



Tradedoubler
CONNECT & GROW

Annual Report
2019

Dear reader,

Tradedoubler's business is online and therefore we think the website is the natural focus for our financial communication. Our ambition is to offer shareholders and other investors an effective and easily accessible way of reading up-to-date and relevant information on www.tradedoubler.com.

The information in the annual report

TradeDoubler AB (publ), 556575-7423, is a Swedish public limited liability company with its registered office in Stockholm. The company is subject to Swedish laws and as a listed company is obliged to comply with NASDAQ Stockholm's rules and regulations which govern information disclosure to the market.

All values are stated in Swedish kronor. Kronor expressed in millions is abbreviated to SEK M and kronor expressed in thousands is abbreviated to SEK '000. Numerical data in brackets refer to 2018 unless otherwise stated. Information about markets and the competitive situation is Tradedoubler's own assessment, unless a specific source is provided. You can subscribe to press releases and financial reports on Tradedoubler's website.

The Annual Report is prepared in Swedish and translated into English. Should differences occur between the Swedish Annual Report and the English translation, the Swedish version shall prevail.

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**A print version of the annual report
may be ordered from:**

TradeDoubler AB
Birger Jarlsgatan 57A
SE-113 56 Stockholm
Tel. +46 8 40 50 800
E-mail: ir@TradeDoubler.com

5 year summary

SEK M	2019	2018	2017	2016	2015
Net sales ¹	1,209	1,173	1,173	1,339	1,629
Gross profit ¹	264	264	260	297	336
Gross margin, % ¹	21.9	22.5	22.2	22.2	20.7
Operating costs, excl. depreciation ^{1 2}	-212	-222	-239	-286	-348
EBITDA adjusted for change related items ²	52	42	22	11	-11
Change related items	-7	-3	2	-17	-25
EBITDA incl. change related items ²	45	39	23	-6	-36

¹ Adjusted for change related items

² The implementation of IFRS 16 has impacted Operational cost and EBITDA positively by 16 MSEK during 2019

Financial calendar

Annual General Meeting	7 May 2020
Interim report January-March 2020	7 May 2020
Interim report January-June 2020	27 August 2020
Interim report January-September 2020	6 November 2020
Year-end report 2020	23 February 2021

Overall financial comments

The financial information disclosed in the first three paragraphs below are adjusted for change related items. For more information regarding change related items, see page 5.

The group's net sales during 2019 amounted to SEK 1,209 M (1,173). This was an increase of 3 per cent or a change of 0 per cent adjusted for changes in exchange rates compared to 2018.

Gross profit amounted to SEK 264 M (264), which was a change of 0 per cent or a decrease of 3 per cent adjusted for changes in exchange rates.

EBITDA amounted to SEK 45 M (39).

Investments, mainly related to activated development expenses, amounted to SEK 22 M (18).

Operating profit (EBIT) amounted to SEK 8 M (17).

The sum of cash and interest-bearing financial assets at the end of 2019 amounted to SEK 48 M (44). Net cash was SEK -86 M (-65).

Earnings per share, before and after dilution, amounted to SEK -0.26 (0.34).

The Board proposes that no dividend should be declared for 2019 (SEK 0 per share).

Board of directors' report

The board of directors and the chief executive officer of TradeDoubler AB (publ), corporate registration number 556575-7423, hereby submit the annual accounts for the operations in the parent company and the group for the financial year 2019.

TRADEDOUBLERS OPERATIONS

Tradedoubler is an international leader in performance-based digital marketing and technology powering a unique network of connections. The company works with over 2,000 advertisers through its network of 180,000 publishers in over 80 countries.

Tradedoubler's business strategy

Tradedoubler operates within the dynamic environment of digital and mobile commerce, which is characterised by positive trends in both consumer and advertising expenditure. The digital marketing sector in Europe and worldwide is very dynamic. Channels such as social media, video and mobile continue to expand their market share and advertising is increasingly traded on an automated basis. This dynamic is influencing our business and, together with advances in technology, opens a range of new opportunities for our clients and us.

For advertisers and publishers who want to grow their business Tradedoubler offers performance marketing and technology solutions powering a unique network of connections. Combining 20 years of digital marketing innovation and expertise and global presence Tradedoubler offer tailored performance solutions based on our clients' needs. Our market-leading integrated technology platform tracks online customer journeys. It creates data-driven insight that helps us deliver targeted performance advertising across multiple, high-quality digital channels:

- Industry-leading affiliate marketing network: Affiliate marketing is a risk-free solution for advertisers looking to increase sales or leads as they only pay for results.
- White-label partner management platform: Our award-winning technology platform allows advertisers, publishers or agencies to manage partnerships directly themselves or setup and run their own private affiliate network.
- Campaign management: We offer performance-based campaigns tailored to our client's needs and based on programmatic and non-programmatic inventory. From lead generation to display, native advertisement, video and app install.
- Market-leading business intelligence: Data-driven insights including user journey reporting and analysis to optimise digital ad spend for the best return across all channels.

Building and growing relations is our lifeblood and our key expertise for 20 years. 240 employees based in 15 offices connect advertisers and publishers in more than 80 countries around the globe to grow their business.

SIGNIFICANT EVENTS DURING THE YEAR

As of 1 January 2019, the company applies IFRS 16 regarding the group's leasing agreements. The new standard has impacted EBITDA for 2019 by SEK 16 M, net profit by -0.4 M, cash flow from operating activities by SEK 14 M and cash flow from financing activities by SEK -14 M. The effect on the closing balance sheet amounted to SEK 32 M. Figures for 2018 have not been restated.

In the third quarter Tradedoubler finalized an arms-length re-negotiation regarding its current loan agreement with the Company's principal owner Reworld Media S.A. The Company has increased its current facility with Reworld Media S.A from SEK 40 M to a total of SEK 134 M (EUR 13.45 M) in order to repay the Company's SEK 71 M loan to a Swedish credit institution. The facility with Reworld Media S.A. is on market terms, and the majority of the facility has a maturity in 2026 with an interest rate less than half of the previous loan with the Swedish credit institution.

TRADEDOUBLER'S CURRENT POSITION

Tradedoubler made significant progress during the last quarter 2019 compared to the slow down during Q2 and Q3. The improvement is directly linked to a return of budgets from clients, verticals and markets that have been slower over spring and summer. During 2019 Tradedoubler has furthermore refinanced its outstanding loans to better terms than before.

GROUP RESULTS

If not explicitly stated, the disclosed financial information refers to reported numbers not adjusted for change related items nor changes in exchange rates. For comparability reasons and to indicate the underlying performance, Tradedoubler adjust for change related items. For more information, see page 6.

Consolidated net sales during 2019 were SEK 1,209 M (1,173), which was an increase of 3 per cent or 0 per cent adjusted for changes in exchange rates.

Gross profit during 2019 was SEK 264 M (264), which was a change of 0 per cent or a decrease of 3 per cent adjusted for changes in exchange rates.

Gross margin, adjusted for change related items, was 21.9 per cent (22.5) during 2019.

Operating costs, excluding depreciation, amounted to SEK 220 M (225) during 2019. Operating costs, excluding change related items and depreciation, were SEK 212 M (222). This was a decrease of 4 per cent or 7 per cent adjusted for changes in exchange rates. The reduced costs are mainly a result of the adoption of IFRS 16, which lower the operating costs by SEK 16 M.

Operating profit before depreciation and amortisation (EBITDA) during 2019 was SEK 45 M (39). Adjusted for change related items, EBITDA was SEK 52 M (42).

Depreciation and amortisation were SEK 36 M (22) and operating profit (EBIT) amounted to SEK 8 M (17). The increase in depreciation is mainly explained by the effect of the adjustment made in accordance with the new accounting principle IFRS 16.

CASH FLOW AND FINANCIAL POSITION

Cash flow from operating activities before changes in working capital was SEK 20 M (0.5) in 2019 and related to EBITDA reduced with paid taxes, paid interest and non-cash items.

Changes in working capital were SEK -11 M (-4). Cash flow from operating activities was SEK 9 M (-3).

Net investments in non-financial assets during 2019 amounted to SEK -22 M (-18) and were mainly related to product development.

Paid dividends during 2019 were SEK 0 M (0) and cash flow amounted to SEK 4 M (-26).

Cash at the end of 2019 amounted to SEK 48 M (44) and were affected by translation differences of SEK -0.4 M (1.4). Interest-bearing liabilities amounted to SEK 134 M (109) and related to the loan agreements that was renegotiated with Tradedoublers principal owner Reworld Media.

Net cash hence amounted to SEK -86 M (-65) at the end of 2019. Consolidated shareholders' equity amounted to SEK 233 M (233) at the end of 2019. The return on equity during 2019 was neg per cent (6.8.) and the equity/asset ratio was 27.8 per cent (31.7).

EMPLOYEES

At year-end 2019, Tradedoublers' staff corresponded to 239 (250) full-time equivalents and included permanent and temporary employees as well as consultants.

CHANGE RELATED ITEMS

For comparability reasons and to indicate the underlying performance, Tradedoublers adjust for change related items. The following items affect the comparability in this report.

During 2019 change related items amounted to SEK -7.4 M and related to severance payment of SEK -4.8 M spread over several segments, costs for closing of offices SEK -2.9 and a revaluation of the contingent purchase price in the acquisition of Metapic of SEK 0.3 M (Group management).

