Mark Information A/S

Maglebjergvej 11, 2800 Lyngby

(CVR-NO 31 07 52 62)

2020 Annual report

This annual report has been adopted at the company`s annual general meeting on 25th March 2021

Torkel Baden 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

Arve Johan Andresen, Chairman
Morten Bruun Steiner
Morten Schaldemose

Executive board

Torkel Baden Olrik
Henrik Trolle
Morten Lassen Janum
Bo Køhlert

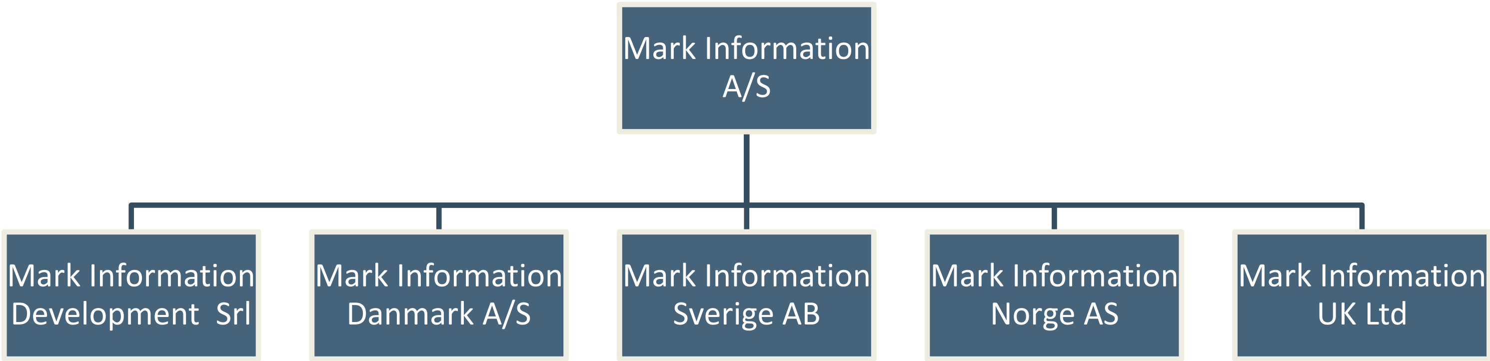
Auditors

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 2020.

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 2020 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 2020.

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, 25th March 2021

Executive Board

Torkel Baden Olrik	Henrik Trolle	Morten Lassen Janum
Bo Køhlert		

Board of Directors

Arve Johan Andresen Chairman	Morten Bruun Steiner	Morten Schaldemose

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 2020 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2020 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 2020 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2020 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 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group ("financial statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the over-ride of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Copenhagen, 25th March 2021
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	2020	2019	2018[1]	2017[1]	2016[1]
Profit					
Net revenue	62,710	62,099	59,051	58,086	57,312
Gross profit	56,149	53,855	50,773	49,989	49,556
EBITDA	10,883	9,647	6,658	5,507	6,931
EBIT	7,051	6,853	4,710	3,814	5,335
Net financial expenses	-276	-451	-478	-378	-397
Profit for the year	5,460	5,037	3,316	2,836	3,750
Balance sheet					
Total assets	65,250	58,461	62,997	62,610	53,886
Investments in tangible assets	156	405	767	1,117	1,353
Equity	34,777	35,408	35,333	34,646	33,875

[1]Comparative figures for 2016-2018 have not been restated to include IFRS16

Key ratios

	2020	2019	2018	2017	2016
Profitability					
Return on equity (ROE)	15.8%	14.2%	9.5%	8.3%	11.3%
Gross margin	89.5%	86.7%	86.0%	86.1%	86.5%
Operating margin	11.2%	11.0%	8.0%	6.6%	9.3%
Solvency					
Solvency ratio	53.4%	60.6%	55.5%	55.3%	62.9%
Other					
Average number of full-time employees	52	49	49	48	45

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 and more than 300,000 users.

Financial performance in 2020 and outlook for 2021
In 2020, Mark Information realised a result above 2019. Revenue increased by tDKK 611 (plus 1.0%) to tDKK 62,710, and profit before tax increased by tDKK 373 (plus 5.8%) to tDKK 6,775.

