Depreciation and amortisation		3,448	3,832
Adjustments for non-cash items		-38	-260
CASH FLOW FROM OPERATING PROFIT		**6,801**	**10,623**
Change in trade working capital		786	685
Change in other working capital		-8,338	5,565
CHANGE IN WORKING CAPITAL		**-7,552**	**6,250**
CASH FLOW BEFORE FINANCIALS & TAX		**-751**	**16,874**
Financial income received		0	43
Financial cost paid		-269	-319
Paid taxes		-1,765	-451
FINANCIALS AND TAX		**-2,034**	**-728**
CASH FLOW FROM OPERATING ACTIVITIES		**-2,785**	**16,146**
Investments		0	-353
Purchase of tangible assets		-70	-156
Purchase of intangible assets		-1,490	0
Sales of operating equipment		146	155
CASH FLOW FROM INVESTING ACTIVITIES		**-1,414**	**-354**
FREE CASH FLOW		**-4,199**	**15,792**
EXTERNAL FINANCING:			
Repayment of lease liabilities		-1,217	-1,143
Short term debt to credit institutions		-796	-6,762
EXTERNAL FINANCING	**16**	**-2,013**	**-7,905**
SHAREHOLDERS:			
Acquisition of treasury shares		0	-5,729
Sale of treasury shares		0	1,806
Capital increase		4,425	0
Change in payables group enterprises		7,263	2,459
Dividends paid		-2,000	-2,100
CASH FLOW FROM FINANCING ACTIVITIES		**7,675**	**-11,469**
CASH FLOW FOR THE YEAR		**3,476**	**4,323**
Cash and cash equivalents 1 January		7,855	3,532
CASH AND CASH EQUIVALENTS 31. DECEMBER		**11,331**	**7,855**
Cash at year end can be specified as:			
Cash		11,331	7,855
Total		**11,331**	**7,855**

List of notes

1. ACCOUNTING POLICIES

Mark Information A/S is a private limited company domiciled in Denmark. The consolidated financial statements for 2021 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 C 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 consolidated financial statements have been prepared using the same accounting policies for recognition and measurement as those applied to the consolidated financial statements for 2020.

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 based on 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 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. Consequently, 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.

Recurring revenue
Recurring revenue is revenue from maintenance and extended services contracts. Revenue from maintenance and extended service agreements is recognized on a straight-line basis over the contract period.

Semi-recurring revenue
Revenue from on-going professional services, not related to implementation of new customers or new modules at existing customers.

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

Non-recurring revenue
Revenue from software and hardware sales as well as professional services related to the sales of implementation of software at new and existing customers.

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

Revenue from sale of standard software licenses and fixed fee special developed software are recognized at point-in-time when delivered.

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.

External expenses
Other external expenses comprise expenses incurred for marketing, administration, premises, bad debts, rental expenses for short term 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%
Other fixtures and fittings, tools and equipment	3 - 5 years	0-30%
Right-of-use assets	1 – 10 years	0%

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 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 software product, component or a specific process which the group intends to make or use in its ProMark product 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.

Investments in non-listed entities
Investments in non-listed companies is measured at fair value and adjustments recognised as profit/loss in the income statement.

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.

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.

Right-of-use assets
At the commencement date, the Group recognises a lease liability and a corresponding right-of-use asset at the same amount, except for short-term leases of 12 months or less and leases of low-value assets. Lease payments related to such leases are recognised in the income statement as an expense on a straight-line basis over the lease term.

A right-of-use asset is initially measured at cost, which equals the initial lease liability and initial direct costs less any lease incentives received.

Subsequently, the right-of-use asset is measured at cost less depreciation and impairment losses and adjusted for remeasurement of the lease liability.
The right-of-use asset is depreciated over the earlier of the lease term or the useful life of the asset.
The impairment testing of right-of-use assets follows the same principles as those applied for property, plant and equipment, cf. the section on impairment of assets below.