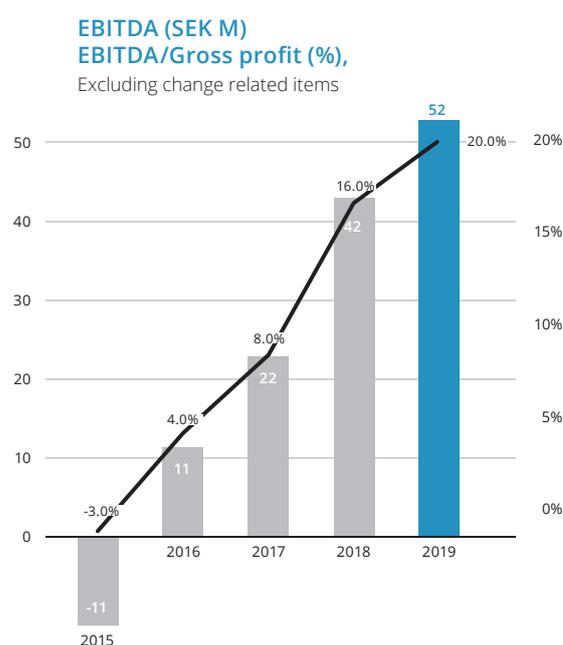
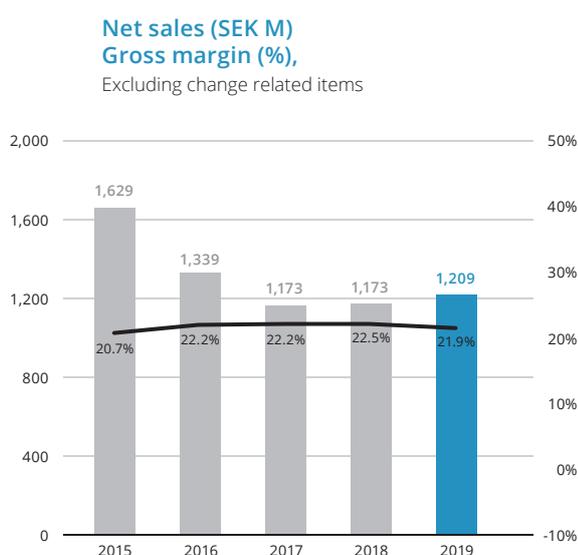
During 2018 change related items amounted to SEK -2.8 M and related mainly to reduced costs for the long-term incentive programme of SEK 0.7 M (Group Management) and severance payments of in total SEK -3.5 M split over all segments.

For more information, see Note C25.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The outbreak of COVID-19 will have an impact on Tradedoublers going forward. The scale of the impact is still very hard to estimate since there are different segments within the business that is more or less impacted. The travel sector which is one of Tradedoublers largest is very negatively impacted while sectors like streaming and pharmacy's are benefiting from the current situation. In general Tradedoublers will have a negative impact on its revenue in the short term, this will to some extent be offset by cost reductions across the board. The long term impact of the COVID-19 outbreak is more uncertain.

No other significant events have occurred after the balance sheet date.



THE PARENT COMPANY

The parent company's net sales amounted to SEK 76 M (69) during 2019. Revenue primarily consisted of licensing revenue and remuneration from subsidiaries for centrally performed services. Licensing revenues are based on the underlying profitability of the subsidiary, in accordance with the group's agreement to transfer pricing.

Operating profit (EBIT) amounted to SEK -10 M (-13) during 2019 and net financial items amounted to SEK -7 M (11). Dividends from group companies were SEK 7 M (9) and changes in exchange rates have impacted pre-tax profit in 2019 with SEK -1 M (-3). Profit after tax amounted to SEK -16 M (-2) during 2019.

The parent company's receivables from group companies amounted to SEK 139 M (106) at end of 2019, of which none (0) were non-current. The parent company's liabilities to group companies were SEK 87 M (67), of which none (0) were non-current. Cash and cash equivalents amounted to SEK 25 M (13) at the end of 2019.

Deferred tax assets amounted to SEK 14 M (14) at the end of 2018. No capitalisation of deferred tax on loss has been made since the assessment of the possibility of using deferred tax on loss carry forwards is unchanged compared to previous periods. As per 31 December 2019, deferred tax assets of SEK 14 M mainly related to previous Group loans. For more information, see Note M10.

THE SHARE AND OWNERSHIP

Tradedoubler's share is listed on NASDAQ Stockholm since 2005 and is traded on the list for Small Cap companies. The share is classified as Information Technology. The share capital on 31 December 2019 amounted to SEK 18.4 M (18.4) distributed among 45,927,449 (45,927,449) shares, each with a quota value of SEK 0.40. All shares carry equal rights to share in the company's assets and profits. Each share carries one vote. At the general meeting, each shareholder is entitled to vote for all shares he/she holds and represents without restriction as to the number of votes cast. Tradedoubler has 790,760 (1,060,473) shares in its own custody after use of own shares in the first quarter 2019 for the final contingent additional purchase price in the acquisition of Metapic.

Tradedoubler's share price increased during 2019 by 3.5 per cent from SEK 3.18 to SEK 3.29 on 31 December 2019. The highest price recorded during 2019 was SEK 4.01 and the lowest price was SEK 2.43. The market capitalisation on 31 December 2019 amounted to SEK 151 M.

At year-end 2019 Tradedoubler had 1,549 (1,590) shareholders. The company's largest shareholder was Reworld Media S.A with 40.21 (40.21) per cent of the capital and votes. The five largest shareholders jointly owned 66.8 (63.9) per cent of the shares.

Foreign ownership amounted to 59.3 per cent (58.7). The board of directors and group management jointly owned approximately 0.3 per cent (0.3) of the votes and capital at the end of 2019.

For more information regarding the share, see Tradedoubler's investor site: www.tradedoubler.com/en/investors/ under the heading Shareholders and ownership.

GUIDELINES FOR REMUNERATION TO COMPANY MANAGEMENT

The guidelines for remuneration to the company management is provided on page 10 in the Corporate governance report. The Board will propose to AGM to adopt these guidelines in 2020.

LONG TERM FINANCIAL TARGETS

Tradedoubler's long term financial targets are to grow net sales in excess of 5 per cent annually in local currency and deliver an EBITDA/Gross profit-ratio in excess of 20 per cent over a business cycle.

PROPOSED DISTRIBUTION OF EARNINGS

At the disposal of the Annual General Meeting of the parent company:

	SEK
Share premium reserve	352,540,285
Retained earnings	-318,674,071
Net profit for the year	-16,419,838
Total non-restricted equity to be carried forward	17,446,376

In addition to the non-restricted equity, the Parent company had SEK 49,857,613 in restricted equity as per end of 31 December 2019.

The Board of Directors proposes to declare no dividend for 2019. No dividend was declared for 2018. Tradedoubler has a policy of distributing at least 50 per cent of its profit after tax provided that a suitable capital structure is maintained. The distribution may occur through share dividends, share redemption and share buybacks.

Sustainability report

The legal requirements for sustainability reporting require companies to disclose the consequences of the company's operations within the five areas of Environment, Social conditions, Personnel, Human rights and Anti-corruption.

ENVIRONMENT

Since the company's business model only involves the sale of services environmental impact is very limited and therefore not considered a significant risk.

SOCIAL CONDITIONS AND PERSONNEL

Tradedoubler's employees are the key to Tradedoubler's success. Tradedoubler strives to attract, develop and retain qualified and motivated people in a professional, safe and healthy work environment. Tradedoubler complies with all local laws relating to working hours, vacation laws and occupational health laws including the psychosocial work environment. Regular team activities as well as physical activity are encouraged. Own initiatives and ideas are encouraged, among other things through access to a special e-mail address to share ideas and improvements, as well as the opportunity for recruitment prize for employee tips for employment. Tradedoubler also performs

an annual employee survey to gain insight into and measurability in the employees' experienced work and social conditions. Key figures used are work and development, organisation and information, corporate culture, psychosocial work environment and leadership.

HUMAN RIGHTS

Tradedoubler has established a Group Code of Ethics and Conduct and all directors, officers and employees are expected to be familiar with this Code of Ethics and Conduct and to adhere to the principles and procedures set forth in the Code.

Tradedoubler has a history of success as a result of fair and ethical business practices. We interact with a variety of stakeholders; advertisers, publishers, suppliers, colleagues, shareholders and regulatory bodies. Our relationships and communication shall be honest, fact-based and transparent within the bounds of commercial confidentiality. We value interaction and therefore encourages a constructive dialogue with all our stakeholders.

In our business relations, we expect our partners to adhere to business principles consistent with our own. Tradedoubler's Ethics and Conduct Code contains guidelines for how to act in different situations when representing Tradedoubler in a business context, towards colleagues, in conflict of interests as well as compliance and whistleblowing.

The code also states zero tolerance to discrimination or harassment because of gender, ethnicity, nationality, religion, sexual orientation, age, disability, marital status or political opinion. All employees should be treated fairly and equally, and all abilities and contributions are valued and honoured equally and in accordance with the Code and fundamental human rights.

No cases of discrimination have been found.

ANTI-CORRUPTION

Tradedoubler has established an Anti-Bribery and Corruption Policy with the purpose of establishing main principles and approaches to fraud, incentives and incorrect payments which are considered as major risks for a company like Tradedoubler as it handles a large amount of transactions. This to prevent illegal and unethical business behaviour. Tradedoubler has zero tolerance to such behaviour and where any employee found to violate this policy will be subject to disciplinary action, which may include termination of employment. No such case has occurred.

Risks and uncertainty factors

Identifying and managing risks is a central component in the governance and control of Tradedoubler's business and is incorporated in all parts of the operations.

Risks are continuously reported to the board by management. Through clear processes and routines, the company aim to take advantage of the opportunities presented in a dynamic market, while minimising the risk for damage and losses.

Tradedoubler distinguishes between market-related risks, operational risks, financial risks and legal risks.

