



Calldorado ApS

Gladsaxevej 342
2860 Søborg
CVR No. 37614904

Annual report 2020

The Annual General Meeting adopted the
annual report on 28.04.2021

Claudia Dreier-Pöpperl

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management on the annual report	3
Independent auditor's report	4
Management commentary	7
Consolidated income statement for 2020	9
Consolidated balance sheet at 31.12.2020	10
Consolidated statement of changes in equity for 2020	12
Consolidated cash flow statement for 2020	13
Notes to consolidated financial statements	14
Parent income statement for 2020	18
Parent balance sheet at 31.12.2020	19
Parent statement of changes in equity for 2020	21
Notes to parent financial statements	22
Accounting policies	25

Entity details

Entity

Calldorado ApS

Gladsaxevej 342

2860 Søborg

Business Registration No.: 37614904

Registered office: Gladsaxe

Financial year: 01.01.2020 - 31.12.2020

Executive Board

Claudia Dreier-Pöpperl, CEO

Mathias Ole Schrøder, Co-CEO

John Grzegorz Lisek, Chief System Architect

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors have today considered and approved the annual report of Calldorado ApS for the financial year 01.01.2020 - 31.12.2020

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Søborg, 28.04.2021

Executive Board

Claudia Dreier-Pöpperl
CEO

Mathias Ole Schrøder
Co-CEO

John Grzegorz Lisek
Chief System Architect

Independent auditor's report

To the shareholders of Calldorado ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Calldorado ApS for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in

Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 28.04.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bjørn Winkler Jakobsen

State Authorised Public Accountant
Identification No (MNE) mne32127

Mads Juul Hansen

State Authorised Public Accountant
Identification No (MNE) mne44386

Management commentary

Financial highlights

	2020 DKK'000	2019 DKK'000
Key figures		
Gross profit/loss	73,591	81,219
Operating profit/loss	8,320	14,374
Net financials	(1,628)	(413)
Profit/loss for the year	2,234	7,892
Balance sheet total	87,458	132,454
Investments in property, plant and equipment	2,668	452
Equity	48,774	46,596
Ratios		
Equity ratio (%)	55.77	35.18

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Equity ratio (%):

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

Balance sheet total

Primary activities

The object of the group is to develop, sell and distribute digital advertising solutions and every activity related thereto.

Development in activities and finances

The income statement for the period 01.01.20 - 31.12.20 shows a profit of DKK 2,234,051 against DKK 7,891,822 for the period 01.01.19 - 31.12.19. The balance sheet shows equity of DKK 48,774,046.

The management considers the net profit for the year to be satisfactory.

Uncertainty relating to recognition and measurement

There have been no special circumstances regarding recognition and measurement that should be mentioned in order to assess the group's performance.

Outlook

The group expects to continue to execute on its growth strategy in 2021.

Particular risks

Management believes that there are no specific risks affecting the group's operations and balance sheet.

Environmental performance

Management believes that the group's operations do not affect the environment.

Research and development activities

The group holds cost for developing and maintaining the company's product portfolio, as well as other industry specific conditions.

Events after the balance sheet date

Subsequent to the end of the financial year, no significant events have occurred that could materially affect the assessment of the concern's financial position.

Consolidated income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		73,590,862	81,218,726
Staff costs	1	(34,251,671)	(35,939,771)
Depreciation, amortisation and impairment losses		(31,018,712)	(30,904,568)
Operating profit/loss		8,320,479	14,374,387
Other financial income		350,938	136,498
Other financial expenses		(1,979,146)	(549,153)
Profit/loss before tax		6,692,271	13,961,732
Tax on profit/loss for the year	2	(4,458,220)	(6,069,910)
Profit/loss for the year	3	2,234,051	7,891,822

Consolidated balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Acquired intangible assets		247,217	452,801
Goodwill		37,043,582	66,953,687
Intangible assets	4	37,290,799	67,406,488
Other fixtures and fittings, tools and equipment		612,770	837,425
Leasehold improvements		2,354,044	364,020
Property, plant and equipment	5	2,966,814	1,201,445
Other investments		4,926,528	597,870
Deposits		986,700	377,497
Other receivables		5,741,877	5,640,201
Financial assets	6	11,655,105	6,615,568
Fixed assets		51,912,718	75,223,501
Trade receivables		11,319,236	19,006,958
Deferred tax	7	6,514,184	2,999,000
Other receivables		265,344	1,340,791
Prepayments	8	1,374,721	889,942
Receivables		19,473,485	24,236,691
Cash		16,071,518	32,993,608
Current assets		35,545,003	57,230,299
Assets		87,457,721	132,453,800

