

ProData Consult A/S

Stamholmen 157, 5., DK-2650 Hvidovre

Business registration no. 26 24 96 27

Annual report 2019

Approved at the Company's annual general meeting on 10 March 2020

Chairman:

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Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of ProData Consult A/S for the financial year 1 January - 31 December 2019.

The annual report 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 of the Group and the Parent Company at 31 December 2019 and of the results of their operations and consolidated cash flows for the financial year 1 January - 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters, the results for the year and the Group's and the Parent Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Hvidovre, 10 March 2020

Executive Board:

.....
Søren Nordal Rode

Board of Directors:

.....
Agner Nørgaard Mark
Chairman

.....
Anders Gratte

.....
Susann Johanna Kristina
Selenius-Larsson

.....
Rune Lillie Gornitzka

.....
Bente Overgaard

.....
Jens Kyhnæb

Independent auditor's report

To the shareholder of ProData Consult A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of ProData Consult A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for both the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are 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 of the Group and the Parent Company at 31 December 2019 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and 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 as to 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 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 the financial statements.

Independent auditor's report

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- ▶ Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Independent auditor's report

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

Copenhagen, 10 March 2020
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jan C. Olsen
State Authorised
Public Accountant
mne33717

Anders Flymer-Dindler
State Authorised
Public Accountant
mne35423

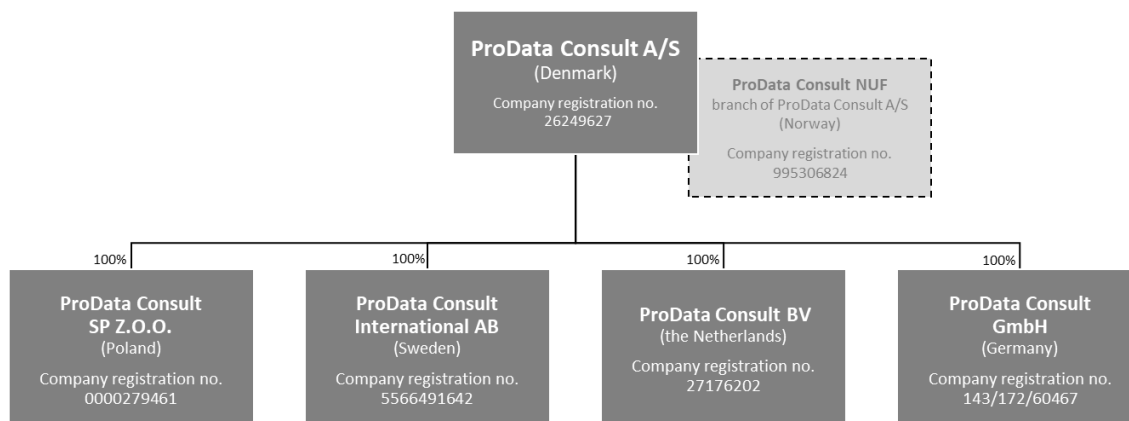
Management's review

Company details

Name	ProData Consult A/S
Address	Stamholmen 157, 5 th floor, DK-2650 Hvidovre, Denmark
Business registration number (CVR)	26 24 96 27
Established	21 September 2001
Registered office	Hvidovre
Financial year	1 January - 31 December
Website	www.prodata.dk www.konsulenter.dk
Board of Directors	Agner Nørgaard Mark, Chairman Anders Gratte Susann Johanna Kristina Selenius-Larsson Rune Lillie Gornitzka Bente Overgaard Jens Kyhnæb
Executive Board	Søren Nordal Rode
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Dirch Passers Alle 36, DK-2000 Frederiksberg, Denmark

Management's review

Group chart



Financial highlights for the Group

In DKK thousand	2019*	2018**	2017**	2016**	2015**
Key figures					
Revenue	1,022,310	956,698	910,314	693,332	463,341
Gross profit	148,106	127,441	109,509	96,414	73,240
Operating profit (EBITDA)	80,118	63,952	44,133	50,062	37,189
Profit from ordinary activities	58,763	52,957	33,115	41,978	34,324
Loss from net financials	-3,678	-1,717	-2,060	-1,963	-864
Profit before tax	55,085	51,240	31,055	40,015	33,460
Profit for the year	41,002	37,544	21,535	29,352	24,863
Total assets	321,323	307,791	294,922	243,195	140,205
Portion relating to investments in items of property, plant and equipment	3,900	2,749	5,692	4,834	2,455
Equity	102,630	64,123	50,782	51,980	37,308
Cash flows from operating activities	66,654	53,084	12,118	42,395	20,094
Cash flow from investing activities	-10,017	-7,320	-26,608	-47,533	-1,946
Cash flows from financing activities	-66,923	-21,080	-2,448	-12,861	-15,795
Total cash flows	-10,286	24,684	-16,938	-17,999	2,353
Financial ratios					
Return on equity	49.2%	65.3%	41.9%	65.7%	78.9%
Gross margin	14.5%	13.3%	12.0%	13.9%	15.8%
EBITDA margin	7.8%	6.7%	4.8%	7.2%	8.0%
Profit margin	4.0%	3.9%	2.4%	4.2%	5.4%
Rate of return	18.7%	17.6%	12.3%	21.9%	28.0%
Equity ratio	31.9%	20.8%	17.2%	21.4%	26.6%
Average number of full-time employees	141	118	127	110	77

Financial ratios are calculated as presented in the accounting policies.

* The figures comprise the effect of the interpretation of IFRS 16 and IFRS 15, refer to note 1.

** The figures do not comprise the effect of the interpretation of IFRS 16 and IFRS 15.

Management's review

ProData Consult A/S Group conducts activities within IT and related consultancy services.

ProData Consult A/S Group (the Group) is one of the largest suppliers of senior business, management and IT consultants within the Group's segment and region. The Group services a range of industries, including finance, IT, energy, telecom, media and transport in addition to the public sector, and has particularly strong presence and domain knowledge within the financial sector.

The Group is a consulting company characterised by high-end consultants, competitive pricing, flexibility, quick delivery, security and stability as well as the highest standards of IT and management competencies.

The Group's mission:

"To help clients with their business and IT needs by delivering uncompromising quality"

The Group offers a wide range of benefits and services, including:

- ▶ IT consulting
- ▶ Business and management consulting
- ▶ Nearshoring in Poland
- ▶ Vendor management services
- ▶ Managed services.

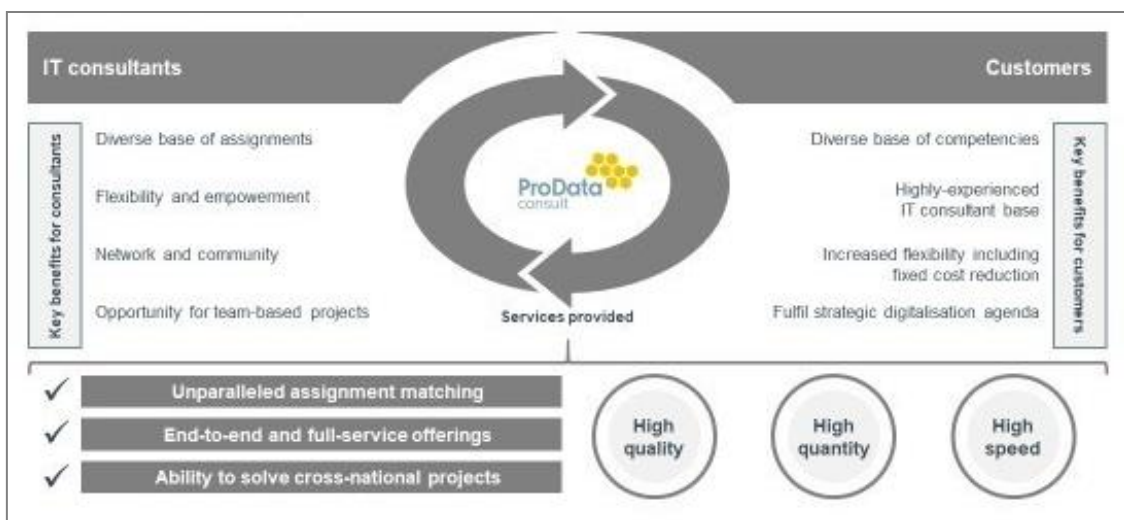
As one of the largest providers of on-site and nearshore time and material-based senior IT, business and management consultancy in Northern Europe, the core business of the Group is to help customers scale up with the exact expert resources needed at the exact time and at the exact location.