As with all businesses, Tradedoubler has market-related risks, which are primarily related to the surrounding environment such as macroeconomic conditions, competition and technical development. Within the market Tradedoubler operates the technical and commercial rate of change is high. This means great opportunities, but also significant risks for Tradedoubler. The group management is primarily responsible for monitoring and finding opportunities in this changing environment.

Tradedoubler's operative risks is mainly related to its IT- infrastructure which is essential to deliver the services provided. As for the risks of the IT-infrastructure Tradedoubler has a CISO, Chief Internet Security Officer, who leads the risk management of the IT infrastructure together with a board of internal and external resources.

The treatment of financial risks is centralised to the finance function of Tradedoubler and is conducted in accordance with the assumed finance policy accepted by the Board of Tradedoubler. For more information regarding the financial risks see Note C21.

As a multinational company Tradedoubler is subject to local regulations. Legal risks could be tax related, intellectual property rights or privacy legislation. Tradedoubler monitors and mitigates legal risks through internal and external resources as well as through trade associations.

Tradedoubler has a significant goodwill item and other immaterial assets such as activated development expenses, which are tested for impairment on an annual basis. In conjunction with the preparation of the year-end report 2018, impairment tests relating to intangible assets were performed and did not result in any write-down. In 2017 a write-down of SEK 4 M was made for activated development costs.

In connection with the impairment testing of goodwill for 2019 no impairment was deemed to exist and at the end of 2019 goodwill amounted to SEK 299 M (292). It cannot be ruled out that a future impairment test would lead to further write-downs of immaterial assets in the consolidated results and/or the parent company. For further information, see Note C13.

In May 2018, the EU Data Protection Ordinance (GDPR) entered into force, which places even greater demands on how the company handles personal data and otherwise deals with data protection issues. The company has worked actively to be able to meet the requirements under the new regulation.

Corporate governance

Tradedoubler is a Swedish public limited liability company with its registered office in Stockholm. Tradedoubler's share has been quoted on NASDAQ Stockholm since 2005. This section describes Tradedoubler's corporate governance, management and administration as well as the internal control.

The governance of Tradedoubler is divided among the shareholders at the annual general meeting (AGM), the board of directors, the CEO and the group management in accordance with the Swedish Companies Act, the articles of association and the Swedish Code of Corporate Governance (the Code). The board of directors has chosen to jointly handle the duties pertaining

to the audit committee according to the Code and the Swedish Companies Act, but which also may be handled by the board as a whole – see more information under “Audit Committee”. In other respects, Tradedoubler has applied the Code without deviation during 2019.

Tradedoubler's articles of association and other information regarding corporate governance in the company is available on Tradedoubler's website: www.tradedoubler.com/en/investors/corporate-governance/

GENERAL MEETING OF SHAREHOLDERS

The annual general meeting is Tradedoubler's highest decision-making body in which shareholders exercise their rights to decide on the affairs of the company and where each share carries one vote. Shareholders are informed via Tradedoubler's website of their entitlement to have an item addressed at the AGM. Shareholders who are registered in the share register on the record day, (five weekdays prior to the date of the AGM) and who have provided notification of their intention to attend in accordance with what is stated in the convening notice, are entitled to participate in the AGM, either in person or by proxy.

Minutes from the annual general meeting 2019 and previous general meetings of shareholders are available on Tradedoubler's website: www.tradedoubler.com/en/investors/financial-calendar-and-events/

Annual General Meeting 2019

The AGM was held on 15 May 2019 in Stockholm. 41.3 per cent of the shares were represented at the AGM. The AGM passed resolutions on election of board members.

The annual general meeting resolved to authorise the board of directors, until the next annual general meeting, on one or several occasions, with or without deviation from the shareholders' preferential rights, to resolve on new issues of shares, warrants and/or convertibles corresponding to a maximum fifty (50) per cent of the total number of outstanding shares in the company per the date of the annual general meeting. The authorisation shall also include the right to decide on a new issue of share, warrants and/or convertibles with provision for non-payment, set-off or otherwise with terms under the Companies Act. Cash or set-off issues that take place with deviation from the shareholders' preferential rights shall be made on market terms.

The annual general meeting resolved in accordance with the Board's proposal for guidelines for remuneration and other terms of employment for company management.

The annual general meeting resolved to authorise the board of directors, until the next annual general meeting, on one or several occasions, to resolve on the acquisition of a maximum number of own shares so that, after the purchase, the company holds no more than ten per cent of the total number of shares in the company.

The annual general meeting resolved to authorise the board of directors, until the next annual general meeting, on one or several occasions, to resolve on the transfer of shares in the company. Transfer of own shares may only take place in connection with financing of company acquisitions and other types of strategic investments and acquisitions and with a maximum of the number of own shares held by the company at each time.

The annual general meeting resolved in accordance with the Nomination Committee's proposal for a decision on election committee for the 2020 annual general meeting.

Nomination Committee

Tradedoubler's AGM passes resolutions regarding a nomination committee before the next AGM. According to the resolution the nomination committee shall be composed of the Chairman of the Board and representatives of the three largest shareholders, as of the last banking day in August, according to the share register kept by Euroclear Sweden AB.

The Chairman of the Board shall convene the first meeting of the Nomination Committee. The representative representing the largest shareholder shall be appointed chairman of the nomination committee. If one or more shareholders do not wish to appoint a representative to the nomination committee the next shareholder should be contacted. If the shareholder who is next do not wish to appoint a representative the Chairman must only contact the eight largest shareholders to obtain a nomination committee of at least three representatives including the Chairman of the Board. If a nomination committee is not obtained on three representatives (including Chairman) after contact with the eight largest shareholders, the Chairman of the board will continue to contact shareholders until a nomination committee of three representatives (including Chairman of the board) has been reached.

The composition of the nomination committee consists of the following members; Gautier Normand, appointed by Reworld Media S.A (chairman), Yi Shi and Pascal Chevalier, chairman of the Board. The nomination committee's proposals to the AGM 2020 regarding board members, fees and other remuneration etc. are planned to be presented in the notice convening for the AGM 2020 and will also be available on the company's website.

The members of the nomination committee receive no remuneration from Tradedoubler. However, the chairman of the board and Gautier Normand receives remuneration from Tradedoubler in the form of ordinary directors' fees.

THE BOARD OF DIRECTORS AND ITS COMMITTEES

According to Tradedoubler's articles of association, the board shall be composed of between five and nine members. The CEO is not a member of the board but attends board meetings. Other employees in Tradedoubler participate in board meetings when required, for instance to present reports. The company's chief financial officer has during 2019 served as the secretary to the board.

During 2019, Tradedoubler's board of directors was composed until the annual general meeting on 15 May 2019 of Pascal Chevalier (chairman), Gautier Normand, Jérémy Parola, Erik Siekmann and Nils Carlsson.

At the AGM on 15 May 2019 all board members were re-elected. The current board is presented on page 51.

The nomination committee for AGM 2019 considered Pascal Chevalier and Gautier Normand in their capacity as founder and senior executives of Reworld Media S.A dependent in relation to the company's major owners, but independent in relation to the company and the company management. It also considered Jérémy Parola dependent in relation to the company's major

shareholders, but independent in relation to the company and the executive management. Other board members who held positions during 2019 were independent during their term of office in relation to the company and the company management and in relation to the company's major owners. The composition of board members during 2019 has therefore met the requirements imposed in relation to independence.

Under the Code, the board, having regard to the company's operations, development stage and circumstances, must have an appropriate composition characterised by versatility and breadth regarding the competence, experience and background of the members, and that an even distribution of gender in the board should be pursued. Tradedoubler's board of directors during 2019 was entirely composed of men. The nomination committee aims for a uniform gender distribution and had this balance in consideration in its work on a proposal for a new board of directors.

RULES OF PROCEDURE

The work of the board is guided by Rules of procedure for the board that is adopted each year, usually at the statutory board meeting. These rules set out the responsibilities of the board and CEO and regulates the board, its committees and its members' internal division of work, the decision-making order within the board, notifications of board meetings, agendas and minutes, and the board's work on internal control, risk management and the financial reporting. The current rules of procedure were approved by the board of directors on 15 May 2019.

CHAIRMAN OF THE BOARD

According to the current rules of procedure, the chairman of the board shall ensure that the board work is conducted effectively and that the board fulfils its duties. In particular, the chairman shall:

- organise and lead the work of the board,
- ensure that new board members undergo requisite introductory training and training in other respects that the chairman and the member collectively find suitable,
- ensure that the board continually updates and advances its knowledge about the company,
- take responsibility for contacts with the owner's regarding ownership questions and for communicating viewpoints from the owners to the board,
- ensure that the board receives sufficient information and decision data for its work,
- in consultation with the CEO, adopt proposals for the agenda of board meetings,
- ensure that the board's decisions are executed and ensure that the work of the board is evaluated on an annual basis.

WORK DURING THE YEAR

The board held 11 recorded board meetings during 2019, of which 7 took place by telephone. The individual members' attendance at board and committee meetings is shown in the table on page 12.

During the year, the board's work mainly focused on the execution of the strategy balancing expenditures towards necessary investments, budget and business plan for 2019-2020 and other

analysis of the business and trends in the industry. In addition, the board, together with management, has evaluated options in the financial market and refinanced the company during 2019.

COMMITTEES

Audit Committee

The Code and the Swedish Companies Act (2005:551) contain provisions regarding the establishment of an audit committee. The entire board of directors may fulfil the committee's duties in accordance with what is prescribed in Chapter 8 Sections 49 a-b second paragraph of the Companies Act. Since autumn 2013 the duties of the audit committee have been handled by the entire board. In 2019, the auditor in charge have, at two separate meetings, informed the board about planned audit, estimated costs for audit and the results from completed audit.

