
Mediacom Danmark A/S

Holmbladsgade 133, DK-2300 Copenhagen S

Annual Report for 1 January - 31 December 2020

CVR No 78 42 20 17

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
28/5 2021

Mikkel Primdal Kæregaard
Chairman of the General
Meeting

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Mediacom Danmark A/S for the financial year 1 January - 31 December 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations for 2020.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Copenhagen, 28 May 2021

Executive Board

Jesper Skriver Jørgensen
CEO

Board of Directors

Jonas von Barnekow Benzon
Hemmingsen
Chairman

Jesper Skriver Jørgensen

Pia Tellefsen

Independent Auditor's Report

To the Shareholder of Mediacom Danmark A/S

Opinion

We have audited the Financial Statements of Mediacom Danmark A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 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 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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of 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 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 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.

Independent Auditor's Report

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 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 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 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 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.

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 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.

Independent Auditor's Report

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 Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Copenhagen, 28 May 2021

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No 33 96 35 56

Lars Hansen

State Authorised Public Accountant

mne24828

Company Information

The Company

Mediacom Danmark A/S
Holmbladsgade 133
DK-2300 Copenhagen S

CVR No: 78 42 20 17

Financial period: 1 January - 31 December

Municipality of reg. office: Copenhagen

Board of Directors

Jonas von Barnekow Benzon Hemmingsen, Chairman
Jesper Skriver Jørgensen
Pia Tellefsen

Executive Board

Jesper Skriver Jørgensen

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 Copenhagen S

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2020 TDKK	2019 TDKK	2018 TDKK	2017 TDKK	2016 TDKK
Key figures					
Profit/loss					
Revenue	672.040	809.790	767.438	555.000	615.598
Gross profit/loss	48.478	50.111	51.804	46.722	48.405
Operating profit/loss	5.440	2.389	-928	1.972	3.545
Net financials	-370	-188	34	-181	167
Net profit/loss for the year	3.944	1.687	-747	1.344	2.782
Balance sheet					
Balance sheet total	209.817	188.947	185.336	173.131	168.608
Equity	78.151	74.207	72.520	60.303	58.959
Investment in property, plant and equipment	169	69	0	-90	216
Number of employees	73	86	101	86	81
Ratios					
Gross margin	7,2%	6,2%	6,8%	8,4%	7,9%
Solvency ratio	37,2%	39,3%	39,1%	34,8%	35,0%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

In connection with the merger in 2019, the comparative figures for 2016- 2017 have not been restated.

Management's Review

Primary activities

The Entity's primary activity has been to service Danish, Nordic and global advertisers, mainly in cooperation with the sister company m/SIX and the strategic partner The & Partnership along with the other MediaCom companies in Nordics.

Development in the year

The income statement of the Company for 2020 shows a profit of TDKK 3,944, and at 31 December 2020 the balance sheet of the Company shows equity of TDKK 78,151.

Since the arrival of the new CEO in May 2020 the Company has been undergoing a structural and strategical transformation.

Structurally all client facing teams have been revised towards more digitally focused cross media capabilities. More than 1/3 of the employees of the Company has been replaced in 2020 to meet the vision of "bridging paid and owned media". The new hires have represented a more experienced and senior skills set which have paved the way for reducing overall headcount with 15% over the year.

New lines of business have been established with a clear focus on owned media such as e-mail marketing and activation of 1 party data. Strategically the direction of the Company has been focused on converting unprofitable clients in the portfolio to develop a healthy foundation for growth in 2021/22. The Company won 11 new clients in 2020 and together with cross selling products and services within areas such as creative, insights and marketing technology to existing clients this has made up for some for the general economic slowdown due to COVID-19.

The financial performance for 2020 is considered satisfactory.

Particular risks

Business risks

The Company's main business risks relate to the business sector's investments in media, marketing and creative development activities. Consequently, the development of the Company is dependent on the general financial climate for enterprises in Denmark as well as globally.

Outlook

The Company have had a very strong start to 2021. Across all lines of business, we have experienced growth and therefore both revenue and profit levels are expected to be higher for 2021 than 2020.

Intellectual capital resources

A substantial part of the Company's business is tied to the existence of certain staff resources, tools and products which have been further developed throughout the year of 2020, both in terms of value-based management and with respect to processes and structures for knowledge-based work.

Management's Review

Statement of corporate social responsibility

Being part of the global WPP Group we're privileged to work with many pioneers of sustainable business, helping our clients to create brands with purpose and to embed sustainability into products, marketing and communications.

A statement regarding the Company's policies, actions and results within matters relating to CSR is evident from the annual report of the ultimate Parent, WPP Plc. who is a member of the United Nations Global Compact and committed to its 10 principles.

The WPP Group provides a clear policy framework which are included in the WPP Policy Book. These policies are cascaded to employees through regular communication and online training modules. For full details we refer to the annual report of the ultimate Parent, WPP Plc.

<https://www.wpp.com/investors/annual-report-2020>.