The income statement for 2020 shows a profit of tDKK 5,460 against tDKK 5,037 in 2019. The increase relates to higher revenue whereas the total operating costs have been flat compared to last year.

The balance sheet as per 31 December 2020 shows an equity of tDKK 34,777 equivalent to an equity ratio of 53.3%, against tDKK 35,408 as per 31 December 2019, equivalent to an equity ratio of 60.6%.

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

For 2021, we expect growth of 10% in revenue, with a minor increase in profits due to increased costs related to the revenue growth. Generally, we expect a higher level of activity. The Corona Virus outbreak has had minor negative impact on the business. Therefore, Management do not expect any significant impact from the continuous Corona outbreak on the results for 2021.

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 2020.

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME

(DKK 1,000) 1 January - 31 December	Note	2020	2019
Net revenue	3	62,710	62,099
Direct cost		-6,561	-8,244
GROSS PROFIT		**56,149**	**53,855**
Other external expenses		-14,025	-13,591
Staff cost	4	-31,241	-30,617
OPERATING PROFIT BEFORE AMORTISATION		**10,883**	**9,647**
Amortisation and depreciation	5	-3,832	-2,794
OPERATING PROFIT		**7,051**	**6,853**
Financial income	6	43	0
Financial expenses	7	-319	-451
PROFIT BEFORE TAX		**6,775**	**6,402**
Tax on profit for the year	8	-1,314	-1,365
PROFIT FOR THE YEAR		**5,460**	**5,037**
Consolidated statement of other comprehensive income:			
Profit for the year		5,460	5,037
Items that will be reclassified to income statement when certain conditions are meet:			
Currency translation differences, foreign enterprises		-68	38
TOTAL OTHER COMPREHENSIVE INCOME		**-68**	**38**
TOTAL COMPREHENSIVE INCOME		**5,392**	**5,075**
Total comprehensive income is attributable to:			
Shareholders of Mark Information A/S		5,392	5,075
Non-controlling interest		0	0
Total		**5,392**	**5,075**

CONSOLIDATED BALANCE SHEET

ASSETS

(DKK 1,000) 31 December	Note	2020	2019
Software, rights & contracts		8,125	10,363
Goodwill		26,367	26,367
INTANGIBLE ASSETS	**9.10**	**34,492**	**36,730**
Investments		353	0
Investments		**353**	**0**
Land and buildings		9,708	4,132
Operating equipment		540	1,100
PROPERTY, PLANT AND EQUIPMENT	**11**	**10,248**	**5,232**
Receivables from group entreprises		619	617
Other receivables		48	75
RECEIVABLES		**666**	**692**
NON-CURRENT ASSETS		**45,759**	**42,654**
INVENTORIES	**12**	**537**	**858**
Trade receivables	**13**	9,947	9,953
Other receivables		225	28
Receivables from group enterprises		0	412
Prepayments		926	1,024
RECEIVABLES		**11,098**	**11,417**
CASH		**7,855**	**3,531**
CURRENT ASSETS		**19,490**	**15,807**
TOTAL ASSETS		**65,250**	**58,461**

CONSOLIDATED BALANCE SHEET

EQUITY AND LIABILITIES

(DKK 1,000) 31 December	Note	2020	2019
Share capital		1,780	2,000
Reserve for foreign-exchange adjustments		-423	-355
Retained earnings		31,420	31,263
Proposed dividend for the year		2,000	2,500
EQUITY	**14**	**34,777**	**35,408**
Provisions for deferred tax	**8**	1,639	2,151
Lease borrowings	**15**	8,645	3,104
Other payables		0	513
TOTAL NON-CURRENT LIABILITIES		**10,284**	**5,769**
Credit institutions	**15**	796	7,559
Lease borrowings	**15**	1,454	1,532
Trade payables		2,275	1,916
Corporate tax		1,407	246
Other payables		11,206	5,203
Debt to group enterprises		3,050	591
Deferred income		0	237
TOTAL CURRENT LIABILITIES		**20,189**	**17,284**
TOTAL LIABILITIES		**30,473**	**23,053**
TOTAL EQUITY AND LIABILITIES		**65,250**	**58,461**

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 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**

Refer to note 13 for information about transactions with treasury shares in 2020.

