Mark Information A/S

Maglebjergvej 11, 2800 Lyngby

(CVR-NO 31 07 52 62)

2019 Annual report

This annual report has been adopted at the company`s annual general meeting on 26th March 2020

Torkel Baden Olrik
Chairman of the meeting

CONTENTS

COMPANY INFORMATION

Company

Mark Information A/S
Maglebjergvej 11
2800 Kgs. Lyngby

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

Board of directors

Erik Kjeld Kjær, Chairman
Arve Johan Andresen
Flemming Poulfelt
Morten Bruun Steiner

Executive board

Torkel Baden Olrik
Henrik Trolle
Morten Lassen Janum
Bo Køhlert

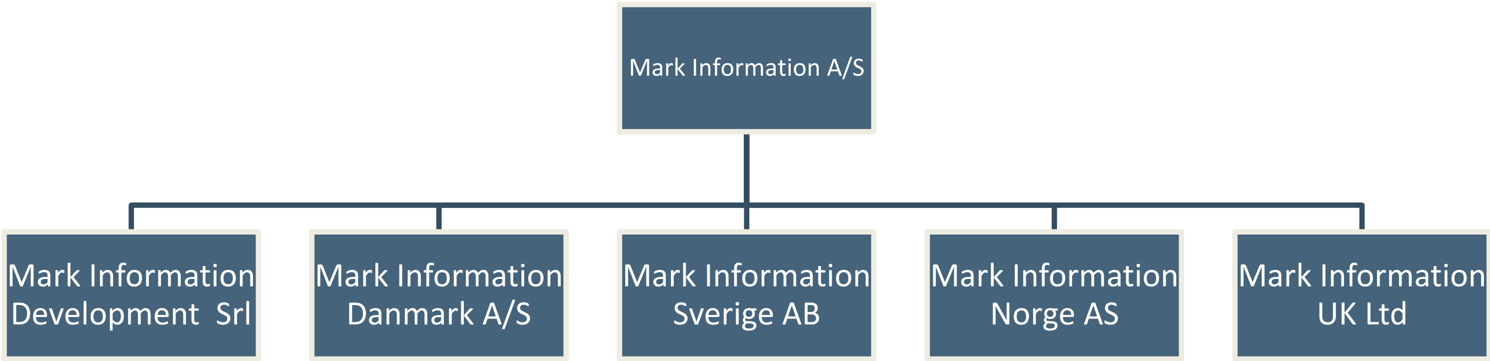
Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Bank

Nordea Danmark
Sydbank

GROUP STRUCTURE



STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

The board of directors and the executive board have today considered and approved the annual report of Mark Information A/S for the financial year 1 January - 31 December 2019.

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

In our opinion, the accounting policies applied are appropriate, and the consolidated financial statements and parent company financial statements give a true and fair view of the group's and the parent company's assets, liabilities and financial position at 31 December 2019 and of the results of the group's and the parent company's operations and the group's cash flows for the financial year 1 January - 31 December 2019.
In our opinion, Management`s Review includes a true and fair account of the matters addressed in the Review.

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

Kgs. Lyngby, 26th March 2020

Executive Board

Torkel Baden Olrik

Henrik Trolle

Morten Lassen Janum

Bo Køhlert

Board of Directors

Erik Kjeld Kjær
Chairman

Arve Johan Andresen

Flemming Poulfelt

Morten Bruun Steiner

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 2019 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2019 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 2019 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2019 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 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group ("financial statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

Copenhagen, 26th March 2020
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Gert Fisker Tomczyk	Steffen Kaj Pedersen
State Authorised Public Accountant	State Authorised Public Accountant
mne 9777	mne 34357