The committee's work focused on assessment of immaterial assets and internal control. For more information about the internal control and risk management, see page 11.

Remuneration Committee

The board has appointed a remuneration committee, which during the year was composed of two board members, one of whom was chairman. The remuneration committee shall hold meetings when necessary. When considered appropriate, the remuneration committee may invite the CEO, the company's CFO, the company's auditor or others to participate in the committee's meetings. Minutes are taken of the remuneration committee's meetings and a copy of the minutes is distributed to all board members.

During 2019 the remuneration committee was composed of Pascal Chevalier and Erik Siekmann.

The remuneration committee has not had any recorded meetings during 2019. The board has delegated certain terms of remuneration to the chairman of the board, including approvals of changes in remuneration to company management in addition to the CEO.

REMUNERATION TO THE BOARD OF DIRECTORS

The AGM 2019 approved annual remuneration to the board of directors amounting to SEK 763,000 to the chairman of the board and Gautier Normand, and SEK 180,000 to each of the other board members elected by the AGM who are not employed by Tradedoubler. The AGM resolved on no remuneration for committee work. No board member was employed by any company in the group during 2019.

Remuneration to each board member is shown in the table "Composition, independence and remuneration of the Board 2018" on page 12.

CEO AND COMPANY MANAGEMENT

The President and CEO leads the day-to-day operations and is assisted by a company management team.

The company management during 2019 was composed of:

Matthias Stadelmeyer	VD
Viktor Wågström	CFO
François Pacot	CTO

PRINCIPLES FOR REMUNERATION AND OTHER TERMS OF EMPLOYMENT FOR THE COMPANY MANAGEMENT

The AGM resolves on guidelines for remuneration and other terms of employment to company management. Company management is defined as the managing director and other members of the senior leadership team.

The annual general meeting 2019 resolved on the following guidelines for remuneration to company management.

The total remuneration shall be competitive in the local market where the employee is based in order to attract, motivate and retain highly skilled employees. Individual remuneration shall be based on the employee's experience, competence, responsibility and performance.

The total remuneration should be based on four main components; base salary, variable salary, pension benefits and, from time to time, long-term incentive programmes.

Base salary: The base salary shall be in line with local market conditions and shall be based on experience, competence, responsibility and performance.

Variable salary: Variable salary shall be in line with local market conditions and reward growth and profitability and have a uniting effect for the group. It should be based on pre-defined measurable targets, both quantitative and qualitative, agreed in writing with the employee. There shall be a maximum for the variable salary, normally not more than 50 per cent of the base salary.

Pension benefits: Pension benefits may be offered to the company management, depending on local market conditions. Management based in Sweden is offered a benefit that, essentially, corresponds to the so-called ITP plan.

Notice and severance payment: A mutual termination period of 3-9 months shall apply for the company management. Severance payment, if any, shall not exceed a sum equal to 12 months base salary if the company terminates the employment. If the employee terminates the employment, he/she should normally not be entitled to any severance payment.

Long-term incentive programmes: Any share and share-price-related incentive programmes shall be approved by a general meeting.

Other benefits: Other benefits, such as company cars, shall have a limited value in relation to the total compensation.

Matters regarding the terms of employment for the managing director are to be decided by the board of directors. The managing director decides the terms of employment for the other company management after approval by the remuneration committee.

Members of the board of directors, elected at general meetings, may in certain cases receive a fee for services performed within their respective areas of expertise, outside of their board of directors' duties. Compensation for these services shall be paid at market terms and be approved by the board of directors.

The board of directors or the remuneration committee may deviate from these principles if special reasons are at hand in an individual case.

REMUNERATION TO THE CEO AND COMPANY MANAGEMENT

As chief executive officer Matthias Stadelmeyer received remuneration for 2019, amounting to SEK 3,825,000 including variable salary of SEK 318,000 and SEK 79,000 as remuneration for payment into private pension insurance.

Company management apart from the chief executive officer received a total of SEK 4,335,000 in remuneration including variable salary of SEK 314,000 and SEK 295,000 as remuneration for payment into private pension insurance.

AUDITORS

EY was elected as auditor at the AGM 2019 for the period until the AGM 2020, with the authorised public accountant Erik Sandström as auditor-in-charge.

During 2019, the auditor reviewed the annual accounts, the consolidated accounts and accounting records as well as the administration of the board of directors and the CEO. In addition, the auditor reviewed the corporate governance report and the sustainability report. The auditor has also reviewed the interim report for the period January-June 2019 and has been retained for certain advice, most of which pertained to audit-related consultations regarding accounting and tax matters.

Total remuneration of SEK 4,335,000 was paid during 2019, of which SEK 4,121,000 was paid to EY and SEK 215,000 to other auditing companies.

LONG-TERM INCENTIVE PROGRAMMES AND BONUS PROGRAMME

At present there is no Long-term incentive programmes at place.

The group also operates an annual performance- and results-based variable remuneration programme for employees within the group. In the 2019 programme, various quantitative and qualitative performance- and earnings targets were set for different occupational categories, based on company-wide, and regional targets for employees.

INTERNAL CONTROL

The board's responsibility for internal control and risk management is governed by the Companies Act and by the Code. Internal control and risk management in respect of the financial reporting constitute a part of the total internal control and risk management within Tradedoubler, which is based on the COSO framework¹ and represents an essential part of Tradedoubler's corporate governance.

COSO describes the internal control as divided into five components as follows; control environment, risk management, control activities, information and communication, monitoring.

Risk assessment

The area of internal control and risk management in respect of the financial reporting is part of the board's and group management's overall work on identifying and managing risks. This work aims to identify and evaluate the most critical risks affecting the

¹ Published by the Committee of Sponsoring Organisations of the Treadway Commission (COSO), (www.coso.org)

internal control and the financial reporting in the group's companies, as a basis for how to handle risks through different control structures. The most significant risks for the group are described under "Risks and uncertainty factors" on page 7. See also Note C2 and C21 in Notes to the consolidated accounts.

Control environment

The board has the overall responsibility for the internal control and risk management in respect of the financial reporting. The board has adopted Rules of procedure. This is an internal control instrument setting out the responsibilities of the board, CEO and company management regulating the board, its committees and members' internal division of work. The board also works with the duties that under the Code shall be handled by the audit committee. This is primarily control of the financial reporting and monitoring the effectiveness of the company's internal control and risk management in respect of the financial reporting.

In addition, the CEO and company management control the day-to-day work through a variety of policies and internal control documents. The most important of these include the company's Authorisation manual, Payment policy and IT Security policy.

The CEO in conjunction with the rest of the group management is responsible for ensuring that the above-mentioned internal control instruments are complied with and updated if necessary.

Control activities

Control structures are concerned with what controls are chosen to manage identified risks in the group's companies. The controls may be general or detailed, preventative or discovery-based and automated or manual in character.

Information and communication

The internal control instruments are available for the relevant employees on Tradedoubler's Intranet.

The CEO and the company's CFO report the on-going work on develop and monitor the company's internal control and risk management to the board.

Monitoring

Follow up in order to ensure the effectiveness of the internal control and risk management in respect of the financial reporting is conducted by the board, the CEO and the rest of the group management, including the company's CFO.

Follow up includes review of monthly income statements and cash flow statements against the budget and latest financial forecast and current controls that exceptions to policies has been approved by authorised personnel. This means, inter alia exemption from the credit policy and the policy of publishers only getting paid after the customer has paid its invoice to Tradedoubler.

The IT security work is continually ongoing with follow up meetings with the CISO (Chief Internet Security Officer) and group managers for development and operations in attendance. Any IT security-related incidents are reported at these meetings and follow up takes place of IT security-related projects and activities. When required, the CISO reports to the CEO and other members of the group management including the company's CFO. The company have agreements with external security experts in

order to receive advice and support regarding implementation, assessments, and priorities on IT security-related issues.

Internal audit

At present, the company does not have any special audit function. The question of formally establishing a special audit function is reviewed continually.

COMPOSITION, INDEPENDENCE AND REMUNERATION OF THE BOARD 2019

Name	Born	Nationality	Elected	The Board of directors	The Remuneration Committee	Independent in relation to the company, the company management and the company's major shareholders*	Fee in SEK (incl. committee work)**	Own or related party share holdings***
Pascal Chevalier	1967	French	2015	Chairman	Chairman	No*	763,000	0
Gautier Normand	1978	French	2015	Member	-	No*	763,000	0
Jérémy Parola	1987	French	2016	Member	-	No*	180,000	0
Nils Carlsson	1969	Swedish	2016	Member	-	Yes	180,000	0
Erik Siekmann	1971	German	2016	Member	Member	Yes	180,000	0
SUM							2,066,000	

* Pascal Chevalier, Gautier Normand and Jérémy Parola are independent to the company and company management but dependent in relation to the company's major owners, since they are all active in Reworld Media, Tradedoubler's major owner. The arm's length principle has been applied in all transactions between Tradedoubler and Reworld Media, for more information see Note C23.

** The annual general meeting 2019 approved the nomination committee's proposal for the compensation to the Chairman of the board and Gautier Normand corresponding to SEK 763,000 and to the other Board members corresponding to SEK 180,000. No compensation is payable for committee work. Compensation relates to the annual payable amount.