(DKK 1,000)	Share capital	Reserve for foreign-exchange adjustments	Retained earnings	Proposed dividend for the year	Total
Equity 1 January 2019	2,000	-393	28,726	5,000	35,333
Transactions with owners:					
Dividend paid	0	0	0	-5,000	-5,000
Transactions with owners	**0**	**0**	**0**	**-5,000**	**-5,000**
Profit for the year	0	0	2,537	2,500	5,037
Other comprehensive income	0	38	0	0	38
Total comprehensive income	**0**	**38**	**2,537**	**2,500**	**5,075**
EQUITY 31 DECEMBER 2019	**2,000**	**-355**	**31,263**	**2,500**	**35,408**

CONSOLIDATED CASH FLOW STATEMENT

(DKK 1,000)	Note	2020	2019
Operating profit		7,051	6,853
Depreciation and amortisation		3,832	2,794
Adjustments for non-cash items		-260	-38
CASH FLOW FROM OPERATING PROFIT		**10,623**	**9,609**
Change in inventories		321	1,597
Change in trade receivables		6	-3,053
Change in receivables from group enterprises		412	-412
Change in payables group enterprises		2,459	-409
Change in other receivables and prepayments		-98	251
Change in trade payables		358	-136
Change in other payables and deferred income		5,251	246
CHANGE IN WORKING CAPITAL		**8,710**	**-1,915**
CASH FLOW BEFORE FINANCIALS & TAX		**19,333**	**7,694**
Financial income received		43	0
Financial cost paid		-319	-451
Paid taxes		-451	-948
FINANCIALS AND TAX		**-728**	**-1,399**
CASH FLOW FROM OPERATING ACTIVITIES		**18,605**	**6,296**
Investments		-353	0
Purchase of tangible assets		-156	-405
Purchase of intangible assets		0	-3,169
Sales of operating equipment		155	0
Sale of building		0	13,227
CASH FLOW FROM INVESTING ACTIVITIES		**-354**	**9,653**
FREE CASH FLOW		**18,251**	**15,948**
EXTERNAL FINANCING:			
Repayment of mortage loan		0	-4,985
Repayment of long-term, bank debt		0	-5,125
Repayment of lease, borrowings		-1,143	-1,201
Short term debt to credit institutions		-6,762	1,306
EXTERNAL FINANCING	**16**	**-7,905**	**-10,005**
SHAREHOLDERS:			
Acquisition of treasury shares		-5,729	0
Sale of treasury shares		1,806	0
Dividends paid		-2,100	-5,000
CASH FLOW FROM FINANCING ACTIVITIES		**-13,928**	**-15,005**
CASH FLOW FOR THE YEAR		**4,323**	**944**
Cash and cash equivalents 1 January		3,532	2,588
CASH AND CASH EQUIVALENTS 31. DECEMBER		**7,855**	**3,532**
Cash at year end can be specified as:			
Cash		7,855	3,531
Total		**7,855**	**3,531**

List of notes

1. ACCOUNTING POLICIES

Mark Information A/S is a public limited company domiciled in Denmark. The consolidated financial statements for 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for the annual reports of reporting class B entities, cf. the Danish Executive Order on Adoption of IFRSs issued pursuant to the Danish Companies Act.

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

Changes in accounting policies
The consolidated financial statements have been prepared using the same accounting policies for recognition and measurement as those applied to the consolidated financial statements for 2019.

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

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

Investments in non-listed entities
Investments in non-listed companies is measured at cost. Cost comprises the purchase price and any costs directly attributable to the acquisition.

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 the lower of cost and recoverable amount.

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

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

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

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

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

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

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

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

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

The net realisable value of inventories is calculated as the expected selling price less completion costs and costs incurred in making the sale. The value is determined 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 2020:

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 2020: tDKK 26,367 (31 December 2019: tDKK 26,367)

(DKK 1,000)

3. NET REVENUE

Activities	2020	2019
Maintenance	31,574	31,544
Services	18,364	16,437
Software	8,475	8,107
Hardware	4,297	6,011
TOTAL	**62,710**	**62,099**

Type of revenue		
Recurring revenue	35,303	34,129
Semi-recuring revenue	3,961	4,115
Non-recuring revenue	23,446	23,855
TOTAL	**62,710**	**62,099**