Presence

The Group is headquartered in Copenhagen, Denmark and has additional offices in Aarhus (Denmark), Aalborg (Denmark), Malmo (Sweden), Stockholm (Sweden), Oslo (Norway), Munich (Germany), Warsaw (Poland), Cracow (Poland), Lodz (Poland) and The Hague (the Netherlands).

Business model

The Group's extensive national and international network of senior business and IT consultants is what enables it to identify the right consultant for the job, matching the customer's needs.



Management's review

Strategy

In 2018, the Group partnered with Polaris, a leading Nordic private equity firm, to support the Group in building a strong platform and infrastructure capable of accelerating our growth ambitions. The overall strategy is to:

- ▶ maintain and strengthen the Group's market-leading position in Denmark within its core business, i.e. delivery of high-end business and IT consultancy services on a time and material basis
- ▶ establish a top position in one of its other current geographical markets
- ▶ become the market leader in delivering competitive high-end nearshoring services within the Group's main markets
- ▶ invest in, develop and strengthen the organisation, platforms and systems in all main areas in order to offer the best possible IT systems and platforms to consultants and customers.

Business review

In 2019, the group invested in laying the foundations for future organic and acquisitive growth. In this regard, management focused on the following initiatives:

Denmark

The Group invested substantially in specialized bidding management and solution-selling employees, a business intelligence specialist, and Group management functions.

New customer relationships with four OMX C25 companies and three financial institutions were established. Churn rate for major customers was 0.

Underlying customer portfolio growth in Denmark was +10%, adjusted for a decrease in one major account.

The Group saw strong continued growth in Nearshore-as-a-Service deliveries to the Danish market, with the addition of three new OMX C25 clients at our Nearshore Center in Warsaw.

Poland

Substantial investments have been made in the Polish organisation and the service platform to ensure that the Group can continue to keep pace with high growth rates and to offer customers one of the best and most professional (nearshore) offerings available. In 2019 the Group created a sustainable and scalable organizational, physical and technical set-up that can service customers of any size and that lives up to the highest possible requirements.

New nearshore customer relationships with six Scandinavian companies were established. Churn rate for major customers was 0. Realised growth in revenue for our nearshore services was 43% in local currency.

On the domestic Polish market, the Group won attractive tenders. Realised growth for local sales was 26% in local currency.

Sweden

The acquisition of Sourcing Network, the fastest-growing Stockholm-based tech and management consultancy, was closed in February 2020.

Taken in addition to the Group's existing business, this acquisition has established a strong market position for the Group in Sweden. Sourcing Network's revenue amounted to SEK 352 million in 2019 with a realised revenue growth of 32%.

Two new Swedish customers were on-boarded at our nearshore center in Warsaw, and the Group sees an increasing demand for this service on the Swedish market.

Realised organic growth in Sweden was 5% in local currency.

Management's review

Norway

The Norwegian branch succeeded in growing organically by +40% in local currency.

In addition to growth in local on-site consultancy, several Norwegian customers were on-boarded at our Nearshore Center in Warsaw, and the Group continues to see high demand for this service on the Norwegian market.

Investments were made to strengthen the Norwegian operation, primarily to improve the ability to scale delivery.

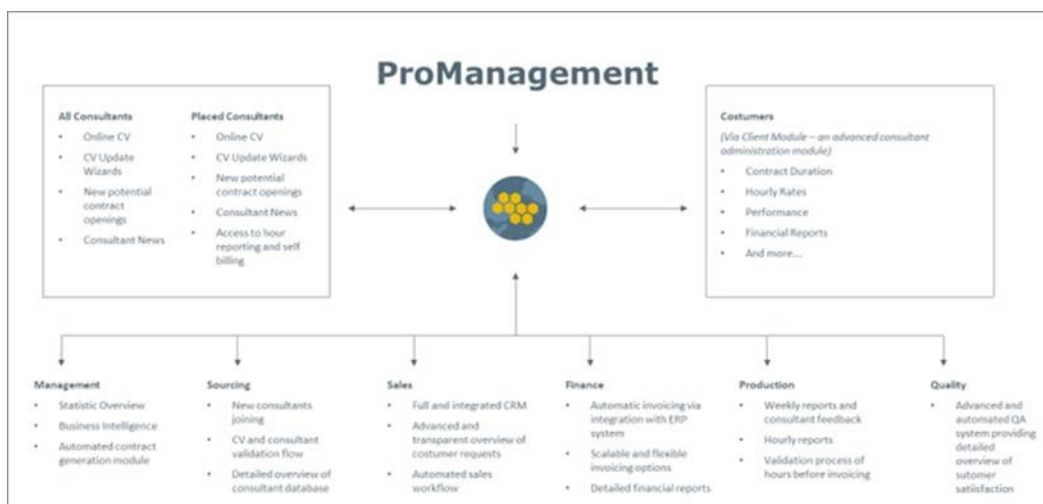
In January 2020 the Norwegian branch won one of the largest public RFP's in Norway, the Sykehusinnkjøp tender, which marked a breakthrough on the Norwegian market.

Digitization and data

The Group considers IT to be a key strategic lever. The Group's business model is supported by ProManagement, an industry-leading, differentiating and in-house built IT platform. The platform makes it possible for the company to scale its services fast and efficiently - and to make cross-border cooperation between group entities seamless and effective. The Group's ambition is to consistently provide the best IT platforms to all stakeholders, i.e. customers, consultants and employees of the Group.

In 2019 substantial investments were made in the Group's IT systems, and the following were launched:

- ▶ Updated consultant CV engine
- ▶ Automated marketing platform
- ▶ Scalable IT development and governance platform
- ▶ HR platform
- ▶ Cloud-enabled IT infrastructure
- ▶ Self-billing functionality rolled out to all subsidiaries



Management's review

In 2020 the Group will launch:

- ▶ New multi-vendor consultant procurement system for customers ("ProcureHub")
- ▶ Upgraded version 2.0 of our consultant App
- ▶ Upgraded version 2.5 of our popular consultant administration module for customers
- ▶ New and significantly updated consultant CV site
- ▶ A business intelligence platform

Compliance and certification

It is a priority for the Group to offer our customers the highest level of security and contingency as well as guaranteeing proper and ethical usage of stored data thus protecting both customers, consultants and the Group itself.

To this end, the Group has made significant investments in compliance processes and the certifications ISAE3000 (GDPR), ISO 9001 and ISAE3402 (Operations):

- ▶ The Group attained the official ISAE3000 (GDPR) declaration in March 2019.
- ▶ The Group attained ISO 9001 for the Dutch operation in September 2019.
- ▶ The group is working to attain an ISAE3402 (ISO 27001) declaration for nearshore services in Q1 2020.

Financial review

Group

The Group's revenue amounted to DKK 1,022.3 million, equivalent to an increase of 7% over Group revenue of DKK 956.7 million in 2018.

EBITDA amounted to DKK 80.1 million (2018: DKK 63.9 million) and EBIT was DKK 58.8 million (2018: DKK 53.0 million). Management considers the result satisfactory.

Shareholders' equity amounted to DKK 102.6 million (31 December 2018: DKK 58.5 million), and consolidated total assets to DKK 321.3 million (31 December 2018: DKK 307.8 million).

In 2019, the Group implemented IFRS 16, which affected operating profit (EBITDA) by DKK +10.4 million, profit before tax by DKK -1.2 million, right-of-use assets by DKK +42.4 million and lease liabilities by DKK +43.6 million. Further details are described in note 1.

Parent

The Company's revenue amounted to DKK 785.7 million in 2019 (2018: DKK 776.8 million). EBITDA amounted to DKK 55.7 million (2018: DKK 52.8 million) and EBIT was DKK 46.8 million (2018: DKK 45,7 million). The Company's equity amounted to DKK 102.6 million per 31 December 2019 (31 December 2018: DKK 58.5 million).

In 2019 the Company acquired shares from minorities in the Netherlands and Poland. All subsidiaries are now fully owned by the Company.

Besides the above, there are no other relevant issues regarding the parent company not mentioned in management's review for the Group.

Outlook

In 2020, the Group expects organic and acquisitive growth of over 25% in revenue and over 20% in EBITDA. There will be a continuous focus on the cost base in order to ensure the reasonable, carefully managed development of the Group.

Management's review

Matters affecting the financial statements

There have been no unusual circumstances which should be referred to in relation to the accounts.

Branch abroad

ProData Consult NUF (branch of ProData Consult A/S), 1556 Son, Norway.

Ownership and capital structure

ProData Consult A/S (the Company) is fully owned by ProData BidCo A/S. Polaris, a Nordic private equity firm, is the ultimate majority shareholder with approx. 57%. The remaining shares are directly or indirectly owned by executive management, employees and the Board of Directors.