GROUP FINANCIAL HIGHLIGHTS

Key figures

DKK 1,000	2019	2018[1]	2017[1]	2016[1]	2015[1]
Profit					
Net revenue	62,099	59,051	58,086	57,312	57,128
Gross profit	53,855	50,773	49,989	49,556	48,775
EBITDA	9,647	6,658	5,507	6,931	7,469
EBIT	6,853	4,710	3,814	5,335	5,739
Net financial expenses	-451	-478	-378	-397	-377
Profit for the year	5,037	3,316	2,836	3,750	3,771
Balance sheet					
Total assets	58,461	62,997	62,610	53,886	53,066
Investments in tangible assets	405	767	1,117	1,353	2,046
Equity	35,408	35,333	34,646	33,875	32,540

[1]Comparative figures for 2015-2018 have not been re-stated to include IFRS16

Key ratios

	2019	2018	2017	2016	2015
Profitability					
Return on equity (ROE)	14.2%	9.5%	8.3%	11.3%	12.1%
Gross margin	86.7%	86.0%	86.1%	86.5%	85.4%
Operating margin	11.0%	8.0%	6.6%	9.3%	10.0%
Solvency					
Solvency ratio	60.6%	55.5%	55.3%	62.9%	61.3%
Other					
Average number of full-time employees	49	49	48	45	42

Definition of key ratios

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

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

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

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

Main activity

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

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

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

Financial performance in 2019 and outlook for 2020

In 2019, Mark Information realised a result above previous year. Revenue increased by tDKK 3,048 (plus 5.2%) to tDKK 62,099, and profit before tax increased by tDKK 2,170 (plus 51.3%) to tDKK 6,402.

The income statement for 2019 shows a profit of tDKK 5,037 against tDKK 3,316 in 2018. The increase relates to the increase in revenue whereas the total operating costs have been flat compared to last year.

The balance sheet as per 31 December 2019 shows an equity of tDKK 35,408 equivalent to an equity ratio of 60.6%, against tDKK 35,333 as per 31 December 2018, equivalent to an equity ratio of 55.5%.

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

Further, in 2019 the subsidiary Maglebjergvej 11 ApS was sold to the ultimate owner Hantoc ApS. The sale was conducted on arm's length terms.

For 2020, we expect growth in revenue and profits and generally a higher level of activity. However, the corona virus outbreak leads to an uncertainty regarding the growth possibilities on short term basis.

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 2019. Except for the Corona virus outbreak mentioned above.

In January 2020 the group has entered into a new rental agreement expiring in 2030 instead of the current rental agreement expiring in 2023. The new rental agreement will increase the line item Land and buildings as well as leasing liabilities with about 5,000 tDKK in the 2020 financial statements.

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME

(DKK 1,000)	Note	2019	2018
Net revenue	3	62,099	59,051
Direct cost		-8,244	-8,278
GROSS PROFIT		**53,855**	**50,773**
Other external expenses		-13,591	-12,867
Staff cost	4	-30,617	-31,247
OPERATING PROFIT BEFORE AMORTISATION		**9,647**	**6,658**
Amortisation and depreciation	5	-2,794	-1,948
OPERATING PROFIT		**6,853**	**4,710**
Financial expenses	6	-451	-478
PROFIT BEFORE TAX		**6,402**	**4,232**
Tax on profit for the year	7	-1,365	-916
PROFIT FOR THE YEAR		**5,037**	**3,316**
Consolidated statement of other comprehensive income:			
Profit for the year		5,037	3,316
Items that will be reclassified to income statement when certain conditions are meet:			
Currency translation differences, foreign enterprises		38	-130
TOTAL OTHER COMPREHENSIVE INCOME		**38**	**-130**
TOTAL COMPREHENSIVE INCOME		**5,075**	**3,186**
Total comprehensive income is attributable to:			
Shareholders of Mark Information A/S		5,075	3,186
Non-controlling interest		0	0
Total		**5,075**	**3,186**