4. STAFF RELATIONS

	2020	2019
Wages and salaries	26,994	27,102
Defined contribution plans	981	956
Other social security costs	1,148	1,285
Other staff related cost	2,118	1,274
TOTAL	**31,241**	**30,617**
Average number of employees	52	48

These amounts include remunerations to key management personnel:

Financial year 2020

	Parent Board of Directors	Parent Executive Board
Wages and fees	148	3,343
Defined contribution plans	0	188
TOTAL	**148**	**3,530**

Financial year 2019

	Parent Board of Directors	Parent Executive Board
Wages and fees	234	4,248
Defined contribution plans	0	215
TOTAL	**234**	**4,463**

(DKK 1,000)

5. AMORTISATION AND DEPRECIATION	2020	2019
Amortisation of other intangible assets	2,238	1,469
Depreciation of property, plant and equipment	1,594	1,325
AMORTISATION AND DEPRECIATION	**3,832**	**2,794**

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

6. FINANCIAL INCOME	2020	2019
Interest income	0	0
Net foreign exchange gains	43	0
FINANCIAL INCOME	**43**	**0**

7. FINANCIAL EXPENSES	2020	2019
Interest costs, banks and credit institutes	85	251
Interest costs to group enterprises	53	50
Other interest costs	181	53
Net exchange rate loss	0	96
FINANCIAL EXPENSES	**319**	**451**

(DKK 1,000)

8. CORPORATE TAX	2020	2019
Tax on profit for the year	1,668	882
Change in deferred tax	(353)	483
Tax adjustment relating to previous year	-	-
TAX FOR THE YEAR	**1,314**	**1,365**

Tax of the years continued activities	2020	2019
Calculated tax 22%	1,490	1,408
Effect from different tax rate in other countries	(30)	(18)
Tax effect from non-deductable cost	-	-
Tax effect from unrecognized tax losses	(198)	(141)
Tax adjustment relating to previous year	52	116
Tax	**1,314**	**1,365**
Effective tax rate	**19.4%**	**21.3%**

PROVISIONS FOR DEFERRED TAX	2020	2019
Deferred tax 1 January	2,151	1,530
Change in deferred tax	-353	483
Change in deferred tax, business combinations	-106	-106
Other adjustments	-52	244
PROVISION FOR DEFERRED TAX	**1,639**	**2,151**

Specification of deferred tax	2020	2019
Intangible assets	1,787	2,280
Tangible assets	-79	-80
Tax losses from previous years	0	-426
Current assets	-69	-49
Re-taxation account from joint taxation	0	426
PROVISIONS FOR DEFERRED TAX	**1,639**	**2,151**

Provisions for deferred tax recognized in the balance sheet:	2020	2019
Deferred tax assets	0	-13
Deferred tax obligations	1,639	2,164
PROVISIONS FOR DEFERRED TAX	**1,639**	**2,151**

Deferred tax continued

Unrecognized deferred tax assets of tDKK 248 (2019: tDKK 460) primarily relate to tax losses in the Mark Information UK Ltd. subsidiary. Due to uncertainty regarding earnings in the coming years the deferred tax asset has not been recognised.

(DKK 1,000)

9. INTANGIBLE FIXED ASSETS	Assets under construction	Software rights & contracts	Goodwill
Financial year 2020			
Cost as at 1/1-2020	0	18,218	26,367
Additions	0	0	0
Disposal	0	0	0
Transferred	0	0	0
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 of assets disposed of	0	0	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**
Financial year 2019			
Cost as at 1/1-2019	1,610	13,439	26,367
Additions	2,824	345	0
Trasferred	-4,434	4,434	0
Cost as at 31/12-2019	**0**	**18,218**	**26,367**
Amortisation and impairment losses as at 1/1-2019	0	6,386	0
Amortisation during the year	0	1,469	0
Amortisation of assets disposed of	0	0	0
Amortisation and impairment as at 31/12-2019	**0**	**7,855**	**0**
CARRYING AMOUNT AS AT 31/12-2019	**0**	**10,363**	**26,367**

10. IMPAIRMENT TEST - GOODWILL

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

The recoverable amount is determined as the value in use, calculated 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 2026.