Right-of-use assets includes rental agreements which are recognised as property, plant and equipment as well as leases related to cars, coffee machines etc. which are recognised as operating equipment and furniture.

Non-current financial assets
Other receivables recognised under non-current financial assets include deposits and are measured at amortised cost less impairment losses.

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 considering 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.

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

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 right-of-use assets 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.

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 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 2021:

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 2021: tDKK 26,367 (31 December 2020: tDKK 26,367)

(DKK 1,000)

3. NET REVENUE

Activities	2021	2020
Maintenance	33,394	31,574
Services	22,164	18,364
Software	7,807	8,475
Hardware	3,264	4,297
TOTAL	**66,629**	**62,710**

Type of revenue		
Recurring revenue	38,842	35,303
Semi-recuring revenue	3,732	3,961
Non-recuring revenue	24,055	23,446
TOTAL	**66,629**	**62,710**

4. STAFF RELATIONS

	2021	2020
Wages and salaries	31,053	26,994
Defined contribution plans	1,211	981
Other social security costs	1,387	1,148
Other staff related cost	2,606	2,118
TOTAL	**36,257**	**31,241**
Average number of employees	56	52

These amounts include remunerations to key management personnel:

Financial year 2021

	Parent companys board	Parent companys directors
Wages and fees	276	4,033
Defined contribution plans	0	212
TOTAL	**276**	**4,245**

Financial year 2020

	Parent companys board	Parent companys directors
Wages and fees	148	3,343
Defined contribution plans	0	188
TOTAL	**148**	**3,530**

(DKK 1,000)

5. AMORTISATION AND DEPRECIATION	2021	2020
Amortisation of other intangible assets	2,095	2,238
Depreciation of property, plant and equipment	1,353	1,594
AMORTISATION AND DEPRECIATION	**3,448**	**3,832**

In amortisation of other intangible rights, is included DKK 481 thousand related to acquired rights in business acquisition.

6. FINANCIAL INCOME	2021	2020
Net foreign exchange gains	0	43
FINANCIAL INCOME	**0**	**43**

7. FINANCIAL EXPENSES	2021	2020
Interest costs, banks and credit institutes	30	85
Interest costs to group enterprises	89	53
Other interest costs	99	181
Net exchange rate loss	51	0
FINANCIAL EXPENSES	**269**	**319**

(DKK 1,000)

8. CORPORATE TAX	2021	2020
Tax on profit for the year	797	1,668
Change in deferred tax	(216)	(353)
Tax adjustment relating to previous year	-	-
TAX FOR THE YEAR	**581**	**1,314**

Tax of the years continued activities	2021	2020
Calculated tax 22%	687	1,490
Effect from different tax rate in other countries	23	(30)
Tax effect from unrecognized tax losses	(143)	(198)
Tax adjustment relating to previous year	14	52
Tax	**581**	**1,314**
Effective tax rate	**18.6%**	**19.4%**

PROVISIONS FOR DEFERRED TAX	2021	2020
Deferred tax 1 January	1,639	2,151
Change in deferred tax	-216	-353
Change in deferred tax, business combinations	-106	-106
Other adjustments	0	-52
PROVISION FOR DEFERRED TAX	**1,317**	**1,639**

Specification of deferred tax	2021	2020
Intangible assets	1,688	1,787
Tangible assets	-78	-79
Tax losses from previous years	-249	0
Current assets	-44	-69
PROVISIONS FOR DEFERRED TAX	**1,317**	**1,639**

Deferred tax continued

Unrecognized deferred tax assets of tDKK 83 (2020: tDKK 248) relating to tax losses in Mark Information UK Ltd. Due to uncertainty regarding earnings in the coming years the deferred tax asset has not been recognised.