CONSOLIDATED BALANCE SHEET

(DKK 1,000)	Note	2019	2018
Software, rights & contracts		10,363	8,663
Goodwill		26,367	26,367
INTANGIBLE ASSETS	**8,9**	**36,730**	**35,031**
Land and buildings		4,132	13,330
Operating equipment		1,100	1,316
PROPERTY, PLANT AND EQUIPMENT	**10**	**5,232**	**14,646**
Receivables from group entreprises		617	0
Other receivables		75	74
RECEIVABLES		**692**	**74**
NON-CURRENT ASSETS		**42,654**	**49,751**
INVENTORIES	**11**	**858**	**2,455**
Trade receivables	**12**	9,953	6,901
Other receivables		28	18
Receivables from group enterprises		412	0
Prepayments		1,024	1,285
RECEIVABLES		**11,417**	**8,203**
CASH		**3,531**	**2,588**
CURRENT ASSETS		**15,807**	**13,247**
TOTAL ASSETS		**58,461**	**62,997**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(DKK 1,000)	Note	2019	2018
Share capital		2,000	2,000
Reserve for foreign-exchange adjustments		-355	-393
Retained earnings		31,263	28,726
Proposed dividend for the year		2,500	5,000
EQUITY	**13**	**35,408**	**35,333**
Provisions for deferred tax	**7**	2,151	1,530
Credit institutions	**14**	0	8,760
Lease borrowings	**14**	3,104	616
Other payables		513	0
TOTAL NON-CURRENT LIABILITIES		**5,769**	**10,906**
Credit institutions	**14**	7,559	7,602
Lease borrowings	**14**	1,532	150
Trade payables		1,916	2,052
Corporate tax		246	170
Other payables		5,203	5,547
Debt to group enterprises		591	1,000
Deferred income		237	237
TOTAL CURRENT LIABILITIES		**17,284**	**16,758**
TOTAL LIABILITIES		**23,053**	**27,664**
TOTAL EQUITY AND LIABILITIES		**58,461**	**62,997**

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 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**

(DKK 1,000)	Share capital	Reserve for foreign-exchange adjustments	Retained earnings	Proposed dividend for the year	Total
Equity 1 January 2018	2,000	-263	30,409	2,500	34,646
Transactions with owners:					
Dividend paid	0	0	0	-2,500	-2,500
Transactions with owners	**0**	**0**	**0**	**-2,500**	**-2,500**
Profit for the year	0	0	-1,684	5,000	3,316
Other comprehensive income	0	-130	0	0	-130
Total comprehensive income	**0**	**-130**	**-1,684**	**5,000**	**3,186**
EQUITY 31 DECEMBER 2018	**2,000**	**-393**	**28,726**	**5,000**	**35,333**

CONSOLIDATED CASH FLOW STATEMENT

(DKK 1,000)	Note	2019	2018
Operating profit		6,853	4,710
Depreciation and amortisation		2,794	1,948
Adjustments for non-cash items		-38	-110
CASH FLOW FROM OPERATING PROFIT		**9,609**	**6,548**
Change in inventories		1,597	-481
Change in trade receivables		-3,053	1,421
Change in receivables from group enterprises		-412	0
Change in payables group enterprises		-409	1,000
Change in other receivables and prepayments		251	-110
Change in trade payables		-136	-633
Change in other payables and deferred income		246	1,421
CHANGE IN WORKING CAPITAL		**-1,915**	**2,617**
CASH FLOW BEFORE FINANCIALS & TAX		**7,693**	**9,165**
Financial cost paid		-451	-478
Paid taxes		-948	-763
FINANCIALS AND TAX		**-1,399**	**-1,241**
CASH FLOW FROM OPERATING ACTIVITIES		**6,295**	**7,924**
Purchase of tangible assets		-405	-767
Purchase of intangible assets		-3,169	-1,843
Sales of operating equipment		0	445
Sale of building		13,227	0
CASH FLOW FROM INVESTING ACTIVITIES		**9,653**	**-2,165**
FREE CASH FLOW		**15,947**	**5,759**
EXTERNAL FINANCING:			
Repayment of mortage loan		-4,985	-302
Repayment of long-term, bank debt		-5,125	-1,317
Repayment of lease, borrowings		-1,201	-906
Short term debt to credit institutions		1,306	135
Finance lease, borrowings		0	217
EXTERNAL FINANCING	**15**	**-10,005**	**-2,173**
SHAREHOLDERS:			
Dividends paid		-5,000	-2,500
CASH FLOW FROM FINANCING ACTIVITIES		**-15,005**	**-4,673**
CASH FLOW FOR THE YEAR		**943**	**1,086**
Cash and cash equivalents 1 January		2,588	1,502
CASH AND CASH EQUIVALENTS 31. DECEMBER		**3,531**	**2,588**
Cash at year end can be specified as:			
Cash		3,531	2,588
Total		**3,531**	**2,588**