*** Holdings of shares or other equal financial instruments by private or related persons or legal entities in Tradedoubler according to the latest available information to Tradedoubler.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS 2019

Name	Board of directors	Attendance, board meetings	The remuneration committee	Attendance Remuneration committee
Pascal Chevalier	Chairman	11/11	Chairman	-
Gautier Normand	Member	11/11	-	-
Jérémy Parola	Member	11/11	-	-
Nils Carlsson	Member	11/11	-	-
Erik Siekmann	Member	11/11	Member	-

Tradedoubler

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Financial Statements

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Consolidated income statement

SEK '000	Note	2019	2018
Net sales	C3, C4	1,208,690	1,173,105
Cost of goods sold	C8	-944,259	-909,265
Gross profit		264,431	263,840
Selling expenses		-163,652	-161,132
Administrative expenses		-61,667	-57,187
Research & development expenses		-31,229	-27,658
Other income and expenses		302	-556
Operating profit	C4, C5, C6, C7, C8, C9	8,186	17,307
Financial income		829	19,021
Financial expenses		-17,703	-18,108
Net financial items	C10	-16,874	913
Profit before tax		-8,688	18,221
Tax	C11	-3,014	-3,118
Net profit for the year		-11,702	15,102

Statement of comprehensive income

SEK '000	Note	2019	2018
Profit for the year		-11,702	15,102
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Translation differences, net after tax		7,350	12,747
Total other comprehensive income to be reclassified to profit or loss in subsequent periods		7,350	12,747
Total comprehensive income for the year		-4,352	27,849
Total comprehensive income for the year attributable to:			
The parent company's shareholders		-11,702	15,102
Comprehensive income attributable to:			
The parent company's shareholders		-4,352	27,849
Earnings per share	C17		
Earnings per share before and after dilution		-0.26	0.34

Consolidated statement of financial position

SEK '000	Note	2019-12-31	2018-12-31
ASSETS			
Non-current assets			
Goodwill	C13	299,094	292,460
Other intangible assets	C13	44,662	43,242
Equipment, tools, fixtures and fittings	C14	1,227	2,062
Right-of-use assets	C9	32,116	-
Other non-current receivables		5,819	4,886
Shares and participation in other companies	C26	11,128	11,128
Deferred tax receivables	C11	32,976	32,020
Total non-current assets		427,021	385,797
Current assets			
	C12		
Trade receivables	C21	329,309	276,557
Tax receivables		6,639	9,260
Other receivables		12,105	13,864
Prepaid expenses and accrued income	C15	14,347	13,968
Cash and cash equivalents	C21	48,193	44,171
Total current assets		410,594	357,819
Total assets		837,615	743,616
EQUITY AND LIABILITIES			
Shareholders' equity			
	C16		
Share capital		18,371	18,371
Share premium		441,600	441,600
Translation reserve		54,863	47,512
Retained earnings including net profit for the year		-282,191	-271,498
Total equity		232,643	235,986
Non-current liabilities			
	C12, C21		
Deferred tax liabilities	C11	1,492	1,476
Provisions: non-current		915	490
Lease Liabilities, long term	C9	15,897	-
Contingent additional purchase price long term		-	-
Other interest-bearing liabilities	C18	121,526	109,337
Total non-current liabilities		139,830	111,303
Current liabilities			
	C12, C21		
Current interest-bearing debt	C18	12,687	
Trade payables		18,002	18,735
Current liabilities to publishers	C12	318,651	280,168
Bond loan		-	-
Tax liabilities		3,959	6,580
Other liabilities	C19	67,041	56,630
Contingent additional purchase price short term		-	1,565
Leasing Liabilities, short-term	C9	14,699	-
Accrued expenses and deferred income	C20	30,103	32,649
Total current liabilities		465,142	396,327
Total equity and liabilities		837,615	743,616

For information regarding Pledged assets and contingent liabilities, see Note C22.

Consolidated statement of changes in equity

SEK '000	Share capital	Share premium	Translation reserve	Retained earnings incl. Net profit for the year	Total equity
Opening balance at January 1, 2018	18,371	441,600	34,765	-289,215	205,521
Comprehensive income					
Net profit for the year				15,102	15,102
Other comprehensive income					
Translation differences, net after tax	-	-	12,747	-	12,747
Total other comprehensive income	-	-	12,747	-	12,747
Total comprehensive income	-	-	12,747	15,102	27,849
Transactions with shareholders					
Use of shares in own custody	-	-	-	2,556	2,556
Equity-settled share-based payments	-	-	-	60	60
Total transactions with shareholders	-	-	-	2,616	2,616
Closing balance at December 31, 2018	18,371	441,600	47,512	-271,497	235,986
Opening balance at January 1, 2019	18,371	441,600	47,512	-271,497	235,986
Comprehensive income					
Net profit for the year				-11,702	-11,702
Other comprehensive income					
Translation differences, net after tax	-	-	7,350	-	7,350
Total other comprehensive income	-	-	7,350	-	7,350
Total comprehensive income	-	-	7,350	-11,702	-4,352
Transactions with shareholders					
Use of shares in own custody	-	-	-	1,009	1,009
Equity-settled share-based payments	-	-	-	-	-
Total transactions with shareholders	-	-	-	1,009	1,009
Closing balance at December 31, 2019	18,371	441,600	54,862	-282,190	232,643

All equity is tributed to the shareholders of the Parent Company.

Consolidated cash flow statement

SEK '000	Note	2019	2018
Operating activities	C24		
Profit before tax		-8,688	18,220
Adjustment for items not included in the cash flow		31,959	-3,592
Taxes paid		-3,701	-14,099
Cash flow from operating activities before changes in working capital		19,571	529
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables		-48,414	-7,119
Increase (-)/Decrease (+) in operating liabilities		37,780	3,341
Cash flow from operating activities		8,937	-3,249
Investing activities			
Investments in intangible assets		-21,643	-17,144
Investments in property, plant and equipment		-705	-665
		-704	-46
Cash flow from investing activities		-23,051	-17,855
Financing activities			
Newly raised loans		103,663	111,000
Repayment of loans and own bonds		-71,000	-115,740
Payment of contingent additional purchase price		-255	-68
Payment of lease liability		-13,890	-
Cash flow from financing activities		18,519	-4,808
Cash flow for the year		4,404	-25,910
Cash flow for the year		4,404	-25,910
Cash and cash equivalents at the beginning of the year		44,171	68,662
Exchange difference in cash and cash equivalents		-382	1,420
Cash and cash equivalents at the end of the year		48,193	44,171

C1. Accounting policies

GENERAL INFORMATION

Tradedoubler AB (the parent company) and its subsidiaries together make up the Tradedoubler group. TradeDoubler AB (publ), corporate registration number 556575-7423, is a Swedish registered limited liability company with its registered office in Stockholm. The address of the head office is Birger Jarlsgatan 57A, 113 56 Stockholm. The parent company's shares are listed on NASDAQ Stockholm. The board of directors approved these annual accounts for publication on 6 April 2020. The annual accounts will be considered for adoption by the annual general meeting.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated accounts were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as well as interpretations from the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Commission for application within the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups is applied.

The parent company applies the same accounting policies as the group except in the instances described below in the section "Parent Company's accounting policies". Discrepancies between the principles applied by the parent company and the group arise due to restrictions on the ability to apply IFRS within the parent company imposed by the Swedish Annual Accounts Act, the Pension Obligations Vesting Act ("tryggandelagen") and, in some cases, by tax considerations.

Assets and liabilities are recognised at historical cost unless otherwise stated below.

The parent company's functional currency is the Swedish krona (SEK), which is also the presentation currency for the parent company and the group. This means that the financial statements are presented in SEK. All amounts are rounded off to the nearest thousand, unless otherwise stated.

Assessments and estimates in the financial statements.

Preparing the financial statements in conformity with IFRS requires the group management to make judgements and estimates as well as assumptions that affect the application of the accounting policies and the recognised amounts of assets, liabilities, revenue and expenses. The actual outcome may deviate from these estimates and judgements.

Estimates and assumptions are reviewed regularly. Changes in estimates are recognised in the period in which they arise if the change affects that period alone or, alternatively, in the period in which they arise and during future periods if the change affects both the period in question and future periods.

Judgements made by the group management in the application of IFRS, which have a material impact on the financial statements and estimates made, which may give rise to significant adjustments in future financial statements are described in more detail in the notes to the consolidated accounts C2, Critical estimates and judgements.

Amended accounting policies and disclosure requirements 2019

The Group and parent company applies in this Annual report for the first time the new and amended standards and interpretations applicable for fiscal years beginning 1 January 2019 or later. IFRS 16 Leases has been implemented from 1 January 2019. The new standard has material impact on income statement and the balance sheet. No other of the amended policies and disclosure requirements to existing standards has any material impact on the Group or parent company's financial statements.

IFRS 16 Leases

From 1 of January 2019 has IFRS 16 Leases replaced IAS 17. According to the new standard shall the lessee account for the commitment to pay leasing fees as a lease liability, and the right to use the underlying assets as a asset in the balance sheet. Depreciation of the asset is recognized in the income statement as well as an interest on the lease liability. Leasing fees paid are reported partly as payment of interest and partly as amortization of the lease liability, which affect the financial position and key ratios. The introduction of IFRS 16 has no effect on the total cash flow. The standard is exempting lease agreements with lease period shorter than 12 months or if there is an underlying asset of low value. The Group applies this standard for the leasing contracts retroactively with the accumulated effect of initial application of the standard on the first day of application; January 1, 2019. This means that comparative figures will not be adjusted. A marginal loan interest rate has been set per country and maturity for discounting is identified from leasing agreements.