(DKK 1,000)

9. INTANGIBLE FIXED ASSETS	Development Projects under construction	Software Rights & Contracts	Goodwill
Financial year 2021			
Cost as at 1/1-2021	0	18,218	26,367
Additions	1,490	0	0
Cost as at 31/12-2021	**1,490**	**18,218**	**26,367**
Amortisation and impairment losses as at 1/1-2021	0	10,093	0
Amortisation during the year	0	2,095	0
Amortisation and impairment as at 31/12-2021	**0**	**12,188**	**0**
CARRYING AMOUNT AS AT 31/12-2021	**1,490**	**6,030**	**26,367**
Financial year 2020			
Cost as at 1/1-2020	0	18,218	26,367
Cost as at 31/12-2020	**0**	**18,218**	**26,367**
Amortisation and impairment losses as at 1/1-2020	0	7,855	0
Amortisation during the year	0	2,238	0
Amortisation and impairment as at 31/12-2020	**0**	**10,093**	**0**
CARRYING AMOUNT AS AT 31/12-2020	**0**	**8,125**	**26,367**

Development projects under construction concerns technical development of the groups cloud infrastructure.
The development project ensures the groups ability to deliver a seamless cloud experience.
All cloud installations will use the technology when finalised in 2022.

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 based on 5-year budgets and forecasts approved by the board of directors. For financial years after the forecast periods (terminal period), cash flows in the latest forecast 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 2027.

The growth rate of 10% p.a. is based on the company's growth expectation for the foreseeable future.

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:

	2021	**2020**
Average yearly increase in revenue in the 5-year budget period	10%	10%
Discount rate	7%	7%
Growth in the terminal period	1%	1%

Sensitivity:
The impairment test shows that the recoverable amount significantly exceeds the carrying amount. As such it is management's assessment that a reasonable possible negative change in the key assumptions would not cause the carrying amount to exceed the recoverable amount. All other assumptions kept equal a change to the growth rate in the budget period from 10% to 1% would not lead to impairment.

(DKK 1,000)

11. PROPERTY, PLANT & EQUIPMENT	Land & buildings	Operating equipment & furniture
Financial year 2021		
Cost as at 1/1-2021	11,717	3,594
Additions, including right-of-use-assets	0	841
Disposals	0	-804
Exchange rate adjustments	0	-15
Cost as at 31/12-2021	**11,717**	**3,616**
Depreciation as at 1/1-2021	2,009	3,054
Depreciation during the year	1,021	332
Reversal related to disposals	0	-649
Exchange rate adjustments	0	-5
Depreciation as at 31/12-2021	**3,030**	**2,732**
CARRYING AMOUNT AS AT 31/12-2021	**8,687**	**883**
Right-of-use assets included at 31/12-2021		
Depreciation	1,019	168
Carrying amount at 31/12-2021	8,658	247
Financial year 2020		
Cost as at 1/1-2020	5,111	3,644
Additions, including right-of-use-assets	6,606	156
Disposals	0	-220
Exchange rate adjustments	0	14
Cost as at 31/12-2020	**11,717**	**3,594**
Depreciation as at 1/1-2020	980	2,544
Depreciation during the year	1,029	565
Reversal related to disposals	0	-45
Exchange rate adjustments	0	-10
Depreciation as at 31/12-2020	**2,009**	**3,054**
CARRYING AMOUNT AS AT 31/12-2020	**9,708**	**540**
Right-of-use assets included at 31/12-2020		
Depreciation	1,019	206
Carrying amount at 31/12-2020	9,677	316

During the year additions related to right-of-use assets amounted to tDKK 261 and depreciation to tDKK 15.
Interest expense related to the leasing liabilities amounts to tDKK 275 in 2021 (2020: tDKK 275).
Short term leases amounts to tDKK 338 (2020: tDKK 302) which are recognised as other external expenses in the income statement.
For disclosures of the lease liabilities, please refer to note 14.

(DKK 1,000)

12. INVENTORIES	2021	2020
Finished goods and goods for resale	1.018	537
Write-downs of inventory by the end of the year	-198	-198

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

13. TRADE RECEIVABLES	2021	2020
Receivables from sale of goods and services	8.904	9.296
Contractual assets	658	834
Provisions for bad debt	-184	-183
TRADE RECEIVABLES	**9.378**	**9.947**

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 2021 means that receivables are measured at fair value.