NOTES

List of notes

1. ACCOUNTING POLICIES

Mark Information A/S is a public limited company domiciled in Denmark. The consolidated financial statements for 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for the annual reports of reporting class B entities, cf. the Danish Executive Order on Adoption of IFRSs issued pursuant to the Danish Companies Act.

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

Changes in accounting policies

The group has applied the following IFRS standards for the first time, with effect from 1 January 2019:

- IFRS 16: Leasing

Mark Information has adopted IFRS 16 Leases by the modified retrospective approach from 1 January 2019 and has therefore not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard.

The effect of the new accounting policy is disclosed in note 10. On adoption of IFRS 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was between 1.5-3.5%. For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability as at 31 December 2019.

When applying IFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts at 1 January 2019
- accounting for operating leases with a remaining lease term of less than 12 months at 1 January 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and

- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The group has also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered before the transition date the group relied on its assessment made applying IAS 17 determining whether an Arrangement contains a Lease or not.

Due to the IFRIC interpretation of classification of credit facilities cf. IAS 7, the classification of the company's credit facility, previous presented in the cash flow statement, has been changed. Comparatives has also been adjusted. Thus, the credit facility is no longer classified as part of cash and cash equivalents in the cash flow statement

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.

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%
Buildings	5-10 years	0%
Other fixtures and fittings, tools and equipment	3 - 5 years	0-30%
Right-of-use assets	1 – 3 years	0%

Land is not depreciated.

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

Net financials

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

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

Balance sheet

Goodwill

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

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

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

Other intangible assets

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

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

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

Property, plant and equipment

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

Cost comprises the purchase price, any costs directly attributable to the acquisition and any preparation costs incurred until the date when the asset is available for use.

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 so as to ensure that reliable and relevant information is provided.

The following accounting estimates and judgements have had the most significant effect on the consolidated financial statements for 2019:

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 9.

Carrying amount as at 31 December 2019: tDKK 26,367 (31 December 2018: tDKK 26,367)

(DKK 1,000)

3. NET REVENUE

Activities	2019	2018
Maintenance	31,544	29,994
Services	16,437	15,965
Software	8,107	7,112
Hardware	6,011	5,980
TOTAL	**62,099**	**59,051**

4. STAFF RELATIONS

	2019	2018
Wages and salaries	27,102	27,450
Defined contribution plans	956	1,094
Other social security costs	1,285	1,328
Other staff related cost	1,274	1,375
TOTAL	**30,617**	**31,247**
Average number of employees	49	49

These amounts include remunerations to key management personnel:

Financial year 2019

	Parent companys board	Parent companys directors
Wages and fees	234	4,248
Defined contribution plans	0	215
TOTAL	**234**	**4,463**

Financial year 2018

	Parent companys board	Parent companys directors
Wages and fees	190	4,905
Defined contribution plans	0	235
TOTAL	**190**	**5,140**

(DKK 1,000)

5. AMORTISATION AND DEPRECIATION	2019	2018
Amortisation of other intangible assets	1,469	1,069
Depreciation of property, plant and equipment	1,325	838
AMORTISATION AND DEPRECIATION	**2,794**	**1,908**