The following additional ultimate shareholders own more than 5% of the share capital:

- ▶ Rode Invest ApS, CVR no. 25 94 44 29
- ▶ Hammerskov Invest ApS, CVR no. 26 24 58 85.

The Company's equity consists of one class of shares, and the loan capital consists of bank debt provided by Danske Bank.

Management finds the current capital structure to be appropriate and to provide the necessary financial flexibility in the Group to support the strategy.

Polaris is a member of the Danish Venture and Private Equity Association (DVCA) and is in compliance with the DVCA guidelines. Please see www.dvca.dk. These guidelines, published in June 2015, recommend a thorough review, in particular with regard to corporate governance, financial risks, employee relations and strategy. As a private equity-owned company, the Group's practices and policies are in accordance with these recommendations.

Financial resources

At year end 2019, cash and non-utilised drawing facilities in credit institutions amounted to approx. DKK 85 million.

Risks

Market risks

The Group's services are primarily aimed at the banking, finance, IT, energy, telecom, media and transport industries as well as the public sector. Economic developments in these industries and the public sector may affect the financial results.

Currency risks

The Group is exposed to currency fluctuations, mainly from PLN, SEK, NOK and EUR. The combined risk is currently at a level at which hedging is not deemed financially viable.

Exchange rate fluctuations related to the translation of the result and intercompany balance of foreign subsidiaries at the balance sheet date constitute a risk. The Group does not hedge this type of risk.

Interest rate risks

The Group's senior debt (in ProData BidCo A/S) and credit lines in the Group are based on a floating interest rate, and in order to mitigate increases, the Group has entered into an agreement that caps the interest rate relating to 2/3 of the senior debt for the period until December 2021.

Credit risks

The Group's credit risks relate to trade receivables included in the balance sheet.

Management's review

Employee risk

Having the right competencies with adequate experience is vital. Therefore, it is important that the Group continues to attract, retain and develop skilled employees. Failure to do so has the potential to negatively impact the expected development of the Group.

Supplier risk

Having access to the right competencies with adequate experience is vital. Therefore, it is important that the Group continues to attract and retain the best knowledge resources. Failure to do so has the potential to negatively impact the expected development of the Group.

IT risk

The Group depends on information technology to manage critical business processes, such as sales, sourcing, administrative and financial functions. The Group uses IT systems for internal purposes and externally for its customers and consultants. Extensive disruption of IT systems could have a negative effect on the Group's operations.

Knowledge resources

The Group is constantly competing to attract and retain the best knowledge resources in the market for business and IT-related development, operations and management.

Despite the fierce competition, the Group is experiencing increases in the number of applicants with the necessary competencies.

Internally, the common IT platform ensures the combined knowledge of the Group's employees is shared and documented to the largest possible extent in the system. The Group's vulnerability to losses related to the individual knowledge of employees is therefore assessed as limited.

Statutory report on Corporate Social Responsibility

The scope of the Group's CSR commitment

The Group's commitment to corporate social responsibility is founded on respect for internationally recognised principles for sustainable development, human rights (including labour rights), the environment, business ethics and the UN Global Compact principles as expressed in the UNGPs/OECD Guidelines. This commitment is integrated into our strategy and business operations. The Group's participation in the UN Global Compact, the Group's Code of Conduct and the full UN Human Rights Declaration have a permanent page on the Group's websites.

The Group is committed to diversity with respect to gender and nationality; to zero tolerance of discrimination; to excellence in managing the right to privacy; to supporting environmentally sustainable practices; to reducing our adverse environmental impacts by using environmentally friendly services, solutions and technologies; and to zero tolerance of any form of bribery, corruption or fraud.

The Group has been a member of the UN Global Compact initiative since 2014. The UN Global Compact is the world's largest initiative within corporate social responsibility (CSR). This international initiative was launched by the UN in order to engage private companies in solving the social and environmental challenges arising from globalisation. Global Compact makes it possible for companies all over the world to take an active part in solving these challenges.

As a member the Group reports annually on its progress in implementing the 10 principles of the UN Global Compact in the areas of human rights, labour rights, environment and anti-corruption. To ensure transparency, the report is published on the UN Global Compact website. As an official member of the UN Global Compact Initiative, the Group sends a signal to all of our stakeholders that we endorse and are working to contribute to the implementation of the Global Compact initiative.

Management's review

In 2019, the Group updated its Group CSR Strategy (including its CSR commitment, which was approved by management and the Board of Directors). A Group CSR impact assessment (risk assessment) was performed, and measures to manage adverse impacts have been implemented. In addition, the Group has pledged to conduct regular impact assessments to identify actual and potential adverse impacts from our business practices and severe impacts in our value chain. The Group will also address risks related to changes in our product range, operating contexts or new business relationships. The Group will communicate the findings of our assessments to relevant stakeholders. The Group expects that regular assessments and transparent communication will help anchor our commitment to CSR throughout our company.

In the event that the Group causes or contributes to actual adverse impacts, the Group is committed to providing access to remedy or to contact the appropriate authorities as necessary.

Human rights

While operating a company with continuous profitable growth, the Group is also committed to acting responsibly, with respect for human rights, the environment and business ethics. The Group respects the rule of law and complies with national regulations in all countries in which it operates, and expects the same from all of our employees and business partners.

The Group directly contributes to organisations that advocate and help to protect human rights, for example by making annual donations to Amnesty International and UNICEF. No further actions were taken in 2019. Risks related to violations of human rights are limited due to the Group's business model, policies and presence only in the EU. No violations of human rights were detected in 2019.

The Group has an explicit policy of not doing business with any clients who abuse human rights, and the Group regularly evaluates its clients to identify any possible violations of human rights. The Group expects all our business relationships (clients, suppliers and consultants) to align their operations with the UN's Guiding Principles for Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises (OECD Guidelines) as well. This means clients, suppliers and consultants must pledge to prevent or mitigate adverse impacts on human rights, the environment and business ethics (anti-corruption), and should address any actual adverse impacts that arise. The Group's expectations are further detailed in our Code of Conduct. In 2020, the Group will begin evaluating suppliers' codes of conduct.

Employees and business relationships

A human rights impact assessment has been conducted which describes planned and existing measures for managing adverse impacts (including grievance mechanisms). The Group has a formal policy for employee (human) rights, which is described in the Employee Handbook (staff manual). The policy outlines both internationally recognised human rights as well as the Group's Code of Conduct. Our employee satisfaction and workplace evaluation survey as well as our HR KPIs are important aspects of our procedures for following up on any adverse impacts.

The Group places a high priority on creating a healthy and attractive physical and psychological working environment that focuses on the well-being of its employees, including our policies on sickness absenteeism. The sickness absenteeism policy covers follow-up on employee workplace attendance and behaviour while also expressing the Group's compassionate interest in employees' well-being. The Group's sickness absence rate increased from 2018 to 2019, primarily due to a few cases of non-work-related long-term absence due to sickness.

The Group's employment policies include a Code of Conduct and a variety of initiatives to improve the working environment, health and staff retention. These include social arrangements and a pension scheme, as well as policies on diversity, drugs/alcohol, staff, smoking, seniors and health. No further actions were taken in 2019. The risk of work-related accidents is limited due to the Group's business model and policies. In 2019 no instances of forced, compulsory or child labour were detected. No cases of discrimination were detected, and no work injuries were reported.

Management's review

According to our employee satisfaction survey for 2019, over 84% of our employees are either satisfied or very satisfied with the Group and would recommend us to job candidates. In 2020, the Group will focus on maintaining employee satisfaction at this high level by investing even more in our leadership quality and general employee education and training.

Diversity and equality

The Group's overall policy is to employ and promote the most qualified people, regardless of gender, and to give equal access to leadership positions to all qualified candidates, regardless of gender. The Group is committed to diversity and currently includes nine nationalities. The Group has 141 employees, of whom 57% are female and 43% male. The majority of Danish employees are located in the Group's headquarters in Copenhagen.

Development in staff, no. of FTE	Denmark	Abroad	Group
Number of employees beginning of 2019	60	58	118
Recruited during 2019	13	35	48
Resigned during 2019	12	13	25
Number of employees by end of 2019	61	80	141

The proportion of women in leadership positions with personnel management responsibility was 31.2% as of 1 January 2019. This rate had increased to 36.8% by the end of 2019. The Group will work to continue increasing the number of women in leadership positions. To facilitate this, at least one female applicant must be invited to all job interviews, assuming qualified female applicants are available. In 2019, two female executives joined the Board of Directors - bringing female representation from 0 to 33.3%.