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		50,000	50,000
Retained earnings		48,724,046	46,545,852
Equity		48,774,046	46,595,852
Other payables		3,108,004	24,789,646
Non-current liabilities other than provisions	9	3,108,004	24,789,646
Current portion of non-current liabilities other than provisions	9	5,093,569	30,000,000
Bank loans		179,528	343,766
Trade payables		5,614,551	6,216,749
Tax payable		4,365,731	1,226,400
Other payables		20,322,292	23,281,387
Current liabilities other than provisions		35,575,671	61,068,302
Liabilities other than provisions		38,683,675	85,857,948
Equity and liabilities		87,457,721	132,453,800
Contingent liabilities	11		
Assets charged and collateral	12		
Transactions with related parties	13		
Group relations	14		
Subsidiaries	15		

Consolidated statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	50,000	48,642,806	48,692,806
Adjustment of material errors	0	(2,096,954)	(2,096,954)
Adjusted equity, beginning of year	50,000	46,545,852	46,595,852
Exchange rate adjustments	0	(55,857)	(55,857)
Profit/loss for the year	0	2,234,051	2,234,051
Equity end of year	50,000	48,724,046	48,774,046

Consolidated cash flow statement for 2020

	Notes	2020 DKK	2019 DKK
Operating profit/loss		8,320,479	14,374,387
Amortisation, depreciation and impairment losses		31,018,712	30,904,568
Working capital changes	10	7,490,774	(6,405,931)
Cash flow from ordinary operating activities		46,829,965	38,873,024
Financial income received		156,865	24,716
Financial expenses paid		(1,796,130)	(47,685)
Taxes refunded/(paid)		(5,666,758)	(8,308,191)
Cash flows from operating activities		39,523,942	30,541,864
Acquisition etc. of intangible assets		0	(67,207,101)
Acquisition etc. of property, plant and equipment		(2,668,392)	(451,504)
Acquisition of fixed asset investments		(5,459,376)	(5,858,688)
Sale of fixed asset investments		419,839	50,000
Cash flows from investing activities		(7,707,929)	(73,467,293)
Free cash flows generated from operations and investments before financing		31,816,013	(42,925,429)
Loans raised		0	67,207,100
Repayments of loans etc.		(48,573,865)	(21,698,755)
Cash flows from financing activities		(48,573,865)	45,508,345
Increase/decrease in cash and cash equivalents		(16,757,852)	2,582,916
Cash and cash equivalents beginning of year		32,649,842	30,066,926
Cash and cash equivalents end of year		15,891,990	32,649,842
Cash and cash equivalents at year-end are composed of:			
Cash		16,071,518	32,993,608
Short-term bank loans		(179,528)	(343,766)
Cash and cash equivalents end of year		15,891,990	32,649,842

Notes to consolidated financial statements

1 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	30,880,164	32,598,033
Pension costs	1,587,387	1,568,066
Other social security costs	262,008	324,692
Other staff costs	1,522,112	1,448,980
	34,251,671	35,939,771
Average number of full-time employees	51	53

	Remuneration of manage- ment 2020 DKK	Remuneration of manage- ment 2019 DKK
Executive Board	6,187,074	6,519,160
	6,187,074	6,519,160

2 Tax on profit/loss for the year

	2020	2019
	DKK	DKK
Current tax	7,973,404	8,678,491
Change in deferred tax	(3,515,184)	(2,603,477)
Adjustment concerning previous years	0	(5,104)
	4,458,220	6,069,910

3 Proposed distribution of profit/loss

	2020	2019
	DKK	DKK
Retained earnings	2,234,051	7,891,822
	2,234,051	7,891,822

4 Intangible assets

	Acquired intangible assets DKK	Goodwill DKK
Cost beginning of year	2,061,929	114,580,085
Cost end of year	2,061,929	114,580,085
Amortisation and impairment losses beginning of year	(1,609,128)	(47,626,398)
Amortisation for the year	(205,584)	(29,910,105)
Amortisation and impairment losses end of year	(1,814,712)	(77,536,503)
Carrying amount end of year	247,217	37,043,582

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	1,607,599	454,058
Additions	203,341	2,465,051
Disposals	(296,026)	(436,629)
Cost end of year	1,514,914	2,482,480
Depreciation and impairment losses beginning of year	(770,174)	(90,038)
Depreciation for the year	(300,767)	(155,541)
Reversal regarding disposals	168,797	117,143
Depreciation and impairment losses end of year	(902,144)	(128,436)
Carrying amount end of year	612,770	2,354,044