	2021	2020
Provisions for bad debt as at 01.01	183	46
Provision made in the year	1	137
Actual loss	0	0
Reversed provisions	0	0
PROVISIONS AS AT 31.12	**184**	**183**

Due but not impaired receivables:	2021	2020
Due below 30 days	2.404	2.161
From 31 - 60 days	787	360
Above 60 days	1.266	2.029
TOTAL	**4.457**	**4.550**

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 2021, the equity ratio was 58.6% (2020: 53.4%). The target for the return on equity is 15-20%. The return on equity for 2021 was 6.4% (2020: 15.8%). The company is focusing to increase profitability in its foreign subsidiaries to increase the return to the higher end of the target. 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.

Dividend

It is recommended that ordinary dividend of tDKK 2,500 is paid for 2021, corresponding to a dividend of DKK 1.25 per share. At the annual general meeting on 25 March 2021, it was decided to distribute dividend of tDKK 2,000 for 2020, corresponding to a dividend of DKK 1.12 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	2021	2020	2021	2020
	Number of shares		Nominal value	
Issued shares, 1 January	1,780	2,000	1,780	2,000
Issued shares, 31 December	2,000	1,780	2,000	1,780

The shares are divided into 2 classes with special voting rights:

	2021	2020	2021	2020
	Number of shares		Voting rights	
Shares in class A	1,620	1,400	10	10
Shares in class B	380	380	1	1
Total	2,000	1,780		

Treasury shares	2021	2020	2021	2020	2021	2020
	Number of shares		Nominal value		% of share capital	
1. January	0	0	0	0	0.0%	0.0%
Acquisition	0	320	0	320	0.0%	16.0%
Sold	0	-100	0	-100	0.0%	-5.0%
Deleted	0	-220	0	-220	0.0%	-11.0%
Treasury shares 31.12	**0**	**0**	**0**	**0**	**0.0%**	**0.0%**

No transactions with treasury shares in 2021.

In 2020 Acquisition of treasury shares has taken place for purposes of temporary ownership in connection with the resignation of old partners and the joining of other partners.
Acquisition of own shares amounts to DKK 5,729 thousand
Sale of own shares amounts to DKK 1,806 thousand

(DKK 1,000)

15. CREDIT INSTITUTIONS	2021	2020
Leasing debt	9,666	10,099
Leasing debt	**9,666**	**10,099**
Bank debt, short-term	0	796
Leasing debt	1,412	1,454
Short-term debt	**1,412**	**2,250**

The interest rate on leasing debt is fixed with below rates.

Financial year 2021	Interest	Currency	Duration years	Carrying amount
Leasing debt	3.0%	DKK/SEK	1-8	9,666
				9,666

The fair value of other financial liabilities (level 2) measured at amortised cost does not differ significantly from carrying amount.

Financial year 2020	Interest	Currency	Duration years	Carrying amount
Leasing debt	3.0%	DKK/SEK	1-9	10,099
				10,099

16. DEBT OBLIGATIONS FROM FINANCING ACTIVITY

Financial year 2021	1/1	Cashflow	Recognition of lease liabilities	31/12
Leasing debt	10,099	-1,217	783	9,666
Debt to group enterprises	0	0	10,314	10,314
DEBT OBLIGATIONS FROM FINANCING ACTIVITY	**10,099**	**-1,217**	**11,097**	**19,980**
Financial year 2020				
Leasing debt	4,636	-1,143	6,606	10,099
DEBT OBLIGATIONS FROM FINANCING ACTIVITY	**4,636**	**-1,143**	**6,606**	**10,099**

17. CONTINGENT LIABILITIES

The group's Danish entity are jointly taxed with Hantoc ApS and are 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

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

19. FINANCIAL RISK & INSTRUMENTS

(DKK 1,000)