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

6. FINANCIAL EXPENSES	2019	2018
Interest costs, banks and credit institutes	251	367
Other interest costs	103	48
Net exchange rate loss	96	63
FINANCIAL EXPENSES	**451**	**478**

(DKK 1,000)

7. CORPORATE TAX	2019	2018
Tax on profit for the year	882	656
Change in deferred tax	483	260
Tax adjustment relating to previous year	0	0
TAX FOR THE YEAR	**1,365**	**916**

Tax of the years continued activities	2019	2018
Calculated tax 22%	1,408	931
Effect from different tax rate in other countries	(18)	-12
Tax effect from non-deductable cost	-	1
Tax effect from unrecognized tax losses	(141)	-75
Tax adjustment relating to previous year	116	71
Tax	**1,365**	**916**
Effective tax rate	**21.3%**	**21.6%**

PROVISIONS FOR DEFERRED TAX	2019	2018
Deferred tax 1 January	1,530	1,456
Change in deferred tax	483	260
Change in deferred tax, business combinations	-106	-106
Other adjustments	244	-80
PROVISION FOR DEFERRED TAX	**2,151**	**1,530**

Specification of deferred tax	2019	2018
Intangible assets	2,280	1,906
Tangible assets	-80	-350
Tax losses from previous years	-426	-1,162
Current assets	-49	0
Re-taxation account from joint taxation	426	1,154
Unrecognized items, net	0	-18
PROVISIONS FOR DEFERRED TAX	**2,151**	**1,530**

Provisions for deferred tax recognized in the balance sheet:	2019	2018
Deferred tax assets	-13	-26
Deferred tax obligations	2,164	1,556
PROVISIONS FOR DEFERRED TAX	**2,151**	**1,530**

Deferred tax continued

Unrecognized deferred tax assets of tDKK 460 (2018: tDKK 1,162) 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)

8. INTANGIBLE FIXED ASSETS	Assets under construction	Software Rights & Contracts	Goodwill
Financial year 2019			
Cost as at 1/1-2019	1,610	13,439	26,367
Additions	2,824	345	-
Disposal	-	-	-
Transferred	(4,434)	4,434	-
Cost as at 31/12-2019	**-**	**18,218**	**26,367**
Amortisation and impairment losses as at 1/1-2019	-	6,386	-
Amortisation during the year	-	1,469	-
Amortisation of assets disposed of	-	-	-
Amortisation and impairment as at 31/12-2019	**-**	**7,855**	**-**
CARRYING AMOUNT AS AT 31/12-2019	**-**	**10,363**	**26,367**
Financial year 2018			
Cost as at 1/1-2018	-	13,206	26,367
Additions	1,610	233	-
Disposal	-	-	-
Cost as at 31/12-2018	**1,610**	**13,439**	**26,367**
Amortisation and impairment losses as at 1/1-2018	-	5,316	-
Amortisation during the year	-	1,070	-
Amortisation of assets disposed of	-	-	-
Amortisation and impairment as at 31/12-2018	**-**	**6,386**	**-**
CARRYING AMOUNT AS AT 31/12-2018	**1,610**	**7,053**	**26,367**

9. 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 budget periods (terminal period), cash flows in the latest budget period have been projected using the expected growth rate.

The group's budgets and forecasts for the next five years, and thus the recoverable amounts of the cash-generating unit, are significantly affected by management's growth expectations for the period until 2025.