Through this policy and an ongoing focus on the development of employees at all levels of the organisation irrespective of age and gender, the Group will contribute to the training and development of potential female leaders. The goal of the Board of Directors and the Executive Board is to increase the percentage of female employees at all managerial levels, from the board itself to company department heads and team leaders.

Currently the gender split on the Board of Directors is 33% female and 67% male. The goal was to recruit one female board member by the end of 2019 to increase the female share to 20%. This goal was reached. The goal for 2020 is to maintain the current gender split at a minimum.

The board will follow up on the implementation of this goal every year and will actively seek to recruit female candidates with relevant competencies and experience. Relevant knowledge and professional experience are key parameters when selecting new board members.

Anti-corruption

An anti-corruption impact assessment has been conducted - and preventive and mitigating measures have been implemented. The Group has an anti-corruption and anti-bribery policy in all affiliates and countries: corruption/bribery practices are not accepted in any shape or form. The policy includes rules and guidelines on issues such as giving and receiving gifts and whistleblowing. The Group expects the same high standards from all of our stakeholders. Risks related to potential corruption and bribery are limited due to the Group's business model, its policies and presence only in the EU. No incidents of corruption were detected, and management are not aware of any violation of the policy.

Whistleblowing

A central whistleblowing policy is in place under which all employees can anonymously report situations, incidents or circumstances that appear inappropriate or in violation of the Group's guidelines. No incidents were detected, and the Board of Directors are not aware of any violation of the policy.

Management's review

Environment and climate

Adverse impacts on the climate and environment have been assessed, and actions have been initiated. The Group has a formal climate and environmental policy. The Group encourages employees to reduce energy consumption and to avoid other actions that may impact the climate or environment negatively.

The Group has started inventorying carbon emissions (Scope 1 and 2 - Scope 3 planned for 2021) - and actions have been initiated in order to reduce the carbon footprint of its operations.

The Group has a digital contract system, which means the contract flow is 100% paperless. Internally, the Group recycles all paper. The Group's major vendors are certified CO²-neutral. The Group encourages reduced printing and encourages recipients not to print outgoing mails. Finally, the Group has invested in meeting and communication technologies to minimise traveling. Risks related to the environment and climate are limited due to the Group's business model, policies and actions.

Charity

In 2019 financial support was given to:

- ▶ UN Global Compact
- ▶ UNICEF
- ▶ Transparency International
- ▶ Danish Cancer Society
- ▶ Danish Multiple Sclerosis Association

No other organisations were supported in 2019.

The Board of Directors and the Executive Board work constantly to ensure that appropriate and sufficient control systems are in place, managed by a robust management team structure. The Board of Directors and the Executive Board have a number of duties that are defined by the Companies Act, the Danish Financial Statements Act and the Articles of Association and Rules of Procedure for the Board of Directors, among other regulations and policies. On this basis, the necessary internal procedures are continually being developed, refined and maintained to ensure active, reliable and profitable management of the Group.

The Board of Directors ensure that the Executive Board complies with the approved objectives, strategies, business procedures and rules of procedure for the Executive Board. The information presented to the Board of Directors is provided systematically before and during meetings as well as in written and oral reports. The topics of these reports include market development and the Group's development and profitability. The Board of Directors and the executive management have overall responsibility for risk management and internal controls related to financial reporting.

The Board of Directors of the Company meet at least four times a year. Furthermore, information about the Company and the Group's results and financial position is shared with the Board of Directors on a regular basis (monthly). If relevant, extraordinary meetings are held. In addition, the Board of Directors appoint committees for special tasks. A Chairman Committee has been set up that meets with management on a regular basis.

Management's review

The Board of Directors is comprised of the following members:

Chairman: Agner Nørgaard Mark (Appointed in August 2018, representing Polaris Private Equity IV K/S)

Members: Rune Lillie Gornitzka (Appointed in August 2018 representing Polaris Private Equity IV K/S)
Anders Gratte (Appointed in August 2018 representing Polaris Private Equity IV K/S)
Jens Kyhnæb (Appointed in May 2011 representing PDC Holding 2018 A/S)
Susann J. K. Selenius-Larsson (Appointed in August 2019 representing Polaris Private Equity IV K/S)
Bente Overgaard (Appointed in August 2019 representing Polaris Private Equity IV K/S)

The Executive Board is comprised of the following member:

CEO: Søren Nordal Rode (Appointed in March 2009)

The Board of Directors and the Executive Board are the ultimate owners of approx. 15% of the shares.

Audit and Risk Committee

The Audit and Risk Committee was established in December 2019 and consists of the Board of Directors. The Audit and Risk Committee is to meet at least twice a year (one meeting held in 2019). Furthermore, information will be shared with the Audit and Risk Committee on a regular basis. If relevant, extraordinary meetings will be held.

Remuneration to management and the Board of Directors

To attract and retain the Group's management competencies, the remuneration of management, senior employees and the Board of Directors is based on tasks, value creation and conditions in comparable companies. An incentive programme has been implemented in the form of bonus schemes and share and warrant-based incentive programmes.

Management's review

Other positions of the members of the Board of Directors and the Executive Board:

Anders Gratte		Agner Nørgaard Mark	
ProData BidCo A/S	Board member	ProData BidCo A/S	Chairman
ProData Holding A/S	Board member	ProData Holding A/S	Chairman
Human IT-consulting Sverige AB	Board member	Schødt A/S	Board member
MIIBA Invest AB	Board member	Maconi Consult ApS	Executive Board
Projected Solutions Ltd	Executive Board	Maconi Invest ApS	Executive Board
Close Comms Ltd	Executive Board		
Bente Overgaard		Jens Kyhnæb	
ProData BidCo A/S	Board member	ProData BidCo A/S	Board member
ProData Holding A/S	Board member	ProData Holding A/S	Board member
SP Group A/S	Board member	JK Invest ApS	Executive Board
Holberg Fenger Adm. A/S	Board member	Kjærulf Pedersen Holding A/S	Chairman
Haslev Møbelsnedkeri A/S	Board member	Kjærulf Pedersen A/S	Chairman
Holberg Fenger Invest A/S	Board member	Guldsmed Dirks Holding A/S	Board member
Holberg Fenger Holding A/S	Board member	Guldsmed Dirks Frederiksberg A/S	Chairman
MO af 1. juli 2018 A/S	Board member	Guldsmed Dirks Rødovre A/S	Board member
Finansiel Stabilitet	Board member	PDC Holding Hvidovre A/S	Chairman
HP Projekt og udvikling A/S	Board member	ProData Consult Holding II ApS	Executive Board
Inderdøften A/S	Board member	PDC Holding 2018 A/S	Chairman
Tømmerhandler Joh. Fogs Fond	Board member	TempX A/S	Board member
Haslev Investment A/S	Chairman	TempX A/S	Executive Board
Magnus Olesen A/S	Board member	Go Dogo ApS	Board member
Den danske naturfond	Board member	Ejd. selskabet Valhøjs Allé 158 ApS	Board member
Overgaard Advisory ApS	Executive Board	Protica Boliginvest Kbh - Rødovre II A/S	Board member
Arbejdsmarkedets Erhvervs sikring	Chairman		
Domea.dk s.m.b.a.	Board member	Susann J. K. Selenius-Larsson	
		ProData BidCo A/S	Board member
		ProData Holding A/S	Board member
		Prosus Consulting ApS	Executive Board
Rune Lillie Gornitzka		Søren Nordal Rode	
ProData BidCo A/S	Board member	ProData BidCo A/S	Executive Board
ProData Holding A/S	Board member	ProData Holding A/S	Executive Board
Stella Invest ApS	Executive Board	Rode Invest ApS	Executive Board
Det Danske Madhus A/S	Board member	PDC Holding Hvidovre A/S	Executive Board
DDM Holding 2 A/S	Board member	PDC Holding Hvidovre A/S	Board member
DDM Holding 1 A/S	Board member	PDC Holding 2018 A/S	Executive Board
SSG HoldCo A/S	Board member	PDC Holding 2018 A/S	Board member
SSG BidCo A/S	Board member	ProData Consult B.V.	Management Board
SSG Partners A/S	Board member	ProData Consult International AB	Chairman
SSG A/S	Board member	ProData Consult SP Z.O.O.	Management Board
P - SSG 2019 A/S	Chairman		

Research and development activities

Development of the IT platforms and services is a key contributor to the continued positive development of the Group and to meeting customer and supplier needs and expectations. It is expected that the Group will continue to invest in development. The Group does not conduct research activities.

Subsequent events

No events have occurred which affect the financial statement for 2019.