6 Financial assets

	Other investments DKK	Deposits DKK	Other receivables DKK
Cost beginning of year	597,870	377,497	5,640,201
Additions	4,333,500	964,200	161,676
Disposals	(4,842)	(354,997)	(60,000)
Cost end of year	4,926,528	986,700	5,741,877
Carrying amount end of year	4,926,528	986,700	5,741,877

7 Deferred tax

	2020	2019
	DKK	DKK
Intangible assets	5,544,000	3,034,000
Property, plant and equipment	(49,000)	(35,000)
Other taxable temporary differences	1,019,184	0
Deferred tax	6,514,184	2,999,000

	2020	2019
	DKK	DKK
Changes during the year		
Beginning of year	2,999,000	395,523
Recognised in the income statement	3,515,184	2,603,477
End of year	6,514,184	2,999,000

Deferred tax assets consists of temporary differences.

8 Prepayments

Prepayments consist of prepaid expenses concerning insurance premiums and subscriptions.

9 Non-current liabilities other than provisions

	Due within 12	Due within 12	Due after
	months	months	more than 12
	2020	2019	2020
	DKK	DKK	DKK
Other payables	5,093,569	30,000,000	3,108,004
	5,093,569	30,000,000	3,108,004

There is no non-current liabilities due more than 5 years after the balance sheet date.

10 Changes in working capital

	2020	2019
	DKK	DKK
Increase/decrease in receivables	8,667,651	9,766,783
Increase/decrease in trade payables etc.	(1,627,576)	(15,838,213)
Other changes	450,699	(334,501)
	7,490,774	(6,405,931)

11 Contingent liabilities

The group has concluded lease agreements with terms to maturity in 2025 with a total of 8,276 T.DKK.

The group have an ongoing legal dispute with a former employee, the outcome and the cost can not be determined at this time.

12 Assets charged and collateral

The group has provided collateral for bank balances in cash amounting to 1,200 T.DKK.

13 Non-arm's length related party transactions

All transactions with related parties have been on an arm's length basis.

14 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Calldorado ApS, Gladsaxevej 342, 2860 Søborg

15 Subsidiaries

	Registered in	Corporate form	Ownership %	Equity DKK	Profit/loss DKK
Adaffix GmbH	Vienna	GmbH	100	14,199,708	3,704,787

Parent income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		67,097,197	74,591,954
Staff costs	1	(34,251,671)	(35,939,771)
Depreciation, amortisation and impairment losses		(18,668,123)	(18,556,708)
Operating profit/loss		14,177,403	20,095,475
Income from investments in group enterprises		(8,643,073)	(7,239,917)
Other financial income		355,752	116,534
Other financial expenses		(442,666)	(693,231)
Profit/loss before tax		5,447,416	12,278,861
Tax on profit/loss for the year		(3,213,365)	(4,387,039)
Profit/loss for the year	2	2,234,051	7,891,822

Parent balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Acquired intangible assets		247,217	450,072
Goodwill		0	17,562,245
Intangible assets	3	247,217	18,012,317
Other fixtures and fittings, tools and equipment		612,770	837,425
Leasehold improvements		2,354,044	364,020
Property, plant and equipment	4	2,966,814	1,201,445
Investments in group enterprises		51,243,290	59,942,220
Other investments		593,028	597,870
Deposits		986,700	377,497
Other receivables		5,741,877	5,640,201
Financial assets	5	58,564,895	66,557,788
Fixed assets		61,778,926	85,771,550
Trade receivables		10,458,088	18,375,264
Deferred tax	6	5,495,000	2,999,000
Other receivables		273,073	1,338,557
Prepayments	7	1,330,085	860,063
Receivables		17,556,246	23,572,884
Cash		11,588,849	27,521,927
Current assets		29,145,095	51,094,811
Assets		90,924,021	136,866,361

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		50,000	50,000
Retained earnings		48,724,046	46,545,852
Equity		48,774,046	46,595,852
Other payables		3,108,004	24,789,646
Non-current liabilities other than provisions	8	3,108,004	24,789,646
Current portion of non-current liabilities other than provisions	8	5,093,569	30,000,000
Bank loans		179,528	343,766
Trade payables		5,294,464	6,212,766
Payables to group enterprises		6,728,413	5,367,407
Tax payable		2,451,488	1,301,097
Other payables		19,294,509	22,255,827
Current liabilities other than provisions		39,041,971	65,480,863
Liabilities other than provisions		42,149,975	90,270,509
Equity and liabilities		90,924,021	136,866,361
Contingent liabilities	9		
Assets charged and collateral	10		
Transactions with related parties	11		

Parent statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	50,000	48,642,806	48,692,806
Adjustment of material errors	0	(2,096,954)	(2,096,954)
Adjusted equity, beginning of year	50,000	46,545,852	46,595,852
Exchange rate adjustments	0	(55,857)	(55,857)
Profit/loss for the year	0	2,234,051	2,234,051
Equity end of year	50,000	48,724,046	48,774,046