The right of use period has been assessed on the basis of knowledge of the duration of the underlying agreement as well as termination and extension clauses. The leasing period applied is equal to the period during which the agreement cannot be terminated. The rights of use are depreciated from the first date of validity until the earliest of the end of the lease and the end of the asset's useful life. The Group distributes the contract's compensation amount to the various leasing parts and calculates those parts of a lease that do not actually refer to leasing. The leasing agreements that covered by the new standard are operating leases in respect of rental of office space. Leasing agreements for low-valued assets mainly apply to computer and office equipment, certain vehicles and machines and others of lesser value. The implementation effects for IFRS 16 are evident of the table below:

Impact of adopting IFRS 16 as per 1 januari 2019

SEK M	1 jan 2019
Lease liability	
Operating leases as of 31 December 2018	51.4
Discounting with the group's weighted average marginal lending rate	-2.6
Lease liability for operating leases as of 31 December 2018	48.8
Deduction leases of low value	-2.8
Lease liability recorded 1 January 2019	46.0
Right-of-use asset	
Lease liability recorded 1 January 2019	46.0
Right-of-use asset recorded 1 January 2019	46.0

The transition to IFRS 16 means that leases previously classified as operational leasing in accordance with IAS 17 are instead recognized as rights of use and leasing liabilities.

NEW ACCOUNTING STANDARDS IN 2020 AND ONWARDS

No new or amended standards or interpretations published by the IASB is expected to have some impact on the Group or parent company financial reports.

Classification

Non-current assets and non-current liabilities in the parent company and the group largely consist of amounts that are expected to be recovered or paid after more than twelve months, calculated from the end of the reporting period. Current assets and current liabilities in the parent company and the group largely consist of amounts that are expected to be recovered or paid within twelve months, calculated from the end of the reporting period.

Segment reporting

Identification of segments is made based on the internal reporting to the chief operating decision-maker, which as far as Tradedoubler is concerned is deemed to be the CEO. From January 1, 2019 Tradedoubler reports the geographical segments DACH (Germany, and Switzerland), France & Benelux (France, and Netherlands), Nordics (Sweden, Norway, Denmark, Finland and Poland), South (Italy, Brazil and Spain) and UK & Ireland (UK).

CONSOLIDATION

Basis of consolidation

The consolidated financial statements include the parent company and its subsidiaries. The financial statements of the parent and its subsidiaries included in the consolidated accounts cover the same period and are prepared according to the accounting principles applicable to the Group.

All intercompany receivables and liabilities, income and expenses, gains or losses arising from transactions between companies included in the consolidated accounts are eliminated in full.

A subsidiary is included in the consolidated financial statements from the acquisition date, which is the date when the parent company obtains control, and are included in the consolidated financial statements until the date that control ceases. Normally, controlling influence over a subsidiary by the holding of more than 50 per cent of voting shares, but can also be obtained in other ways, for example through contracts.

Subsidiaries acquired are reported in the consolidated financial statements using the purchase method. This applies to businesses acquired directly. The purchase method means that the acquisition value of shares, or of the directly acquired business, is allocated to the acquired assets, assumed commitments and liabilities at the date of acquisition on the basis of their fair values at the time. Possible additional consideration is valued at fair value. If the cost exceeds the fair value of the acquired company's net assets, the difference is recognised as goodwill. If the cost is less than the fair value of the acquired company's net assets, the difference is recognised directly in the income statement. Transaction costs related to the acquisition is recognised directly in the income statement as other operating expenses. In cases where a revaluation at fair value of the contingent consideration its recognised in operating income.

Non-controlling interest is the part of the profit and net assets of a jointly owned company that is attributed to the other owners. Non-controlling interests' share of income is included in the consolidated profit after tax. The share of net assets is included in equity in the consolidated balance sheet but disclosed separately from equity attributable to parent company shareholders.

FOREIGN CURRENCY

Transactions in foreign currencies

Transactions in foreign currencies are translated to the functional currency at the exchange rate prevailing on the transaction date. The functional currency is the currency which applies in the primary economic environments in which the companies conduct their operations. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the prevailing year-end exchange rate. Exchange differences arising on translation are recognised in the income statement, as financial income and expenses, with the exception of exchange differences in respect of intra-group loans which are treated as a net investment in a foreign operation (increased/reduced net investment) where exchange differences are recognised in other comprehensive income in the same way as translation differences.

Financial statements of foreign operations

The group's presentation currency is the Swedish krona (SEK). Assets and liabilities in foreign operations, including goodwill and other goodwill/ negative goodwill arising on consolidation, are translated from the foreign operation's functional currency to the group's presentation cur-

rency, Swedish krona, at the exchange rate prevailing at the end of the reporting period. Income and expenses in a foreign operation are translated to Swedish kronor at an average rate that represents an approximation of the prevailing exchange rates on the date of each transaction. Translation differences arising on such translation are recognised in other comprehensive income. The exchange rates used in translation of the financial statements for consolidation purposes are as follows:

	Closing day rate		Average rate	
	2019	2018	2019	2018
EUR	10.43	10.28	10.59	10.26
GBP	12.21	11.35	12.07	11.59
NOK	1.06	1.02	1.07	1.07
DKK	1.40	1.38	1.42	1.38
PLN	2.44	2.39	2.46	2.41
CHF	9.57	9.10	9.52	8.88
BRL	2.30	2.32	2.40	2.39
SGD	6.90	6.56	6.93	6.44

The company does not currently hedge foreign exchange exposure. In connection with the disposal of a foreign operation, the accumulated translation differences attributable to the operation are recognised in the consolidated income statement.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Sales revenue, which is synonymous with net sales, is reported at the fair value of what has been received or will be received less discounts granted. Revenue recognition takes place in the income statement when it is probable that the future economic benefits will accrue to the Group and these benefits can be calculated reliably. Revenues include only the gross inflow of economic benefits that the company receives or can receive on its own account.

The Group's revenues consist of remuneration from the companies and organisations that advertise and market their products and services through the group. Revenue consists of variable transaction and consulting revenue (called Transaction revenue) and fixed non-recurring and monthly fees (called Other revenue).

The parent company's revenues consist mainly of license fees that are charged to the subsidiaries. The parent company's license revenue is based on the Group's current rules for internal pricing and is calculated so that a market-based margin remains in the subsidiary with regard to the services that the subsidiary carries out and the risks that the business entails.

Transaction revenue

Most of the company's revenue consists of transaction revenue. Transaction revenues are generated mainly within the framework of various advertising campaigns where each campaign constitutes a performance commitment under which revenues are reported over time.

Other revenue

Most of the company's other revenues consist of fixed one-time and monthly fees. These revenues are linked to a service assignment in which the company, among other things, gives the customer access rights to the company's technology. The right of use is mainly regulated via a service assignment. These revenues are recognized over time during the current useful life.

OPERATING EXPENSES AND FINANCIAL INCOME AND EXPENSES

Cost of goods sold

Costs of goods sold consist of remuneration to publishers and search engines and are reported in line with reported revenues. Tradedoubler's agreement with publishers contains clauses that mean that disburse-

ment first occurs when certain minimum levels are reached. Furthermore, there are cases where Tradedoubler lacks opportunities to settle the debts incurred. This means that Tradedoubler is forced to make estimates of whether and when the debts will have to be settled on a regular basis and the debt is adjusted regularly to reflect revised future estimated cash flows.

Financial income and expenses

Interest income is primarily interest on bank deposits and is recognised in the income statement as it arises by application of the effective interest method. Dividend income is recognised in the income statement when the group secures the right to receive payments. Financial expenses consist of interest costs on borrowings, the effect of dissolution of present value computation of provisions, loss on changes in value of financial assets measured at fair value via the income statement, impairment of financial assets and such losses on hedging instruments that are recognised in the income statement. Exchange gains and exchange losses are recognised net. Since 2019, interest expenses related to leasing under IFRS 16 have been reported under financial expenses.

FINANCIAL INSTRUMENTS

Financial instruments on the asset side that are recognised in the statement of financial position includes cash and cash equivalents, trade and financial receivables. Liabilities includes trade payables, liabilities to publishers, other interest-bearing liabilities and contingent additional purchase price.

Recognition and derecognition in the balance sheet

A financial asset or financial liability is recognised in the statement of financial position when the company or one of the subsidiaries becomes a party according to the instrument's contractual terms. A receivable is recognised when the company has performed and there is a contractual obligation for the counterparty to pay, even if the invoice has not yet been sent. Accounts receivable are recognised in the statement of financial position when the invoice has been sent. Debt is recognised when the counterparty has performed and there is a contractual obligation to pay, even if the invoice has not yet been received. Accounts payable are recognised when the invoice is received.

A financial asset is removed from the statement of financial position when the rights in the agreement are realised, expire or the company loses control over them. The same applies to part of a financial asset. A financial liability is removed from the statement of financial position when the obligation in the agreement is fulfilled or otherwise extinguished. The same applies to part of a financial debt.

A financial asset and a financial liability are offset and reported with a net amount in the statement of financial position only when there is a legal right to offset the amounts and that there is an intention to settle the items with a net amount or to simultaneously realise the asset and settle the debt.

Acquisitions and divestments of financial assets are reported on the business day. The business day is the day on which the company commits to acquire or dispose of the asset.

Classification and valuation of financial assets

Debt instruments: the classification of financial assets that are debt instruments is based on the Group's business model for managing the asset and the nature of the asset's contractual cash flows.

The instruments are classified into:

- amortised cost
- fair value through other comprehensive income, or fair value through profit or loss.

The Group's assets in the form of debt instruments are classified at amortised cost. Financial assets classified at amortised cost are initially measured at fair value with the addition of transaction costs. Accounts receivable are initially recognized at the invoiced value. After the first

accounting opportunity, the assets are valued according to the effective interest method. Assets classified at amortised cost are held according to the business model to collect contractual cash flows that are only payments of principal amounts and interest on the outstanding capital amount. The assets are covered by a loss reserve for expected loan losses.

Equity instruments are classified at fair value through profit or loss with the exception if they are not held for trading, as an irrevocable choice can be made to classify them at fair value through other comprehensive income without subsequent reclassification to the result. The Group classifies equity instruments at fair value through profit and loss. Derivative instruments are classified at fair value through profit and loss, except in cases where hedge accounting is applied.