The growth rate of 5% is based on the company's 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:

	2019	2018
Average yearly increase in revenue in the 5-year budget period	5%	1%
Discount rate	7%	7%
Growth in the terminal period	1%	0.5%

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

(DKK 1,000)

10. PROPERTY, PLANT & EQUIPMENT	Land & buildings	Operating equipment & furniture
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
Financial year 2018		
Cost as at 1/1-2018	15,588	4,271
Additions	142	625
Disposals	0	-1,152
Exchange rate adjustments	0	-32
Cost as at 31/12-2018	**15,730**	**3,712**
Depreciation as at 1/1-2018	2,213	2,360
Depreciation for the year	187	651
Reversal related to disposals	0	-643
Exchange rate adjustments	0	28
Depreciation as at 31/12-2018	**2,400**	**2,396**
CARRYING AMOUNT AS AT 31/12-2018	**13,330**	**1,316**
Carrying amount of leased assets		767

As of 1 January 2019, the group implemented IFRS 16 and recognised right-of-use assets at tDKK 592. During the year additions amounted to tDKK 4.479 and depreciation to tDKK 621.
Interest expense related to the leasing liabilities amounts to tDKK 30 in 2019.
Short term leases amounts to tDKK 254 which are recognised as other external expenses in the income statement.
For disclosures of the lease liabilities, please refer to note 14.

The following is a reconciliation of total operating lease commitments at 31 December 2018 to the lease liabilities recognised at 1 January 2019

Operating lease commitments disclosed at 31 December 2018	**610**
Discounted using the incremental borrowing interest rate of 3%	-18
Lease Liability at 1 January 2019	**592**

(DKK 1,000)

11. INVENTORIES

	2019	2018
Finished goods and goods for resale	858	2,455
Write-downs of inventory by the end of the year	-198	-389

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

12. TRADE RECEIVABLES

	2019	2018
Receivables from sale of goods and services	8,891	6,522
Contractual assets	1,108	470
Provisions for bad debt	-46	-91
TRADE RECEIVABLES	**9,953**	**6,901**

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 2019 means that receivables are measured at fair value.

	2019	2018
Provisions for bad debt as at 01.01	91	91
Provision made in the year	0	0
Actual loss	-45	0
Reversed provisions	0	0
PROVISIONS AS AT 31.12	**46**	**91**

Due but not impaired receivables:	2019	2018
Due below 30 days	2,281	1,637
From 31 - 60 days	1,017	356
Above 60 days	1,483	618
TOTAL	**4,781**	**2,611**

13. 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 2019, the equity ratio was 60.6% (31 December 2018: 55.59%). The target for the return on equity is 15-20%. The return on equity for 2019 was 14.0% (2018: 9.8%). The company is focusing to increase profitability in its foreign subsidiaries to meet the target of 15-20% return on equity. It is company policy to distribute the main part of profits after tax for each year, taking into consideration the company's financial position, interests and strategy.

Dividend

It is recommended that ordinary dividend of tDKK 2,500 is paid for 2019, corresponding to a dividend of DKK 1.25 per share. At the annual general meeting on 26 March 2019, it was decided to distribute dividend of tDKK 5,000 for 2018, corresponding to a dividend of DKK 2.50 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.

13. EQUITY (continued)

Share capital	**2019**	**2018**	**2019**	**2018**
	Number of shares		Nominel value	
Issued shares, 1 January	2,000	2,000	2,000	2,000
Issued shares, 31 December	2,000	2,000	2,000	2,000

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

	2019	**2018**	**2019**	**2018**
	Number of shares		Voting rights	
Shares in class A	1,400	1,400	10	10
Shares in class B	600	400	1	1
Shares in class C	0	200	None	None
Total	2,000	2,000		

(DKK 1,000)

14. CREDIT INSTITUTIONS

	2019	2018
Mortgage loan	0	4,985
Leasing debt	4,636	766
Bank debt, long-term	0	5,125
Short term debt	-1,532	-2,116
Long-term debt	**3,104**	**8,760**
Bank debt, short-term	7,559	6,253
Short term part of long term debt	1,532	2,116
Short-term debt	**9,091**	**8,368**