The growth rate of 10% 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:

	2020	**2019**
Average yearly increase in revenue in the 5-year budget period	10%	5%
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 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
Financial year 2019		
Cost as at 1/1-2019	15,730	3,712
Additions, including right-of-use-assets	4,536	939
Disposals	-15,155	-1,006
Exchange rate adjustments	0	-1
Cost as at 31/12-2019	**5,111**	**3,644**
Depreciation as at 1/1-2019	2,400	2,396
Depreciation during the year	508	817
Reversal related to disposals	-1,928	-667
Exchange rate adjustments	0	-2
Depreciation as at 31/12-2019	**980**	**2,544**
CARRYING AMOUNT AS AT 31/12-2019	**4,132**	**1,100**
Right-of-use assets included at 31/12-2019		
Depreciation	389	288
Carrying amount at 31/12-2019	4,089	552

During the year additions related to right-of-use assets amounted to tDKK 6,606 and depreciation to tDKK 1,225.
Interest expense related to the leasing liabilities amounts to tDKK 307 in 2020.
Short term leases amounts to tDKK 302 which are recognised as other external expenses in the income statement.
For disclosures of the lease liabilities, please refer to note 14.

MARK

(DKK 1,000)

12. INVENTORIES	2020	2019
Finished goods and goods for resale	537	858
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	2020	2019
Receivables from sale of goods and services	9,296	8,891
Contractual assets	834	1,108
Provisions for bad debt	-183	-46
TRADE RECEIVABLES	**9,947**	**9,953**

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 2020 means that receivables are measured at fair value.

	2020	2019
Provisions for bad debt as at 01.01	46	91
Provision made in the year	137	0
Actual loss	0	-45
Reversed provisions	0	0
PROVISIONS AS AT 31.12	**183**	**46**

Due but not impaired receivables:	2020	2019
Due below 30 days	2,161	2,281
From 31 - 60 days	360	1,017
Above 60 days	2,029	1,483
TOTAL	**4,550**	**4,781**

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 2020, the equity ratio was 53.4% (31 December 2019: 60.6%). The target for the return on equity is 15-20%. The return on equity for 2020 was 15.8% (2019: 14.2%). 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 2,000 is paid for 2020, corresponding to a dividend of DKK 1.12 per share. At the annual general meeting on 26 March 2020, it was decided to distribute dividend of tDKK 2,500 for 2019, corresponding to a dividend of DKK 1.25 thousand per share. The distribution of dividend has no tax implications for the company or the group.

Other reserves

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

(DKK 1,000)

14. EQUITY (continued)

Share capital	2020	2019	2020	2019
	Number of shares		Nominal value	
Issued shares, 1 January	2,000	2,000	2,000	2,000
Issued shares, 31 December	1,780	2,000	1,780	2,000

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

	2020	2019	2020	2019
	Number of shares		Voting rights	
Shares in class A	1,400	1,400	10	10
Shares in class B	380	600	1	1
Total	1,780	2,000		

Treasury shares	2020	2019	2020	2019	2020	2019
	Number of shares		Nominal value		% of share capital	
1. January	0	0	0	0	0.0%	0.0%
Acquisition	320	0	320	0	16.0%	0.0%
Sold	(100)	0	-100	0	-5.0%	0.0%
Deleted	(220)	0	-220	0	-11.0%	0.0%
Treasury shares 31.12	**0**	**0**	**0**	**0**	**0.0%**	**0.0%**

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

	2020	2019
Leasing debt	10,099	4,636
Short term debt	-1,454	-1,532
Long-term debt	**8,645**	**3,104**
Bank debt, short-term	796	7,559
Short term part of long term debt	1,454	1,532
Short-term debt	**2,251**	**9,091**

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

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

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

Financial year 2019	Interest	Currency	Duration years	Carrying amount
Leasing debt	3.0%	DKK/SEK	1-3	4,636
				4,636

16. DEBT OBLIGATIONS FROM FINANCING ACTIVITY

Financial year 2020	1/1	Cashflow	Recognition of lease liabilities	31/12
Leasing debt	4,636	-1,143	6,606	10,099
DEBT OBLIGATIONS FROM FINANCING ACTIVITY	**4,636**	**-1,143**	**6,606**	**10,099**

Financial year 2019				
Leasing debt	4,636	-5,071	5,071	4,636
DEBT OBLIGATIONS FROM FINANCING ACTIVITY	**4,636**	**-5,071**	**5,071**	**4,636**

17. CONTINGENT LIABILITIES

The group’s Danish entities 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

Security for the Group's debt to credit institutions has been issued by Mark Information A/S, cf. note 7 in the Parent Financial Statements (31 December 2019: collateral of tDKK 14,851 was issued).