Statement on gender composition

At 31 December 2020, the gender balance of the Company showed a percentage of women of 39% and a percentage of men of 61%. The Company's total management group consisted of 33% women. There are two women (33%) in the management group. It is the overall and long-term objective of the Company to maintain an equal balance between the genders at management level, including to focus on attracting more women to the Company in the future and developing these women to join the management group (with a target of 40% women).

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to uncertainty.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2020 TDKK	2019 TDKK
Revenue		672.040	809.790
Cost of sales		-565.933	-700.455
Other external expenses		-57.629	-59.224
Gross profit/loss		48.478	50.111
Staff expenses	2	-42.974	-47.511
Depreciation, amortisation and impairment of property, plant and equipment	3	-64	-211
Profit before financial income and expenses		5.440	2.389
Financial income	4	145	307
Financial expenses	5	-515	-495
Profit before tax		5.070	2.201
Tax on profit for the year	6	-1.126	-514
Net profit/loss for the year		3.944	1.687

Balance Sheet 31 December

Assets

	Note	2020 TDKK	2019 TDKK
Other fixtures and fittings, tools and equipment		168	62
Property, plant and equipment	7	168	62
Other receivables		4	4
Fixed asset investments	8	4	4
Fixed assets		172	66
Trade receivables		146.875	158.302
Contract work in progress	9	260	168
Receivables from group enterprises		59.182	27.839
Other receivables		2.759	1.656
Deferred tax asset	13	466	785
Prepayments	10	103	131
Receivables		209.645	188.881
Currents assets		209.645	188.881
Assets		209.817	188.947

Balance Sheet 31 December

Liabilities and equity

	Note	2020 TDKK	2019 TDKK
Share capital	11	21.000	21.000
Retained earnings		57.151	53.207
Equity		78.151	74.207
Other payables		3.595	1.502
Long-term debt		3.595	1.502
Prepayments received from customers		15.166	11.464
Trade payables		94.911	80.377
Contract work in progress, liabilities	9	5.824	4.893
Payables to group enterprises		2.274	10.056
Corporation tax		831	534
Other payables	14	9.065	5.914
Short-term debt		128.071	113.238
Debt		131.666	114.740
Liabilities and equity		209.817	188.947
Subsequent events	1		
Distribution of profit	12		
Contingent assets, liabilities and other financial obligations	15		
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Statement of Changes in Equity

	Share capital TDKK	Retained earnings TDKK	Total TDKK
2020			
Equity at 1 January	21.000	53.207	74.207
Net profit/loss for the year	0	3.944	3.944
Equity at 31 December	21.000	57.151	78.151
2019			
Equity 1. januar	21.000	51.520	72.520
Net profit/loss for the year	0	1.687	1.687
Equity at 31 December	21.000	53.207	74.207

Notes to the Financial Statements

1 Subsequent events

No other events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

	<u>2020</u> TDKK	<u>2019</u> TDKK
2 Staff expenses		
Wages and salaries	39.856	44.121
Pensions	2.264	2.540
Other social security expenses	414	653
Other staff expenses	440	197
	<u>42.974</u>	<u>47.511</u>
Average number of employees	<u>73</u>	<u>86</u>

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act. No remuneration has been paid to the Company's Board of Directors.

The Executive Board and senior officers at Mediacom Danmark A/S are participating in the WPP Group's share option programme. The programme has been entered with WPP plc. and Mediacom Danmark A/S is not impacted financially.

3 Depreciation, amortisation and impairment of property, plant and equipment

Depreciation of property, plant and equipment	<u>64</u>	<u>211</u>
	<u>64</u>	<u>211</u>

Notes to the Financial Statements

	2020 <u>TDKK</u>	2019 <u>TDKK</u>
4 Financial income		
Interest received from group enterprises	55	19
Other financial income	23	97
Exchange adjustments	67	191
	<u>145</u>	<u>307</u>
5 Financial expenses		
Other financial expenses	112	106
Exchange adjustments, expenses	403	389
	<u>515</u>	<u>495</u>
6 Tax on profit for the year		
Current tax for the year	807	1.205
Deferred tax for the year	319	-691
	<u>1.126</u>	<u>514</u>
7 Property, plant and equipment		
		Other fixtures and fittings, tools and equipment <u>TDKK</u>
Cost at 1 January		106
Additions for the year		169
Cost at 31 December		<u>275</u>
Impairment losses and depreciation at 1 January		43
Depreciation for the year		64
Impairment losses and depreciation at 31 December		<u>107</u>
Carrying amount at 31 December		<u>168</u>

Notes to the Financial Statements

8 Fixed asset investments

	Other receiv- ables
	<u>TDKK</u>
Cost at 1 January	<u>4</u>
Cost at 31 December	<u>4</u>
Carrying amount at 31 December	<u>4</u>

9 Contract work in progress

	2020	2019
	<u>TDKK</u>	<u>TDKK</u>
Selling price of work in progress	16.315	8.862
Payments received on account	<u>-21.879</u>	<u>-13.587</u>
	<u>-5.564</u>	<u>-4.725</u>
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	260	168
Prepayments received recognised in debt	<u>-5.824</u>	<u>-4.893</u>
	<u>-5.564</u>	<u>-4.725</u>

10 Prepayments

Prepayments comprise prepayments of various subscriptions, rent, water, heating and electricity, etc.