Financial year 2021

DKK1,000	Below 1 year	2-5 years	Above 5 years	Total
Lease obligations	1,412	4,309	3,945	9,666
Bank debt	0	0	0	0
Debt to group enterprises	10,314	0	0	10,314
Trade payables	2,972	0	0	2,972
Other contractual debt	2,408	0	0	2,408
TOTAL	**17,106**	**4,309**	**3,945**	**25,360**

Financial year 2020

DKK1,000	Below 1	2-5 years	Above 5	Total
Lease obligations	1,454	4,991	3,654	10,099
Bank debt	796	0	0	796
Debt to group enterprises	3,050	0	0	3,050
Trade payables	2,275	0	0	2,275
Other contractual debt	5,147	0	0	5,147
TOTAL	**12,722**	**4,991**	**3,654**	**21,367**

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 capital expenditure has been financed by finance leases with a fixed interest rate throughout the lease term. Additional financing information is provided in note 15.

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

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 in the above table. 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 with group enterprises and external providers.

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, Romania 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.

(DKK 1,000)

20. RELATED PARTIES AND OWNERSHIP RELATIONS

Controlling interest	**Background**
Hantoc ApS, Parkvaenget 39, 2920 Charlottenlund	Ultimate shareholder
MoMoTo ApS, Maglebjergvej 11, 2800 Kongens Lyngby	Parent

Consolidated financial statement

Below companies are included in the consolidated financial statement:

Name	Location	Ownership
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
Mark Information Development Srl.	Bucharest, Romania	100% Subsidiary

Information about parent companies consolidated financial statements

Mark Information A/S is included in Hantoc ApS' consolidated financial statements.

Transactions with key management personnel

Information about management renumeration appears in note 4. There has been no other transactions with key management personnel.

Transactions with other related parties.

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

	2021	2020
Services and accomondation expenses from parent company Hantoc ApS	1,192	1,209
Interest costs to parent company Hantoc ApS and MoMoTo ApS	89	53
Receivables from group enterprises, long term	596	619
Debt to group companies	10,314	3,050

21. APPROVAL OF THE ANNUAL REPORT FOR PUBLICATION

The Board of Directors has on board meeting March 24th, 2022, 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 24th, 2022.

22. NEW ACCOUNTING REGULATION

The following Amendments to IFRS became effective as of 1 January 2022:
• Amendment to IAS 16 “Property, Plant and Equipment”
• Amendment to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”
• Amendments to IFRS 3 “Business Combinations”
• Annual Improvements to IFRS Standards 2018-2020 (IFRS 1, IFRS 9 and IFRS 16).
The implemented Amendments are not expected to have any significant impact on the financials or the Group’s accounting policies, as they cover areas that are not material and/or relevant for the Group or do not change the accounting policies applied in 2021.

New and amended IFRS standards and interpretations not yet adopted by the EU:
The following Amendments, which will become effective in future years, have been issued but not yet adopted by the EU:
• Amendment to IAS 1 “Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Current or Non-current – Deferral of Effective Date”
• Amendment to IAS 1 “Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies”
• Amendments to IAS 8 “Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates”
• Amendments to IAS 12 “Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction”
• IFRS 17 “Insurance Contracts” and amendments to IFRS 17: “Initial Applications of IFRS 17” and IFRS 9: “Comparative information”

The new standards are not mandatory for the financial reporting for 2021. The Group expects to adopt the new standards when they become mandatory.

23. Significant events after the balance sheet date

Refer to Management’s review regarding significant events after the balance sheet date.