Classification and valuation of financial liabilities

Financial liabilities are classified at amortised cost, with the exception of derivatives and contingent additional purchase price. Financial liabilities recognised at amortised cost are initially measured at fair value including transaction costs. After the first accounting date, they are valued at accrued acquisition value according to the effective interest method. Derivative instruments are classified at fair value through profit or loss, except in cases where hedge accounting is applied. Supplementary consideration is reported at fair value in the result.

Financial instruments that are not derivatives are initially recognised at cost corresponding to the instrument's fair value plus transaction costs for all financial instruments except for those belonging to the category financial asset which is reported at fair value via the income statement, which is reported at fair value excluding transaction costs. A financial instrument is classified on initial recognition based on the purpose for which the instrument was acquired. The classification determines how the financial instrument is valued after the first accounting opportunity as described below.

FINANCIAL ASSETS VALUED AT AMORTISED COST

Loan receivables and trade receivables

Loans and receivables are financial assets that are not derivative instruments, which have fixed or determinable payments and which are not quoted on an active market. These assets are measured at amortised cost according to the effective interest method.

Trade receivables are recognised at the amount that is expected to be received less doubtful debts, which are assessed individually. Trade receivables have short expected maturities, which is why the value of each receivable is carried at its nominal amount without discounting. Impairment losses on trade receivables are recognised in operating expenses.

Receivables with expected maturities of more than one year are classified as non-current receivables and those with shorter maturities are classified as other receivables.

Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss are divided into two subcategories: Financial assets held for trading as well as financial assets identified at initial recognition as belonging to this category. Financial assets held for trading are defined as financial assets acquired principally for the purpose of selling or repurchasing in the short-term.

Assets in this category are measured initially and in subsequent financial statements at fair value. All changes in value arising are recognised in profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost. Accrued cost is determined on the basis of the effective interest rate measured when the liability was carried. This means that surplus and deficit values, as well as direct issue expenses, are allocated over the term of the liability. Repurchases of own bonds below nominal value are recognised in other revenue. Trade payables have short expected maturities and are measured at their nominal value without discounting.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and directly accessible balances at banks and similar institutions.

PROPERTY, PLANT AND EQUIPMENT

Owned assets

Property, plant and equipment is recognised as an asset in the balance sheet if it is probable that the future economic benefits will accrue to TradeDoubler and the cost of the asset can be reliably measured. The cost of acquisition is defined as the purchase price and the costs of putting the asset in place.

Property, plant and equipment is recognised in the group at cost less accumulated depreciation and any impairment losses. Additional expenditure is added at cost only if it is probable that the future economic benefit associated with the asset will increase. All other expenditure is expensed.

Property, plant and equipment consisting of units with different useful lives are treated as separate items of property, plant and equipment.

The carrying amount of an item of property, plant and equipment is derecognised on retirement or disposal or when no future economic benefits can be expected from its use. Gains or losses arising from disposal or retirement of an asset consist of the difference between the selling price and the asset's carrying amount less directly related selling expenses. Gains and losses are recognised as other operating income/expenses.

LEASED ASSETS

The leasing agreements that exist in the Group since 2019 have been mainly classified as financial leases in accordance with IFRS 16, which means that the lessor carries the absolute majority of both risk and retention of ownership of an asset. Financial Leasing means that the leasing fee is calculated at present value and expensed within depreciation and interest expenses.

DEPRECIATION METHODS

Depreciation takes place on a straight-line basis over the estimated useful life of the asset.

Equipment	Three to five years
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An assessment is made of an asset's residual value and useful life every year.

INTANGIBLE NON-CURRENT ASSETS

Goodwill

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is distributed to cash-generating units and is tested at least once annually for any impairment need. Impairment testing is carried out more frequently if there are indications that the unit may need to be impaired. If the recoverable amount of the cash-generating unit is less than the unit's carrying amount, the impairment loss is allocated first to reduce any goodwill carrying amount allocated to the unit and is then allocated proportionately to the unit's other assets based on the carrying amount of each asset in the unit.

In business combinations where the cost of acquisition is less than the net value of acquired assets, and liabilities and contingent liabilities assumed, the difference is recognised directly in net profit.

Development expenses

Expenses for new or substantially improved products or processes are carried as assets in the balance sheet only if the product or process is technologically or commercially viable, the group has sufficient resources to complete development and that it is possible to estimate future revenues in a reliable manner. Capitalisation may occur when a new platform or functionality is developed and includes costs of materials, direct work and a reasonable share of the indirect costs. System

maintenance costs are expensed as they arise. Capitalised development expenses are recognised at cost less accumulated depreciation and impairment losses.

Administration and support

This category includes system tools for customer management and finance among other things. These intangible assets are deemed to have a longer useful life than those within the Development category, mainly due to a longer product lifecycle in the market. In this category, capitalised expenditure is also recognised at cost less accumulated amortisation and impairment losses.

Additional expenditure

Additional costs for capitalised intangible assets are recognised as an asset in the balance sheet only when they increase the future economic benefits of the specific asset to which they relate to. All other costs are expensed as they arise.

Amortisation methods

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful lives of the intangible assets, provided such useful lives are determinable. Goodwill and intangible assets with an indeterminable useful life are tested for impairment on an annual basis and as soon as there are indications suggesting that the asset in question has decreased in value. Intangible assets that may be amortised are amortised from the date from which they are available for use. The estimated useful lives are:

Development	Three years
Administration och support	Five years

Impairment losses

The carrying amounts of the group's assets are tested on each balance sheet date in order to determine if there is any indication of an impairment need. IAS 36 is applied for testing impairment needs of assets other than financial assets, which are tested in accordance with IFRS 9, assets for sale and disposal groups, which are tested in line with IFRS 5, and deferred tax receivables. For exempted assets, as above, the carrying amount is tested in accordance with each standard.

Impairment testing of property, plant and equipment and intangible assets and participations in subsidiaries

If there is an indication for impairment on goodwill, intangible or tangible assets with indeterminate period of use and intangible assets not in use, the asset's recoverable amount is calculated using IAS 36. If it is impossible to determine significant independent cash flows to a single asset, the assets should be grouped, in conjunction with impairment testing, at the lowest level at which it is possible to identify significant independent cash flows – a so-called cash-generating unit.

An impairment loss is recognised when the carrying amount of an asset or cash-generating unit (group of units) exceeds its recoverable amount. An impairment loss is charged to the income statement.

The recoverable amount is the higher of the fair value less selling expenses and value in use. In calculating value in use, future cash flows are discounted using a discounting factor that takes into account the risk-free rate of interest and the risk relating to the specific asset.

Impairment testing of goodwill

Goodwill consists of the amount by which the acquisition cost exceeds the fair value of the net assets acquired by the group in conjunction with a company acquisition or acquisition of assets and liabilities. Goodwill arising from the acquisition of an associated company is included in the carrying amount for the associated company. Goodwill is allocated to cash-generating units upon acquisition and is not amortised, but is tested annually to identify any impairment needs. Goodwill is measured at acquisition cost less any accumulated impairment losses. Impair-

ments of goodwill are not reversed. The recognised revenue from the disposal of a group company includes the remaining carrying amount of the goodwill attributable to the divested unit.

Impairment testing of financial instruments

In connection with quarterly financial reporting, Tradedoubler evaluates whether there is objective evidence that a financial asset or group of assets is in need of impairment. Objective evidence consists of observable conditions that have occurred and which have a negative impact on the possibility of recovering the acquisition value.

The group's financial assets and contract assets, in addition to those which is classified at fair value through profit or loss, is subject to write-downs for expected loan losses. Write-downs for loan losses according to IFRS 9 are forward-looking and a loss reserve is made when there is an exposure to credit risk, usually at the first accounting date. Expected credit losses reflect the present value of all cash flow deficits attributable to default either for the next 12 months or for the expected remaining term of the financial instrument, depending on the asset class and on the credit deterioration since the first accounting date. Expected credit losses reflect an objective, probability-weighted outcome that takes into account most scenarios based on reasonable and verifiable forecasts. The valuation of expected loan losses takes into account any collateral and other credit enhancements in the form of guarantees.

The simplified model is applied for accounts receivable and contract assets. A loss reserve is reported, in the simplified model, for the expected residual maturity of the asset or asset.

For other items covered by expected loan losses, an impairment model with three stages is applied. Initially, as well as on each balance sheet date, a loss reserve for the next 12 months is reported, or for a shorter period of time depending on the remaining maturity (stage 1). If there has been a significant increase in credit risk since the first accounting date, a loss reserve for the asset's remaining maturity (stage 2) is reported. For assets that are deemed to be credit impaired, provisions for continued loan losses for the remaining maturity (stage 3) are still reserved. For credit-impaired assets and receivables, the calculation of interest income is based on the asset's carrying amount, net of loss reserves, as opposed to the gross amount as in the previous stages.

The financial assets are recognised in the balance sheet at amortised cost, i.e. net of gross value and loss reserve. Changes in the loss reserve are reported in the income statement.

Reversal of impairment losses

An impairment loss is reversed if there is an indication that an impairment need no longer exists and a change has occurred in the assumptions that provided the basis for the measurement of the recoverable amount. A reversal is only made to the extent that the carrying amount of the asset after reversal does not exceed the carrying amount that would have been recognised, less amortisation where appropriate, if no impairment had been made. Impairment of goodwill is never reversed.

Impairments of financial assets recognised at amortised cost are reversed if a later increase in the recoverable amount can be objectively attributed to an event that occurred after the impairment was made.

Earnings per share

The calculation of earnings per share is based on the group's net profit for the year attributable to the parent company's shareholders and on the weighted average number of shares in issue during the year. In the calculation of earnings per share after dilution, the profit and the average number of shares are adjusted to take account of the effects of dilutive potential ordinary shares, which can consist of options issued to employees.