11 Equity

The share capital consists of 21,000 shares of a nominal value of TDKK 1,000. No shares carry any special rights.

12 Distribution of profit

Retained earnings	<u>3.944</u>	<u>1.687</u>
	<u>3.944</u>	<u>1.687</u>

Notes to the Financial Statements

	<u>2020</u> TDKK	<u>2019</u> TDKK
13 Deferred tax asset		
Deferred tax asset at 1 January	785	94
Amounts recognised in the income statement for the year	<u>-319</u>	<u>691</u>
Deferred tax asset at 31 December	<u>466</u>	<u>785</u>
14 Other payables		
Value added tax etc	0	516
Wages and salaries, personal income taxes, social security costs, etc.	4.136	565
Holiday pay obligation	1.552	3.222
Other debt	<u>3.377</u>	<u>1.611</u>
	<u>9.065</u>	<u>5.914</u>

Notes to the Financial Statements

15 Contingent assets, liabilities and other financial obligations

Contingent liabilities

Commitments under rental agreements or leases until expiry	<u>297</u>	<u>522</u>
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A bank guarantee of DKK 1,552 thousand has been provided regarding rental obligations. This guarantee is cancelled as of 16-01-2020 as it related to the previous premises.

The company has provided a guarantee of DKK 12,000 thousand in favour of the Company's banks. The guarantee is provided towards the Security Fund of the Danish Association of Advertising and Relationship Agencies in order to compensate the Company's obligations in relation to owners of papers and magazines, and a specified group of Danish owners, respectively.

The Company participates in a Danish joint taxation arrangement in which WPP Holding Denmark A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

Notes to the Financial Statements

16 Related parties

	<u>Basis</u>
Controlling interest	
Groupm Denmark A/S	Shareholder

Transactions

The Company only disclose transactions with related parties which are not effected at arm's length. All transactions are at arm's length.

Consolidated Financial Statements

Name and registered office of the Parent preparing consolidated financial statements for the smallest and largest group:

<u>Name</u>	<u>Place of registered office</u>
WPP Plc.	27 Farm Street, W1J 5RJ, London, England

The Group Annual Report of WPP Plc. may be obtained at www.wpp.com.

17 Fee to auditors appointed at the general meeting

	<u>2020</u>	<u>2019</u>
	TDKK	TDKK
Deloitte		
Audit fee	406	607
Other assurance engagements	15	23
	<u>421</u>	<u>630</u>

Notes to the Financial Statements

18 Accounting Policies

The Annual Report of Mediacom Danmark A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020 are presented in TDKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of , the Company has not prepared a cash flow statement.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Notes to the Financial Statements

18 Accounting Policies (continued)

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Income Statement

Revenue

Revenue from the sale of media is recognised in the income statement when delivery is made to the buyer.

Consultancy services are included in revenue based on the stage of completion so that revenue corresponds to the sales value of the work performed in the financial year (the percentage-of-completion method).

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Cost of sales

Cost of sales comprise consumed use of media to achieve the revenue for the year. Use of media include received discounts, etc.

Other external expenses

Other external expenses comprise expenses for premises, stationery and office supplies, marketing costs and services provided by group related companies etc. This item also includes write-downs of receivables recognised in current assets.

Staff expenses

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

Depreciation and impairment losses

Depreciation and impairment losses relating to property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

Notes to the Financial Statements

18 Accounting Policies (continued)

Financial income and expenses

Other financial income comprises interest income, including interest income on receivables from group enterprises, net foreign exchange, as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net foreign change, as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with the other WPP companies in Denmark. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

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

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

18 Accounting Policies (continued)

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Fixed asset investments

Fixed asset investments consist of other receivables.

Cash pool

The Company is part of a cash pool scheme with other Danish WPP companies. Consequently, a considerable portion of the Company's bank deposits and debt is included in receivables from and payables to group enterprises, respectively.

Receivables

Receivables are measured in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Contract work in progress

Contract work in progress is measured at the sales value of the work carried out at the balance sheet date.

The sales value is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

For some projects where the consumption of resources cannot be applied as a basis, stage of completion is determined as the ratio between completed and total sub activities of the individual projects.

Each contract in progress is recognised in the balance sheet under receivables or liabilities, depending on whether the net value, calculated as the selling price less on account billings, is positive or negative.

Cost of securing contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Notes to the Financial Statements

18 Accounting Policies (continued)

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Surcharges under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods or service agreed.

Notes to the Financial Statements

18 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Gross margin

$$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

Solvency ratio

$$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$$