Management's review

ESG key figures	Unit	2019	2018
Environment			
CO ₂ e, scope 2	Tons	439	376
CO ₂ e per m ²	Tons	0,056	0,064
Water consumption	m ³	2.367	1.915
Water consumption per m ²	m ³	0,304	0,326
Human capital, health and well-being			
Number of employees	FTE	141	118
Employee turnover	%	19	24
Employees who have left the group	FTE	25	30
- Voluntary resignation	FTE	14	-
- Redundancy	FTE	2	-
- Mutual agreement	FTE	6	-
- Retirement	FTE	3	-
Recruited employees	FTE	48	33
Work-related accidents	Number	0	0
Whistle blowers	Number	0	0
Sickness ratio	Days/FTE	4,2	2,9
Employee satisfaction	%	84	-
Gender split (female)	%	57	52
Average age	Years	38	40
Average seniority	Years	4,3	4,5
Nationality - Danish	Number	59	59
Nationality - non-Danish	Number	82	59
Customers			
Number of customers	Number	245	250
Customer satisfaction	%	82	81
Middle management			
Members	Number	13	11
Female	Number	7	5
Male	Number	6	6
Gender split (female)	%	54	45
Average age	Years	39	41
Average seniority	Years	3,3	3,3
Nationality - Danish	Number	4	4
Nationality - non-Danish	Number	9	7
Group management			
Members	Number	6	5
Female	Number	0	0
Male	Number	6	5
Gender split (female)	%	0	0
Average age	Years	50	48
Average seniority	Years	8,2	8,7
Nationality - Danish	Number	5	4
Nationality - non-Danish	Number	1	1
Board of directors			
Members	Number	6	4
Female	Number	2	0
Male	Number	4	4
Gender split (female)	%	33	0
Average age	Years	52	51
Average seniority	Years	2,2	2,1
Nationality - Danish	Number	4	3
Nationality - non-Danish	Number	2	1
Board meetings	Number	6	5
Attendance	%	100	100

For definitions, please see below.

Management's review

Key figure	ESG data, definitions
Environmental data	
CO ₂ e, Scope 2	Yearly sum of kWh from electricity and district heating/cooling per country, multiplied by a CO ₂ conversion factor per country.
CO ₂ e per m ²	Average sum of square meters per year divided by total CO ₂ emissions per year.
Water consumption	Gross sum of all water consumed.
Water consumption per m ²	Average sum of square meters per year divided by water consumption per year.
Human capital, health and well-being	
Number of employees	Sum of FTEs year end excluding pregnancy and maternity leave.
Members	Sum of FTEs year end with a position in middle or executive management.
Female	Sum of female FTEs year end.
Male	Sum of male FTEs year end.
Employee turnover	Sum of employees leaving the group yearly divided by the average number of employees in a year.
Employees who have left the group	Sum of employees leaving the group yearly categorised into voluntary resignation, redundancy, mutual agreement and retirement.
Recruited employees	Sum of employees recruited per year.
Work-related accidents	Sum of work-related accidents per year.
Whistle blowers	Sum of whistleblowers per year.
Sickness ratio	Sum of yearly absence days for all FTEs divided by the sum of maximum working days per FTE.
Employee satisfaction	Net promoter score from group well-being survey year end.
Gender split (female)	Female FTEs year end divided by total FTEs year end.
Average age	Sum of age per employee year end divided by sum of employees year end.
Average seniority	Sum of years employees (working for the group year end) have worked for the group year end divided by the sum of employees year end.
Nationality - Danish	Sum of FTEs with Danish nationality year end.
Nationality - non-Danish	Sum of FTEs with non-Danish nationality year end.
Customers	
Number of customers	Sum of individual customers invoiced per year.
Customer satisfaction	Weighted average of customer satisfaction survey scores from each country per year. (20% = poor, 40% = barely acceptable, 60% = satisfactory, 80% = very good, 100% = outstanding)
Governance data	
Members of the board	Sum of board members year end.
Female members of the board	Sum of female board members year end.
Male members of the board	Sum of male board members year end.
Gender split (board members)	Female board members year end divided by male board members year end.
Average age (board members)	Sum of age per board member year end divided by sum of board members year end.
Average seniority (board members)	Sum of years board members (year end) have been a member of the board year end divided by the sum of board members year end.
Nationality - Danish (board members)	Sum of board members with Danish nationality year end.
Nationality - non-Danish (board members)	Sum of board members with non-Danish nationality year end.
Board meetings	Sum of board meeting per year.
Attendance	Sum of board meetings that all board members have attended per year divided by sum of maximum board meetings that all board members could have attended per year.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

Note	DKK'000	Group		Parent	
		2019	2018	2019	2018
2	Revenue	1,022,310	956,698	785,706	776,827
	Cost of sales	-859,999	-807,688	-677,317	-673,214
	Other external expenses	-14,205	-21,569	-7,286	-8,386
	Gross profit	148,106	127,441	101,103	95,227
3	Staff costs	-67,988	-63,489	-45,395	-42,393
	Operating profit	80,118	63,952	55,708	52,834
	Depreciation and amortisation	-21,355	-10,995	-8,918	-7,130
	Profit before net financials	58,763	52,957	46,790	45,704
	Income from equity investments in group				
5	entities	0	0	4,567	1,448
6	Financial income	307	844	735	823
7	Financial expenses	-3,985	-2,561	-1,593	-1,990
	Profit before tax	55,085	51,240	50,499	45,985
8	Tax on profit for the year	-14,083	-13,696	-11,354	-11,662
	Profit for the year	41,002	37,544	39,146	34,323
9	Attributable to:				
	Owners of ProData Consult A/S	39,146	34,323		
	Non-controlling interests	1,856	3,221		
		41,002	37,544		

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group		Parent	
		2019	2018	2019	2018
		ASSETS			
		Non-current assets			
10	Intangible assets				
	Goodwill	47,765	55,816	32,036	37,791
	Development projects	7,471	2,270	7,471	2,270
	Acquired rights	168	366	168	366
		<u>55,404</u>	<u>58,452</u>	<u>39,675</u>	<u>40,427</u>
11	Property, plant and equipment				
	Right-of-use assets	42,379	0	5,025	0
	Leasehold improvements	523	317	150	65
	Fixtures and fittings, plant and equipment	4,792	4,240	1,657	1,806
		<u>47,694</u>	<u>4,557</u>	<u>6,832</u>	<u>1,871</u>
	Other non-current assets				
12	Equity investments in subsidiaries	0	0	44,182	31,237
	Other securities and investments	308	0	0	0
13	Deposits	3,707	2,859	809	758
		<u>4,015</u>	<u>2,859</u>	<u>44,991</u>	<u>31,995</u>
	Total non-current assets	<u>107,113</u>	<u>65,868</u>	<u>91,498</u>	<u>74,293</u>
	Current assets				
	Receivables				
	Trade receivables	185,599	204,502	141,122	153,143
	Receivables from group entities	0	0	2,458	12,703
16	Deferred tax	1,129	668	0	0
	Other receivables	370	630	370	542
14	Prepayments	2,311	1,034	923	790
		<u>189,409</u>	<u>206,834</u>	<u>144,873</u>	<u>167,178</u>
	Cash	<u>24,801</u>	<u>35,089</u>	<u>25,249</u>	<u>29,442</u>
	Total current assets	<u>214,210</u>	<u>241,923</u>	<u>170,122</u>	<u>196,620</u>
	TOTAL ASSETS	<u>321,323</u>	<u>307,791</u>	<u>261,620</u>	<u>270,913</u>

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group		Parent	
		2019	2018	2019	2018
		EQUITY AND LIABILITIES			
		Equity			
15	Share capital	540	500	540	500
	Reserve for capitalized development costs	0	0	5,827	1,770
	Retained earnings	102,090	58,012	96,263	56,242
	Equity holders' share of equity, ProData Consult A/S	102,630	58,512	102,630	58,512
	Non-controlling interests	0	5,611	0	0
	Total equity	102,630	64,123	102,630	58,512
	Non-current liabilities				
	Lease liabilities	32,391	0	2,948	0
16	Deferred tax	1,764	770	1,721	770
	Other payables	1,803	0	1,803	0
	Total non-current liabilities	35,959	770	6,472	770
	Current liabilities				
	Short-term portion of lease liabilities	11,189	0	2,222	0
	Trade payables	150,596	165,074	127,614	134,116
	Payables to group entities	529	58,583	0	59,347
	Joint taxation payable	2,382	192	2,382	192
	Income taxes	1,961	1,014	476	0
	Other payables	13,895	15,756	17,657	15,941
	Deferred income	2,183	2,279	2,167	2,035
	Total current liabilities	182,735	242,898	152,518	211,631
	Total liabilities	218,694	243,668	158,990	212,401
	TOTAL LIABILITIES	321,323	307,791	261,620	270,913