Notes to parent financial statements

1 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	30,880,164	32,598,033
Pension costs	1,587,387	1,568,066
Other social security costs	262,008	324,692
Other staff costs	1,522,112	1,448,980
	34,251,671	35,939,771

Average number of full-time employees	51	53
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	Remuneration of manage- ment 2020 DKK	Remuneration of manage- ment 2019 DKK
Board of Directors	6,187,074	6,519,160
	6,187,074	6,519,160

2 Proposed distribution of profit and loss

	2020 DKK	2019 DKK
Retained earnings	2,234,051	7,891,822
	2,234,051	7,891,822

3 Intangible assets

	Acquired intangible assets DKK	Goodwill DKK
Cost beginning of year	2,059,200	52,840,783
Cost end of year	2,059,200	52,840,783
Amortisation and impairment losses beginning of year	(1,609,128)	(35,278,538)
Amortisation for the year	(202,855)	(17,562,245)
Amortisation and impairment losses end of year	(1,811,983)	(52,840,783)
Carrying amount end of year	247,217	0

4 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	1,607,599	454,058
Additions	203,341	2,465,051
Disposals	(296,026)	(436,629)
Cost end of year	1,514,914	2,482,480
Depreciation and impairment losses beginning of year	(770,174)	(90,038)
Depreciation for the year	(300,767)	(155,541)
Reversal regarding disposals	168,797	117,143
Depreciation and impairment losses end of year	(902,144)	(128,436)
Carrying amount end of year	612,770	2,354,044

5 Financial assets

	Investments in group enterprises DKK	Other investments DKK	Deposits DKK	Other receivables DKK
Cost beginning of year	67,207,101	597,870	377,497	5,640,201
Additions	0	0	964,200	161,676
Disposals	0	(4,842)	(354,997)	(60,000)
Cost end of year	67,207,101	593,028	986,700	5,741,877
Impairment losses beginning of year	(7,264,881)	0	0	0
Exchange rate adjustments	(55,857)	0	0	0
Amortisation of goodwill	(12,347,860)	0	0	0
Share of profit/loss for the year	3,704,787	0	0	0
Impairment losses end of year	(15,963,811)	0	0	0
Carrying amount end of year	51,243,290	593,028	986,700	5,741,877

Goodwill relating to investments in group enterprises amounts to 37,044 TDKK

6 Deferred tax

	2020 DKK	2019 DKK
Intangible assets	5,544,000	3,034,000
Property, plant and equipment	(49,000)	(35,000)
Deferred tax	5,495,000	2,999,000

Changes during the year	2020 DKK	2019 DKK
Beginning of year	2,999,000	395,523
Recognised in the income statement	2,496,000	2,603,477
End of year	5,495,000	2,999,000

Deferred tax assets consists of temporary differences.

7 Prepayments

Prepayments consist of prepaid expenses concerning insurance premiums and subscriptions.

8 Non-current liabilities other than provisions

	Due within 12 months 2020 DKK	Due within 12 months 2019 DKK	Due after more than 12 months 2020 DKK
Other payables	5,093,569	30,000,000	3,108,004
	5,093,569	30,000,000	3,108,004

There is no non-current liabilities due more than 5 years after the balance sheet date.

9 Contingent liabilities

The company has concluded lease agreements with terms to maturity in 2025 with a total of 8,276 T.DKK.

The company have an ongoing legal dispute with a former employee, the outcome and the cost can not be determined at this time.

10 Assets charged and collateral

The company has provided collateral for bank balances in cash amounting to 1,200 T.DKK.

11 Non-arm's length related party transactions

All transactions with related parties have been on a arm's length basis.

Accounting policies

Reporting class

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

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

Material errors in previous years

The deferred tax and tax for the year was incorrect in prior financial years. The error is corrected retrospectively and the comparative figures for 2019 have been adjusted accordingly. The adjustment has effected deferred tax for 2019 by DKK 1,498 thousands and tax payable of 2019 by DKK 599 thousands. The equity at 1 January 2020 is negatively adjusted with DKK 2,097 thousands.

Recognition and measurement

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

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

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

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

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

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, costs of raw materials and consumables and external expenses.

Revenue

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

Other operating income

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

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises , interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 3 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc. comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

The amortisation periods used are 5 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	10 years

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Reference is made to

the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 5 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Other investments

Other investments comprise unlisted equity investments measured at the lower of cost and net realisable value.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Tax payable or receivable

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

Cash flow statement

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

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

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

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

Cash and cash equivalents comprise cash.