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

19. FINANCIAL RISK & INSTRUMENTS

Financial year 2020

DKK1,000	Below 1 year	2-5 years	Above 5 years	Total
Lease obligations	1,454	4,991	3,654	10,099
Bank debt	796	0	0	796
Trade payables	2,275	0	0	2,275
Other contractual debt	5,147	0	0	5,147
TOTAL	**9,673**	**4,991**	**3,654**	**18,317**

Financial year 2019

DKK1,000	Below 1	2-5 years	Above 5	Total
Lease obligations	1,532	3,128	0	4,661
Bank debt	7,559	0	0	7,559
Trade payables	1,916	0	0	1,916
Other contractual debt	1,983	513	0	2,496
TOTAL	**12,990**	**3,642**	**0**	**16,632**

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 by note 15.

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

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

Credit risk

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

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

Liquidity risk

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

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	Principal shareholder

Consolidated financial statement

Below companies are included in the consolidated financial statement:

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

Information about parent companies consolidated financial statements

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

Transactions with key management personnel

Information about management renumeration appears in note 4. 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.

	2020	2019
Services and accomondation expenses to parent company Hantoc ApS	1,209	540
Interest costs to parent company Hantoc ApS	53	50
Receivables from group enterprises, long term	619	617
Receivables from group enterprises, short term	0	412
Debt to group companies	3,050	591

21. APPROVAL OF THE ANNUAL REPORT FOR PUBLICATION

The Board of Directors has on board meeting March 25th, 2021 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 25th, 2021.

22. NEW ACCOUNTING REGULATION

The following new or amended IFRS Standards and Interpretations of relevance to the Group became effective as of 1 January 2021:

• Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest rate benchmark reform – phase 2”
• Amendments to IFRS 4 “Insurance contracts”.

The amendment to IFRS 3 is expected to be adopted by the EU in early 2021. The Group will adopt the amendment when it becomes mandatory.

The implemented Standards, Improvements, Amendments and Interpretations listed above 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 2020.

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	2020	2019
Other external expenses		-358	-273
Staff cost		-148	-234
OPERATING PROFIT		**-506**	**-507**
Income from investments in subsidiaries		3,802	4,396
Financial expenses	2	-62	-110
PROFIT BEFORE TAX		**3,234**	**3,779**
Tax on profit for the year	3	125	136
PROFIT FOR THE YEAR		**3,359**	**3,915**

Profit for the year is attributable to:

Dividend to shareholders	2,000	2,500
Retained earnings	1,359	1,415
Total	**3,359**	**3,915**

PARENT COMPANY BALANCE SHEET

ASSETS

(DKK 1,000) 31 December	Note	2020	2019
Investments in subsidiaries	4	48,865	48,865
INVESTMENTS		**48,865**	**48,865**
NON-CURRENT ASSETS		**48,865**	**48,865**
Corporation tax receivable from group enterprises		125	136
RECEIVABLES		**125**	**136**
CASH		4	0
CURRENT ASSETS		**129**	**136**
TOTAL ASSETS		**48,994**	**49,001**

EQUITY AND LIABILITIES

(DKK 1,000) 31 December	Note	2020	2019
Share capital		1,780	2,000
Retained earnings		33,994	35,938
Proposed dividend for the year		2,000	2,500
EQUITY	5	**37,774**	**40,438**
Trade payables		90	75
Payables to group enterprises		10,991	8,254
Other payables		140	234
SHORT-TERM LIABILITIES		**11,220**	**8,563**
TOTAL LIABILITIES		**11,220**	**8,563**
TOTAL EQUITY AND LIABILITIES		**48,994**	**49,001**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