- 1 Accounting policies
- 17 Contingent liabilities
- 18 Related parties
- 20 Subsequent events

Consolidated financial statements and parent company financial statements

1 January - 31 December

Statement of changes in equity

DKK'000	Group				
	Share capital	Retained earnings	Equity held by the owners of capital in the parent company	Non-controlling interests	Total equity
Equity at 1 January 2018	500	46,812	47,312	3,470	50,782
Other adjustments, after tax	0	0	0	0	0
Equity at 1 January 2018	500	46,812	47,312	3,470	50,782
Foreign exchange adjustments, foreign subsidiary	0	-296	-296	-81	-377
Extraordinary dividend distribution	0	-22,827	-22,827	0	-22,827
Dividend distribution	0	0	0	-999	-999
Appropriation of profit/loss	0	34,323	34,323	3,221	37,554
Equity at 1 January 2019	500	58,012	58,512	5,611	64,123
Foreign exchange adjustments, foreign subsidiary	0	231	231	45	276
Capital increase	40	34,162	34,202	0	34,202
Adjustment from purchase of non-controlling interest	0	-29,461	-29,461	-4,539	-34,000
Purchase of shares for redemption	0	0	0	-2,973	-2,973
Appropriation of profit/loss	0	39,146	39,146	1,856	41,002
Equity at 31 December 2019	540	102,090	102,630	0	102,630

DKK'000	Parent				
	Share capital	Reserve for net revaluation according to the equity method	Reserve for capitalized development costs	Retained earnings	Equity held by the owners of capital in the parent company
Equity at 1 January 2018	500	0	0	46,812	47,312
Other adjustments, after tax	0	0	0	0	0
Equity at 1 January 2018	500	0	0	46,812	47,312
Foreign exchange adjustments, foreign subsidiaries	0	0	0	-296	-296
Extraordinary dividend distribution	0	0	0	-22,827	-22,827
Appropriation of profit/loss	0	0	1,770	32,553	34,323
Equity at 1 January 2019	500	0	1,770	56,242	58,512
Foreign exchange adjustments, foreign subsidiaries	0	0	0	231	231
Capital increase	40	0	0	34,162	34,202
Adjustment from purchase of non-controlling interests	0	0	0	-29,461	-29,461
Appropriation of profit/loss	0	0	4,057	35,090	39,147
Equity at 31 December 2019	540	0	5,827	96,264	102,630

Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

Note	DKK'000	Group	
		2019	2018
	Profit for the year	41,002	37,544
19	Adjustments	36,785	25,676
		77,787	63,220
	Changes in working capital:		
	Receivables	17,886	-12,067
	Trade payables	-14,478	25,868
	Other payables	-153	-1,820
	Cash generated from operations	81,042	75,201
	Interest received	307	844
	Interest paid	-2,656	-2,561
	Interest paid on lease liabilities	-1,329	0
	Income taxes paid	-10,710	-20,400
	Cash flows from operating activities	66,654	53,084
	Investment in financial assets	-1,155	-2,109
	Acquisition of intangible assets	-5,577	-2,443
	Acquisition of property, plant and equipment	-3,900	-2,768
	Disposal of property, plant and equipment	615	0
	Cash flows from investing activities	-10,017	-7,320
	Loan financing:		
	Repayments of loans and borrowings	0	-73,670
	Repayment of lease liabilities	-9,037	0
		0	0
	Change in receivables and payables to/from intercompany	-54,913	58,775
	Change in other receivables	0	20,379
	Repayments, other	0	-2,738
	Shareholders:		
	Purchase of shares for redemption (minority shares)	-2,973	-23,826
	Cash flows from financing activities	-66,923	-21,080
	Net cash flows	-10,286	24,684
	Cash and cash equivalents, beginning of year	35,089	10,405
	Cash and cash equivalents, year-end	24,801	35,089

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies

The annual report of ProData Consult A/S for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

All numbers in the annual report are presented in DKK thousands, unless otherwise stated. In general, rounding will occur and cause variances in sums and percentages in the consolidated and parent company financial statements.

Beside the below, the financial statements have been prepared in accordance with the same accounting policies as last year.

Changes in accounting policies

Effective from 1 January 2019, the Group and the Parent Company has implemented the following interpretations under the Danish Financial Statements Act:

- ▶ IFRS 16 *Leases*
- ▶ IFRS 15 *Revenue from Contracts with Customers*.

Only IFRS 16 has affected recognition and measurement in the annual report materially.

Effect of IFRS 16

Effective from 1 January 2019, ProData Consult A/S Group and Parent Company has implemented the interpretation of lease contracts in accordance with IFRS 16, using the modified retrospective transition method and has therefore not restated the comparative figures, which are still interpreted under the rules of IAS 17. The accounting policies of IAS 17 are presented separately if they deviate significantly from the accounting policies of IFRS 16.

As opposed to previously, the Group and the Parent Company must now recognise all leases in the balance sheet, including operating leases, with a few exceptions. Consequently, a lease commitment measured at the present value of the future lease payments, see description below, must now be realised together with a corresponding leased asset adjusted for payments made to the lessor prior to the commencement of the lease and incentive payments received from the lessor. The Group has decided not to recognise costs directly related to the leased asset.

In accordance with the transitional provisions of IFRS 16, when implementing the standard, the Group has chosen:

- ▶ Not to recognise leases with a term of less than 12 months.
- ▶ Not to reassess whether a contract is or comprises a lease.
- ▶ To determine a discount rate on a portfolio of leases with similar characteristics.

When assessing the future lease payments, the Group reviewed its operating leases and identified the lease payments related to a lease component that are fixed or variable but change in line with changes in an index or an interest rate. The Group has chosen not to recognise payments related to service components as part of the lease commitment.

When assessing the expected lease term for properties, the Group and the Parent Company identified the non-cancellable lease term of the lease plus periods covered by an extension option that Management is reasonably likely to exercise and plus periods covered by a termination option that Management is reasonably unlikely to exercise. The period has been assessed to 2-4 years.

For leases on equipment, the Group and the Parent Company has assessed that the expected lease term is the non-cancellable lease term in the leases, as the Group and the Parent Company has not historically exercised the extension options in similar leases. The period has been set to 3 years.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

The leased assets are depreciated on a straight-line basis over the expected lease term, which is:

Operating equipment	3 years
Properties	2-4 years

The implementation of IFRS 16 at 1 January 2019 has increased right-of-use assets for the Group with DKK 37,852 thousand (Parent company DKK 4,491 thousand) and lease liabilities with DKK 37,852 thousand (Parent Company DKK 4,491 thousand). The implementation has not had any effect on Equity as of 1 January 2019.

In profit and loss for the Group, the effects of IFRS 16 have decreased other external expenses with DKK 10,366 thousand (parent company DKK 1,995 thousand)., Depreciation and amortisation have increased with DKK 10,158 thousand (parent company DKK 1,976 thousand) and Financial expenses have increased with DKK 1,329 thousand (parent company DKK 156 thousand) at 31 December 2019.

In the cash flow statements for the Group, the effects of IFRS 16 have increased cash flows from financing activities with DKK 9,037 thousand and increased cash flows from operating activities with DKK 8,829 at 31 December 2019. During the year, there has been non-cash transactions regarding additions of right-of-use assets.

Effect of IFRS 15

ProData Consult A/S has at 1 January 2019 implemented the interpretation of IFRS 15 by applying the full retrospective method. The implementation of IFRS 15 does not have a material effect on recognition and measurement effecting profit for the year, equity, assets and/or liabilities.

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company ProData Consult A/S and subsidiaries controlled by ProData Consult A/S.

Control means the power to exercise decisive influence over a subsidiary's financial and operating decisions. Moreover, the possibility of yielding a return from the investment is required.

In assessing if the Parent Company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity may become empowered to exercise decisive influence over another entity's financial and operating decisions.

Preparation of consolidated financial statements

The consolidated financial statements have been prepared as a consolidation of the Parent Company's and the individual subsidiaries' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised losses are eliminated in the same way as unrealised gains unless they do not reflect impairment.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

In the consolidated financial statements, the items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the Group's profit/loss and equity but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' proportionate share of the fair value of the acquired entity's identifiable assets, liabilities and contingent liabilities. Goodwill relating to the non-controlling interests' share is not recognised.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at closing rates. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Foreign subsidiaries are considered separate entities. Items in such entities' income statements are translated at average exchange rates for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign entities to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Foreign exchange adjustments of balances with separate foreign subsidiaries which are considered part of the total investment in the subsidiary are taken directly to equity. Foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign subsidiaries are also recognised directly in equity.