PARENT COMPANY CONTENT

PARENT COMPANY INCOME STATEMENT

(DKK 1,000) 1 January - 31 December	Note	2021	2020
Gross profit		**28,960**	**31,344**
Staff cost	1	-23,520	-24,036
Amortisation and depreciation		-2,219	-2,054
OPERATING PROFIT		**3,221**	**5,254**
Income from investments in subsidiaries		548	1,052
Financal income		0	76
Financial expenses	2	-217	-146
PROFIT BEFORE TAX		**3,552**	**6,236**
Tax on profit for the year	3	-785	-1,141
PROFIT FOR THE YEAR		**2,767**	**5,095**

Profit for the year is attributable to:	2021	2020
Dividend to shareholders	2,500	2,000
Retained earnings	267	3,095
Total	**2,767**	**5,095**

PARENT COMPANY BALANCE SHEET

ASSETS

(DKK 1,000) 31 December	Note	2021	2020
Completed development projects		1,104	2,697
Licenses		0	21
Customer contracts		4,926	5,407
Development projects under construction		1,490	0
Intangible assets		**7,520**	**8,125**
Investments in subsidiaries		3,689	3,689
Financial assets		**3,689**	**3,689**
Operating equipment		553	278
Tangible assets		**553**	**278**
Other receivables		596	590
Receivables		**596**	**590**
NON-CURRENT ASSETS		**12,358**	**12,682**
Inventory		**1,018**	**537**
Trade receivables		7,585	6,567
Other receivables		165	0
Prepayments		978	1,197
Receivables from group enterprises		723	4,198
Corporation tax receivable from group enterprises		0	125
RECEIVABLES		**9,451**	**12,087**
CASH		6,954	342
CURRENT ASSETS		**17,423**	**12,966**
TOTAL ASSETS		**29,781**	**25,648**

PARENT COMPANY BALANCE SHEET

EQUITY AND LIABILITIES

(DKK 1,000) 31 December	Note	2021	2020
Share capital		2,000	1,780
Reserve for development projects		2,001	2,104
Retained earnings		6,675	2,100
Proposed dividend for the year		2,500	2,000
EQUITY		**13,176**	**7,984**
Provision for deferred tax		494	507
Lease liabilities	4	362	0
TOTAL NON-CURRENT LIABILITIES		**856**	**507**
Lease liabilities	4	56	0
Credit institutions		0	1,135
Trade payables		2,393	2,393
Payables to group enterprises		10,663	3,482
Payables to group enterprises taxation		658	1,232
Other payables		1,979	8,915
SHORT-TERM LIABILITIES		**15,749**	**17,157**
TOTAL LIABILITIES		**16,605**	**17,664**
TOTAL EQUITY AND LIABILITIES		**29,781**	**25,648**

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.

Business combinations
Group internal business mergers between parent and subsidiary are done using the consolidation method. The businesses are combined using bookkeeping value and no goodwill is identified. The comparative figures has been restated in this financial statements.

INCOME STATEMENT
Gross profit
Gross profit is compiled with reference to Danish Financial Statements Act §32 containing revenue, direct cost, and other external expenses.

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.

PARENT COMPANY NOTES

(DKK 1,000)

1. Staff costs	2021	2020
Wages and salaries	22,455	23,116
Defined contribution plans	790	664
Other social security costs	275	257
Staff costs	**23,520**	**24,037**
Average number of employees	33	30

2. FINANCIAL income	2021	2020
Interest income, group enterprises	0	9
Net exchange rate loss	0	67
FINANCIAL EXPENSES	**0**	**76**

2. FINANCIAL EXPENSES	2021	2020
Interest costs, banks and credit institutes	88	84
Interest expenses, group enterprises	89	62
Net exchange rate loss	40	0
FINANCIAL EXPENSES	**217**	**146**

3. CORPORATE TAX	2021	2020
Tax on profit for the year	798	1,531
Change in deferred tax	-13	-390
TAX FOR THE YEAR	**785**	**1,141**

4. LEASE LIABILITIES	2021	2020
Lease liabilities within 1 year	56	0
Lease liabilities between 1 and 5 years	362	0
Total Lease liabilities	**418**	**0**

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

The company's contractual obligations amount to 10,354 tDKK at year-end (2020: 0 tDKK). Hereof 10,034 tDKK relates to the company's rent obligation.