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

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

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

Financial year 2018	Interest	Currency	Duration years	Carrying amount
Mortage loan (fixed interest rate until 01.04.19)	0.12%	DKK	16	4,985
Bank debt, long-term	2.50%	DKK	2	3,750
Bank debt, long-term	2.50%	DKK	18	1,375
Leasing debt	1.5-3.5%	DKK/SEK/NOK	1-3	766
				10,876

(DKK 1,000)

15. DEBT OBLIGATIONS FROM FINANCING ACTIVITY

Financial year 2019	1/1	Cashflow	Recognition of lease liabilities	31/12
Mortage loan	4,985	-4,985	-	0
Leasing debt	766	-1,201	5,071	4,636
Bank debt, long-term	5,125	-5,125	-	0
DEBT OBLIGATIONS FROM FINANCING ACTIVITY	**10,876**	**-11,310**	**5,071**	**4,636**

Financial year 2018	1/1	Cashflow	Recognition of lease liabilities	31/12
Mortage loan	5,287	-302	-	4,985
Leasing debt	1,455	-689	-	766
Bank debt, long-term	6,442	-1,317	-	5,125
DEBT OBLIGATIONS FROM FINANCING ACTIVITY	**13,184**	**-2,308**	**-**	**10,876**

16. 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.

17. COLLATERAL

No security for debts to mortgage credit institutions exist at 31 December 2019 (31 December 2018: As security for debts to mortgage credit institutions of tDKK 4,985, land and buildings with a carrying amount of tDKK 13,330 have been pledged).

As security for the Group's debt to credit institutions, collateral of tDKK 14,851 has been issued (31 December 2018: tDKK 12,620).

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

18. FINANCIAL RISK & INSTRUMENTS

Financial year 2019

DKK1,000	Below 1 year	2-5 years	Above 5 years	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**

Financial year 2018

DKK1,000	Below 1	2-5 years	Above 5	Total
Mortage debt	410	1,640	3,690	5,740
Bank debt, long-term facilities	1,434	2,980	1,187	5,601
Financial leasing obligations	501	288	0	789
Bank debt	6,252	0	0	6,252
Trade payables	2,052	0	0	2,052
Other contractual debt	2,631	0	0	2,631
TOTAL	**13,279**	**4,908**	**4,877**	**23,064**

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 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)

19. 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
Maglebjergvej 11 ApS	Lyngby, Denmark	100% Subsidiary until 31 August 2019

Information about parent companies consolidated financial statements

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

Transactions with key management personnel

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

Transactions with other related parties.

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

	2019	2018
Services from parent company Hantoc ApS	540	393
Receivables from group enterprises, long term	617	0
Receivables from group enterprises, short term	412	0
Debt to group companies	591	1,000

20. APPROVAL OF THE ANNUAL REPORT FOR PUBLICATION

The Board of Directors has on board meeting March 26th, 2020 approved the present annual report for publication. The annual report is presented to Mark Information A/S' shareholders for approval at the Annual General Meeting on March 26th, 2020.

21. NEW ACCOUNTING REGULATION

The following new or amended IFRS Standards and Interpretations of relevance to the Group became effective as of 1 January 2020:

- Amendments to IAS 1 and IAS 8 “Definition of Material”.
- Amendments to IFRS 3 “Business Combinations”.
- Amendments to “References to the Conceptual Framework in IFRS Standards”.
- Interest rate benchmark reform (Amendments to IFRS 9, IAS 39 and IFRS 7).

The amendment to IFRS 3 is expected to be adopted by the EU in early 2020. 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 2019.