Income statement

Revenue

The Company has chosen IFRS 15 as interpretation for revenue recognition.

Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Revenue from the sale of services

Income from the sale of services, which comprise consultancy services, is recognised as the control over the individual identifiable performance obligation is transferred to the customer. Sale of consultancy services typically comprise one performance obligation, which is recognised in revenue over the period in which the services are provided.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Cost of sales

Cost of sales comprise costs incurred in generating the year's revenue and relates primarily to costs regarding external consultancy services as well as internal consultants.

Other external expenses

Other external expenses comprise costs including expenses related to administration, office premises (before 2019), office expenses etc.

Staff costs

Staff costs comprise costs incurred in the year related to administrative staff in the Group and Parent Company.

Profit/loss from equity investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries and associates are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, exchange gains and losses on transactions denominated in foreign currencies, amortisation of financial assets and liabilities, including lease commitments as well as surcharges and refunds under the on-account tax scheme, etc.

Tax for the year

The Parent Company is subject to the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date when they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The ultimate Danish Parent Company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

The tax expense for the year, which comprises the year's current tax charge, joint taxation contributions and changes in the deferred tax charge - including changes arising from changes in tax rates - is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Goodwill

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 10 years. The amortisation period is fixed on the basis of the expected repayment horizon, longest for strategically acquired business enterprises with strong market positions and long-term earnings profiles.

Development projects

Development projects comprise internally developed software. Development costs comprise salaries directly attributable to development activities.

Development projects that are clearly defined and identifiable and where the technical feasibility, sufficient resources and a potential future market or development potential are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

1 Accounting policies (continued)

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is 3-10 years.

Property, plant and equipment

Leasehold improvements, fixtures and fittings and plant and equipment are measured at cost less accumulated depreciation and impairment losses.

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

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Leasehold improvements	2-4 years
Fixtures and fittings, plant and equipment	5 years

The basis of depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

In case of changes in the depreciation period or the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

Gains and losses on the disposal of items of property, plant and equipment are calculated as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Leases applicable from 1 January 2019

Leased assets and lease liabilities are recognised in the balance sheet when the leased asset under a lease entered into regarding a specific identifiable asset is made available to the Group and/or the Parent Company in the lease term, and when the Group and/or the Parent Company obtains the right to almost all economic benefits from the use of the identified asset and the right to control the use of the identified asset.

On initial recognition, lease commitments are measured at the present value of the future lease payments discounted by an incremental borrowing rate. The following lease payments are recognised as part of the lease commitment:

- ▶ Fixed payments.
- ▶ Variable payments that change concurrently with changes to an index and an interest rate based on said index or interest rate.
- ▶ Payments overdue subject to a residual value guarantee.
- ▶ Payments subject to an extension option that it is highly probable that the Group will exercise.
- ▶ Penalty related to a termination option unless it is highly probable that the Group will not exercise the option.

The lease commitment is measured at amortised cost according to the effective interest method. The lease commitment is recalculated when the underlying contractual cash flows change due to changes in an index or an interest rate if the Group's estimate of a residual value guarantee changes or if the Group changes its assessment of whether call options, extension options or termination options can reasonably be expected to be exercised.

On initial recognition, the leased asset is measured at cost, corresponding to the value of the lease commitment adjusted for prepaid lease payments plus directly related costs and estimated costs for demolition, repairs or the like and less discounts or other types of incentive payments received from the lessor.

Subsequently, the asset is measured at cost less accumulated depreciation and impairment losses. The leased asset is depreciated over the shorter of the lease term and the useful life of the leased asset. Depreciation charges are recognised on a straight-line basis in the income statement.

The leased asset is adjusted for changes to the lease commitment due to changes to the terms of the lease or changes to the cash flows of the lease concurrently with changes to an index or an interest rate.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Leased assets are depreciated on a straight-line basis over the expected lease term, which is:

Operating equipment	5 years
Sale and administration properties	4-5 years

The Group and the Parent Company presents the leased asset and the lease commitment separately in the balance sheet.

Leases applicable before 1 January 2019

For leases before 1 January the Group has used IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of future lease payments. In calculating the present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for as the Company's other assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are considered operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total liabilities relating to operating leases and other leases are disclosed under contingencies, etc.

Equity investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method in the parent company financial statements.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding the consolidated financial statements above.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies in the consolidated financial statements. Negative goodwill is recognised in the income statement.

Dividend received is deducted from the carrying amount.

Equity investments in subsidiaries and associates measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Other securities and investments

Other securities and investments consisting in shares are measured at cost at the balance sheet date, as a fair value cannot be determined reliably.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and equity investments in subsidiaries is tested for impairment when an objective indication of impairment exist.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. Assets are written down to the lower of the carrying amount and the recoverable amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the net 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 the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are assessed for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the country of domicile and credit ratings of the debtors in accordance with the Group's credit risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the net present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Current assets" comprise expenses incurred concerning subsequent financial years.

Equity

Reserve for net revaluation according to the equity method

Net revaluation of equity investments in subsidiaries and associates is recognised at cost in the reserve for net revaluation according to the equity method.

The reserve can be eliminated in case of losses, realisation of equity investments or a change in accounting estimates.

The reserve cannot be recognised at a negative amount.

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Dividend

Dividend proposed for the year is recognised as a liability at the date when it is adopted at the general meeting (declaration date). Dividend expected to be distributed for the year is disclosed as a separate item under equity.

Income tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income and tax paid on account.

Joint taxation contribution payable and receivable is recognised in the balance sheet as "Income tax receivable" or "Income tax payable".

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 goodwill which is not deductible for tax purposes or on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting neither the profit/loss for the year nor the taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Financial liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income recognised under "Current liabilities" comprise received payments regarding revenue concerning subsequent financial years.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The Company has chosen to apply the exemption in § 86(4) of the Danish Financial Statements Act and has not prepared a separate cash flow statement for the Parent company.

The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from corporate acquisitions are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of entities are recognised up until the date of disposal.

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital, interest received and paid, including the interest element related to recognised lease commitments and income taxes paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities, activities and intangible assets, property, plant and equipment and financial assets.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, repayment of lease commitments and payment of dividend to shareholders.

Cash flows from assets held under leases are recognised as payment of interest and repayment of debt.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are subject to only minor risks of changes in value.

Segment information

Information is disclosed by activity and geographical market. Segment information follows the Group's accounting policies, risks and internal financial management.

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Profit margin	Profit for the year / Revenue
Gross margin	Gross profit / Revenue
EBITDA margin	Operating profit (EBITDA) / Revenue
Equity ratio	Equity / Total assets
Return on equity	Profit for the year / Average equity
Rate of return	Profit from ordinary activities / Average total assets

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2 Revenue

Information about the distribution of revenue by activities and geographical markets is provided below. The segment information is prepared in accordance with the Company's accounting policies and follows the Company's internal financial management.

Revenue comprises the following activities:

DKK'000	Group		Parent	
	2019	2018	2019	2018
IT consultancy services	1,022,310	956,698	785,706	776,827

Revenue comprises the following geographical markets:

Denmark	746,619	747,201	746,619	747,201
Other countries	275,691	209,497	39,087	29,626
Total	1,022,310	956,698	785,706	776,827

3 Staff costs

Wages and salaries	55,568	51,327	38,438	35,970
Pensions	4,193	3,900	3,868	3,275
Other social security costs	3,259	3,167	405	350
Other staff costs	4,968	5,095	2,683	2,798
Total	67,988	63,489	45,394	42,393
Average number of employees during the year	141	118	65	64
Remuneration to the Executive Board and Board of Directors	2,681	2,455	2,681	2,455

Total staff costs amount to DKK 91,161 thousand (2018: DKK 88,561 thousand). Wages and salaries for agency and project staff consultants of DKK 23,174 thousand (2018: DKK 25,072) is included in cost of sales.