(DKK 1,000)	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity 1 January 2020	2,000	35,938	2,500	40,438
Transactions with owners:				
Share Capital reduction	-220	220	0	0
Acquisitions of treasury shares	0	-5,729	0	-5,729
Sales of treasury shares	0	1,806	0	1,806
Dividend paid	0	0	-2,500	-2,500
Dividend treasury shares	0	400	0	400
Transactions with owners	**-220**	**-3,303**	**-2,500**	**-6,023**
Profit for the year	0	1,359	2,000	3,359
Total comprehensive income	**0**	**1,359**	**2,000**	**3,359**
EQUITY 31 DECEMBER 2020	**1,780**	**33,994**	**2,000**	**37,774**

Financial year 2019

(DKK 1,000)	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity 1 January 2019	2,000	34,523	5,000	41,523
Transactions with owners:				
Dividend paid	0	0	-5,000	-5,000
Transactions with owners	**0**	**0**	**-5,000**	**-5,000**
Profit for the year	0	1,415	2,500	3,915
Total comprehensive income	**0**	**1,415**	**2,500**	**3,915**
EQUITY 31 DECEMBER 2019	**2,000**	**35,938**	**2,500**	**40,438**

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

Differences relative to the group's accounting policies

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

INCOME STATEMENT

Profit/loss from investments in subsidiaries

Dividends from subsidiaries are recognised in the parent company's income statement in the year in which the dividend is declared.

Tax

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

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

BALANCE SHEET

Investments in subsidiaries

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

Current and deferred taxes

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

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

(DKK 1,000)

2. FINANCIAL EXPENSES	2020	2019
Interest costs, banks and credit institutes	0	61
Interest expenses, group enterprises	62	49
FINANCIAL EXPENSES	**62**	**110**

3. CORPORATE TAX	2020	2019
Tax on profit for the year	-125	-136
Change in deferred tax	0	0
Tax adjustment relating to previous year	0	0
TAX FOR THE YEAR	**-125**	**-136**

4. INVESTMENTS IN GROUP ENTITIES

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

	Owner-ship share 2020	Owner-ship share 2019	Regi-stered office	Subsi-diary share capital Cur 000	Equity DKK 000	Result DKK 000
Mark Information Danmark A/S	100%	100%	Lyngby, Denmark	2,143	9,979	4,486
Mark Information Sverige AB	100%	100%	Solna, Sweden	600	1,089	50
Mark Information UK Ltd	100%	100%	Solihull, UK	450	2,297	973
Mark Information Norge AS	100%	100%	Oslo, Norge	90	1,557	772
Mark Information Development Srl.	100%	100%	Bucharest, Romania	45	434	131

4. INVESTMENTS IN GROUP ENTITIES (CONTINUED)

(DKK 1,000)

	2020	2019
Cost as at 1/1	48,865	52,759
Sale of shares in subsidiary	0	-3,894
Cost as at 31/12	**48,865**	**48,865**
Impairment losses as at 1/1	0	0
Impairment during the year	0	0
Amortisation and and impairment as at 31/12	0	0
CARRYING AMOUNT AS AT 31/12	**48,865**	**52,759**

5. EQUITY

Share capital	2020	2019	2020	2019
	Number of shares		Nominel value	
Issued shares, 1. January	2,000	2,000	2,000	2,000
Issued shares, 31. December	1,780	2,000	1,780	2,000

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

	2020	2019	2020	2019
	Number of shares		Voting rights	
Shares in class A	1,400	1,400	10	10
Shares in class B	380	600	1	1
	1,780	2,000		

Treasury shares	2020	2019	2020	2019	2020	2019
	Number of shares		Nominel value		% of share capital	
1. January	0	0	0	0	0.0%	0.0%
Acquisition	320	0	320	0	16.0%	0.0%
Sold	-100	0	-100	0	-5.0%	0.0%
Deleted	-220	0	-220	0	-11.0%	0.0%
Treasury shares 31.12	**0**	**0**	**0**	**0**	**0.0%**	**0.0%**

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.
Reference is also made to note 14 to the consolidated financial statement

6. CONTINGENT LIABILITIES

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

The company has issued a guarantee whereby it assumes primary liability for subsidiaries' debts to credit institutions. The subsidiaries' debts to the credit institutions in question amount to tDKK 796 at the balance sheet date.

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

7. COLLATERAL

As security for the company's and the subsidiaries' debts to credit institutions, tDKK 796, the company has charged its shares in the subsidiary Mark Information Danmark A/S, whose carrying amount is tDKK 44,638.