22. 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)	Note	2019	2018
Other external expenses		-273	-166
Staff cost		-234	-190
OPERATING PROFIT		**-507**	**-356**
Income from investments in subsidiaries		4,396	2,700
Financial expenses	2	-110	-137
PROFIT BEFORE TAX		**3,779**	**2,207**
Tax on profit for the year	3	136	108
PROFIT FOR THE YEAR		**3,915**	**2,315**

Profit for the year is attributable to:

Dividend to shareholders	2,500	5,000
Retained earnings	1,415	-2,685
Total	**3,915**	**2,315**

MARK

PARENT COMPANY BALANCE SHEET

(DKK 1,000)	Note	2019	2018
Investments in subsidiaries	4	48,865	52,759
INVESTMENTS		**48,865**	**52,759**
NON-CURRENT ASSETS		**48,865**	**52,759**
Corporation tax receivable from group enterprises		136	108
RECEIVABLES		**136**	**108**
CASH		0	35
CURRENT ASSETS		**136**	**143**
TOTAL ASSETS		**49,001**	**52,902**

EQUITY AND LIABILITIES

(DKK 1,000)	Note	2019	2018
Share capital		2,000	2,000
Retained earnings		35,938	34,523
Proposed dividend for the year		2,500	5,000
EQUITY	5	**40,438**	**41,523**
Provision for deferred tax		0	0
Credit institutions		0	3,750
TOTAL NON-CURRENT LIABILITIES		**0**	**3,750**
Trade payables		75	114
Payables to group enterprises		8,254	7,325
Other payables		234	190
SHORT-TERM LIABILITIES		**8,563**	**7,629**
TOTAL LIABILITIES		**8,563**	**11,379**
TOTAL EQUITY AND LIABILITIES		**49,001**	**52,902**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

(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**

Financial year 2018

(DKK 1,000)	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity 1 January 2018	2,000	37,208	2,500	41,708
Transactions with owners:				
Dividend paid	0	0	-2,500	-2,500
Transactions with owners	**0**	**0**	**-2,500**	**-2,500**
Profit for the year	0	-2,685	5,000	2,315
Total comprehensive income	**0**	**-2,685**	**5,000**	**2,315**
EQUITY 31 DECEMBER 2018	**2,000**	**34,523**	**5,000**	**41,523**

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	**2019**	**2018**
Interest costs, banks and credit institutes	61	103
Interest expenses, group enterprises	49	35
FINANCIAL EXPENSES	**110**	**137**

3. CORPORATE TAX	**2019**	**2018**
Tax on profit for the year	-136	-108
Change in deferred tax	0	0
Tax adjustment relating to previous year	0	0
TAX FOR THE YEAR	**-136**	**-108**

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 2019	Owner-ship share 2018	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	8,243	4,832
Maglebjergvej 11 ApS until 31 August 2019	0%	100%	Lyngby, Denmark	0	0	0
Mark Information Sverige AB	100%	100%	Solna, Sweden	600	2,032	-58
Mark Information UK Ltd	100%	100%	Solihull, UK	450	1,438	614
Mark Information Norge AS	100%	100%	Oslo, Norge	90	833	225
Mark Information Development Srl.	100%	100%	Bucharest, Romania	45	356	130

4. INVESTMENTS IN GROUP ENTITIES (CONTINUED)

(DKK 1,000)

	2019	2018
Cost as at 1/1	52,759	52,723
Additions	0	36
Sale of shares in subsidiary	-3,894	0
Cost as at 31/12	**48,865**	**52,759**
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	**2019**	**2018**	**2019**	**2018**
	Number of shares		Nominel value	
Issued shares, 1. January	2,000	2,000	2,000	2,000
Issued shares, 31. December	2,000	2,000	2,000	2,000

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

	2019	**2018**	**2019**	**2018**
	Number of shares		Voting rights	
Shares in class A	1,400	1,400	10	10
Shares in class B	600	400	1	1
Shares in class C	0	200	None	None
	2,000	2,000		

6. CONTINGENT LIABILITIES

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

The company has issued a guarantee whereby it assumes primary liability for subsidiaries' debts to credit institutions. The guarantee is capped at tDKK 9,000. The subsidiaries' debts to the credit institutions in question amount to tDKK 7,559 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 7,559, the company has charged its shares in the subsidiary Mark Information Danmark A/S, whose carrying amount is tDKK 44,638.