4 Fees paid to auditors appointed at the annual general meeting

DKK'000	Group		Parent	
	2019	2018	2019	2018
Fee for statutory audit	365	295	215	210
Other assurance engagements	34	0	34	0
Fees for tax advisory services	99	50	77	50
Other assistance	388	27	297	27
Total	886	372	623	287

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Notes

DKK'000	Group		Parent	
	2019	2018	2019	2018
5 Income from equity investments in group entities				
Share of net profit/loss in equity investments	0	0	6,820	3,696
Goodwill amortisations	0	0	-2,253	-2,248
	<u>0</u>	<u>0</u>	<u>4,567</u>	<u>1,448</u>
6 Financial income				
Interest income from group entities	0	338	435	314
Other interest income	307	506	300	509
	<u>307</u>	<u>844</u>	<u>735</u>	<u>823</u>
7 Financial expenses				
Interest expenses, group entities	0	0	29	0
Interest expenses regarding leasing	1,329	0	156	0
Other interest expenses	827	1,340	458	834
Foreign exchange losses	1,321	818	529	823
Other financial expenses	508	403	421	333
	<u>3,985</u>	<u>2,561</u>	<u>1,593</u>	<u>1,990</u>
8 Tax for the year				
Current tax for the year	13,549	13,781	10,403	11,332
Deferred tax adjustment for the year	534	-85	951	330
	<u>14,083</u>	<u>13,696</u>	<u>11,354</u>	<u>11,662</u>
9 Distribution of net profit				
Reserve for net revaluation according to the equity method	0	0	0	0
Extraordinary dividend for the financial year	0	23,826	0	22,827
Non-controlling interests	1,856	3,221	0	0
Retained earnings	39,146	10,497	39,146	11,496
	<u>41,002</u>	<u>37,544</u>	<u>39,146</u>	<u>34,323</u>

Consolidated financial statements and parent company financial statements 1 January - 31 December

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10 Intangible assets

DKK'000	Group		
	Acquired rights	Development projects	Goodwill
Cost at 1 January 2019	4,338	2,400	80,067
Additions	64	5,514	0
Disposal	0	0	-43
Cost at 31 December 2019	4,402	7,914	80,024
Depreciations, amortisation and impairment losses at 1 January 2019	-3,972	-130	-24,251
Depreciations during the year	-262	-313	-8,008
Amortisation and impairment losses at 31 December 2019	-4,234	-443	-32,259
Carrying amount at 31 December 2019	168	7,471	47,765

DKK'000	Parent		
	Acquired rights	Development projects	Goodwill
Cost at 1 January 2019	4,338	2,400	57,547
Additions	64	5,514	0
Cost at 31 December 2019	4,402	7,914	57,547
Amortisation and impairment losses at 1 January 2019	-3,972	-130	-19,756
Amortisation	-262	-313	-5,755
Amortisation and impairment losses at 31 December 2019	-4,234	-443	-25,511
Carrying amount at 31 December 2019	168	7,471	32,036

Capitalised software relates to the internally developed IT platform ProManagement. The platform supports the Group's business model and is expected to result in considerable competitive advantages. The capitalised expenses primarily consist of internal expenses in the form of payroll costs.

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11 Tangible assets

DKK'000	Group			
	Right-of-use assets	Leasehold improvements	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2019	0	402	11,713	12,115
Exchange rate adjustments	0	3	467	470
Additions	52,538	327	3,573	56,438
Disposals	0	0	-1,182	-1,182
Cost at 31 December 2019	52,538	732	14,571	67,841
Amortisation and impairment losses at 1 January 2019	0	-85	-7,473	-7,558
Exchange rate adjustments	0	0	-362	-362
Depreciation during the year	-10,159	-124	-2,827	-13,110
Reversal on depreciation of and impairment losses on disposed assets	0	0	883	883
Amortisation and impairment losses at 31 December 2019	-10,159	-209	-9,779	-20,147
Carrying amount at 31 December 2019	42,379	523	4,792	47,694

DKK'000	Parent			
	Right-of-use assets	Leasehold improvements	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2019	0	99	4,359	4,458
Additions	7,001	149	664	7,814
Disposals	0	0	-653	-653
Cost at 31 December 2019	7,001	248	4,370	11,619
Amortisation and impairment losses at 1 January 2019	0	-34	-2,553	-2,587
Depreciation during the year	-1,976	-64	-515	-2,555
Depreciations regarding disposals	0	0	355	355
Amortisation and impairment losses at 31 December 2019	-1,976	-98	-2,713	-4,787
Carrying amount at 31 December 2019	5,025	150	1,657	6,832

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12 Equity investments in subsidiaries

	Parent
	Equity investments in group entities
DKK'000	
Cost at 1 January 2019	27,577
Additions	38,100
Cost at 31 December 2019	65,677
Value adjustments at 1 January	3,743
Foreign exchange adjustment	185
Profit/loss for the year	6,820
Adjustments purchase of non-controlling interests	-27,778
Share of other movements in equity	-1,982
Value adjustments at 31 December 2019	-19,012
Depreciation and impairment losses at 1 January 2019	-4,584
Amortisation of goodwill	-2,253
Depreciation and impairment losses at 31 December 2019	-6,837
Set-off against receivables from group entities	4,354
Carrying amount at 31 December 2019	44,182
Hereof goodwill	15,728
	Voting rights and ownership
Name and registered office	
ProData Consult International AB, Sweden	100%
ProData Consult GmbH, Germany	100%
ProData Consult Z.o.o., Poland	100%
ProData Consult B.V., The Netherlands	100%

13 Other financial assets

	Parent Deposits
DKK'000	
Group	
Cost at 1 January 2019	2,859
Exchange rate adjustments	28
Additions	887
Disposals	-67
Cost at 31 December 2019	3,707
Parent	
Cost at 1 January 2019	758
Exchange rate adjustments	1
Additions	59
Disposals	-9
Cost at 31 December 2019	809

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DKK'000	Group		Parent	
	2019	2018	2019	2018
14 Prepayments				
Insurance premiums	80	106	55	43
Rent	1,725	638	542	501
Other	506	290	326	246
	<u>2,311</u>	<u>1,034</u>	<u>923</u>	<u>790</u>

15 Share capital

The share capital comprises:

53,933,197 shares of DKK 0.01 each.

DKK'000	Group		Parent	
	2019	2018	2019	2018
16 Deferred tax				
Deferred tax at 1 January	-102	-187	-770	-415
Deferred tax recognised in the income statement	-534	85	-951	-355
Deferred tax at 31 December	<u>-636</u>	<u>-102</u>	<u>-1,721</u>	<u>-770</u>

Deferred tax is recognised in the balance sheet as follows:

	Group	Parent
Deferred tax asset	1,129	0
Deferred tax liability	-1,764	-1,721
Deferred tax at 31 December	<u>-636</u>	<u>-770</u>

Deferred tax assets primarily related to temporary differences.

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17 Contingent liabilities

Pledges and guarantee commitments

The shares in ProData Consult A/S as well certain subsidiaries in Poland and Sweden have been pledged as security for the senior facility agreement entered into by the parent company ProData BidCo A/S.

Further, a floating charge of DKK 25 million in the assets of ProData Consult A/S, a floating charge of SEK 0.8 million in the assets in the Swedish subsidiary and EUR 20 thousand in the assets of the subsidiary in the Netherlands has been provided. The Polish subsidiary has provided payment guarantees for a total of PLN 1.6 million. Further, Prodata Consult A/S has registered pledge on shares of Prodata Consult Sp. z o.o. of DKK 427.5 million.

The Prodata companies in Denmark, Sweden and Poland are part of a cash pool agreement with a credit limit of DKK 60 million. The Prodata companies in Denmark, Sweden and Poland have made a guarantee on a jointly basis towards the credit institution. ProData Holding A/S, ProData BidCo A/S and ProData Consult A/S and its subsidiaries in Poland, Sweden and the Netherlands jointly guarantee as obligor for any amounts due under the senior facility agreement.

Other contingent liabilities

The Company is taxed jointly with the other Danish companies in the Group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income, etc.

18 Related parties

ProData Consult A/S' related parties comprise the following:

Parties exercising control

ProData Holding A/S, Hvidovre.

ProData BidCo A/S, Hvidovre holds 100% of the share capital in the entity.

The Group is included in the consolidated financial statements of Prodata BidCo A/S and Prodata Holding A/S.

Related party transactions include:

DKK'000	Group	Parent
	2019	2019
Sale of services	0	3,173
Purchases	0	-113,063
Interest bearing loans and borrowings	0	-6,034
Trade receivables	0	238
Trade payables	0	-15,146
Interest income from group entities	0	-7

Remuneration for Management is specified in note 3 "Staff costs".

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DKK'000	Group	
	2019	2018
19 Adjustments for the cash flow statement		
Depreciation, amortisation, impairment losses and write-downs	21,355	10,995
Financial income	-307	-844
Financial expenses	3,985	2,561
Tax on profit or loss for the year	14,083	13,696
Other provisions	0	-93
Other adjustments	-2,331	-639
	<u>36,785</u>	<u>25,676</u>

20 Subsequent events

No events significantly impacting the Company's and the Group's financial statements have occurred subsequent to the financial year-end.

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