EMPLOYEE BENEFITS

Defined-contribution plans

The group mainly operates defined contribution pension plans. In defined contribution plans, Tradedoubler pays fixed fees to an insurance company and has no obligation to pay further amounts. Obligations in respect of charges for defined contribution plans are recognised as an expense in the income statement as they arise.

Compensation on termination of employment

A provision is recognised in conjunction with the termination of employment only if it is evident that Tradedoubler is obligated, without any realistic possibility of withdrawal, by a formal detailed plan to terminate employment before the normal retirement date. When remuneration is offered to encourage voluntary retirement, it is recognised as a cost if it is likely that the offer will be accepted and the number of employees accepting the offer can be reliably estimated.

Share-based payment

The company's share programme allowed selected persons to acquire shares in the parent company. The fair value of the shares has been recognised as a personnel cost in the profit and loss account. The fair value of the shares is estimated based on generally accepted valuation models taking into consideration the terms and conditions prevailing on the allotment date, including the closing price, statistics on the volatility of the share price and estimated future dividends. The costs are allocated during the vesting period.

During every year-end closing, an assessment is made as to whether, and to what degree, the vesting conditions will be fulfilled. If this assessment results in an estimate of a lower number of shares being earned during the vesting period, previously expensed amounts are reversed in the income statement. This means that in those cases where the vesting requirements are not fulfilled, no costs will be recognised in the income statement, as viewed over the entire vesting period.

Social security contributions attributable to the share programme are recognised as a personnel cost and a personnel-related liability, respectively. Provisions for social security contributions are calculated using the best estimate at each closing date of the group's future liability for social security contributions. The provision for social security contributions is allocated over the vesting period. The calculations are based on the fair value of the shares on each closing date. The provision for social security contributions also includes social security contributions for equity instruments.

Provisions

Provisions are recognised in the balance sheet when the group has an existing legal or informal obligation as a result of past events, and it is probable that an outflow of financial resources will be required to settle the obligation and that the amount can be reliably estimated. Provisions include leases where the outlay exceeds the economic benefits. In cases where the effect of payment timing is significant, provisions are calculated by discounting the expected future cash flow at an interest rate before tax that reflects current market assessments of the time value of money, and if applicable, the risks specific to the liability.

Taxes

Income taxes in the income statement include both current tax and deferred tax. Taxes are recognised in the income statement except where the underlying transaction is recognised in other comprehensive income or directly against equity.

Current tax is tax that shall be paid or received in respect of the current year, using the tax rates which, have been enacted or which in practice were enacted on the balance sheet date. This also includes adjustments of current tax relating to previous periods.

Deferred taxes are estimated in accordance with the liability method, based on temporary differences between the tax bases of assets and liabilities and their carrying amounts. The following temporary differences not taken into consideration; temporary differences arising on

the initial recognition of goodwill, the initial recognition of assets and liabilities that are not business combinations and, which on the transaction date did not affect the recognised or taxable result. Furthermore, temporary differences are not taken into consideration that are attributable to investments in subsidiaries and associated companies and, which are not expected to be reversed within the foreseeable future. The measurement of deferred tax is based on how the carrying amounts of assets or liabilities are expected to be realised or settled. Deferred tax is measured using the tax rates and tax regulations which, have been enacted or which in practice were enacted on the balance sheet date.

Deferred tax assets in respect of deductible temporary differences and loss carry-forwards are only recognised to the extent that it is probable that they can be utilised. The value of deferred tax assets is reduced when it is no longer considered probable that they can be utilised.

Any additional income tax arising on dividends is recognised at the same time as the dividend is recognised as a liability.

Contingent liabilities

A contingent liability is recognised when there is a possible obligation arising from past events and whose occurrence can only be confirmed by one or more uncertain future events or when an obligation arises which cannot be recognised as a liability or provision as it is not probable that an outflow of resources will be required, or the size of the obligation cannot be estimated with sufficient reliability.

C2. Critical estimates and judgements

The preparation of accounts and the application of accounting policies is often based on the management's judgements and on estimates and assumptions that are deemed to be reasonable at the time the judgement was made. However, the result may be different using different judgements, assumptions and estimates and events can occur which can require a significant adjustment of the carrying amount of the asset or liability in question. The accounting policies whose application is based on such judgements are described below and the most important sources of uncertainty in the estimates that the company believes may have the most important impact on the group's reported results and financial position. The information in this note refers to those areas, where risk of future adjustments of carrying amounts is greatest.

GOODWILL

Testing of goodwill is based on estimates and assumptions regarding the future. As the company conducts operations in a relatively young industry, which is characterised by development and constant changes, these assumptions are an uncertainty factor.

The basis for Tradedoubler's goodwill impairment test was a 5-year discounted cash flow analysis per cash generating unit (segment), which for 2019 are DACH, Nordics, South, France & Benelux and UK & Ireland. During 2018 the forecast period was 10 years, but for 2019 has it been based on a 5-year forecast period with the motivation that Tradedoubler's niche within online marketing no longer is being deemed as a new market.

In order to determine expected future cash flows as the basis for calculations, assumptions are made on important parameters such as sales growth and gross margins for the company's various business flows and future cost levels. The present value calculation is further based on a so-called WACC which is based on specific valuation technical assumptions. Neither 2019 impairment nor 2018 resulted in any write-downs. Further information on the impairment test is provided in Note C13.

ACCOUNTING AND VALUATION OF DEVELOPMENT EXPENSES

Development expenses are capitalised in the balance sheet when certain criteria are met. These criteria include, among other things, to assess the development is technically and commercially viable and that it is possible to estimate future revenues in a reliable manner. In Note C1 a more detailed description of these criteria can be found. Capitalised development are expensed on a straight-line basis. In order to determine the depreciation period assumptions are made about the activated development market longevity. Impairment is performed annually. The impairment is performed in the same way as described for goodwill above, based on the present value of expected future cash flows for each enabled development project. The impairment test in 2019 did not result in any write-down. See Note C13 for more information.

TAXES

The integrated nature of Tradedoubler's operations can give rise to complexity and delays in assessing the company's tax position and can lead to Tradedoubler facing tax audits which in some cases result in disputes with tax authorities. During these tax audits, local tax authorities may question or challenge the Group's tax positions. These disputes with tax authorities can lead to lengthy legal proceedings. The outcome of these proceedings may be difficult to assess and there is no guarantee that a settlement of such proceedings wouldn't have a significant effect on the income statement and the statement of financial position of the company. For further information about ongoing tax cases see note C11.

C3. Distribution of revenue

SEK '000	2019	2018
Transaction revenue	1,183,087	1,139,206
Other revenue	25,603	33,899
Net sales	1,208,690	1,173,105

Transaction revenues are generated mainly within the framework of various advertising campaigns where each campaign constitutes a performance commitment under which revenues are reported over time. Invoicing normally takes place the same month as the transactions were carried out and with an average credit period of about 30 days. In some cases, an advance payment is obtained for the expected transaction volume for an agreed period.

Other income refers to fixed one-time and monthly fees that give the customer access rights to the company's technology and is reported over time during the current useful life. Invoicing is done monthly with an average credit period of about 30 days.

CONTRACT BALANCES

SEK '000	Dec 31, 2019	Dec 31, 2018
Receivables	340,047	285,434
Liabilities	34,644	39,383
Total	374,692	324,817

Receivables pertain to accounts receivable of SEK 329,309,000 (276,557,000) and accrued income of SEK 10,738,000 (8,877,000). Both accounts receivable and accrued income relate to receivables from customers where Tradedoubler has fulfilled its performance commitment and has an unconditional right to payment. Contract liabilities relate to advances from customers.

SEK '000	Jan 1, 2019	Jan 1, 2018
Liabilities	46,658	97,935

C4. Segment reporting

Tradedoubler had five segments during 2019. These segments consisted of DACH, France & Benelux, Nordics, South, and UK & Ireland.

The respective segments consisted of the following markets;

- Germany, Switzerland and Austria (DACH)
- France and the Netherlands (France & Benelux)
- Sweden, Norway, Denmark, Finland and Poland (Nordics)
- Italy, Brazil and Spain (South)
- UK and Ireland (UK & Ireland)

Identification of segments is based on the internal reporting to the chief operating decision-maker. Reporting and follow up took place based on the geographical regions that served as the basis of division for the segment reporting.

The group's chief operating decision-maker continually monitored Net Sales and EBITDA per segment.

Intra-group transfer prices between different segments are set based on the "arm's length" principle, in other words, between parties that are independent of each other, well informed and with an interest in completing the transactions.

Operating profit for the parent company, central functions and eliminations are allocated to the segments.

The same accounting policies as for the group are applied in the segment reporting.

Tradedoubler has no customers which account for revenues of more than 10 per cent of the company's total revenues for the years 2019 or 2018.

SEK '000	Net Sales		EBITDA*	
	2019	2018	2019	2018
Segment DACH	158,859	144,064	12,128	16,273
Segment France & Benelux	309,691	315,107	31,018	28,161
Segment Nordics	343,038	340,060	23,472	22,571
Segment South	169,206	153,569	20,969	20,145
Segment UK & Ireland	227,896	220,305	9,150	14,078
Total	1,208,690	1,173,105	96,738	101,229
Group management and support functions	-	-	-52,224	-62,323
Total	1,208,690	1,173,105	44,514	38,906

* EBITDA has been affected by change related items, see Note C25 for further information. The implementation of IFRS 16 has effected Group management and support functions with SEK 16,089,000 during 2019 and explains a large proportion of the improved EBITDA. The variance between EBITDA above of SEK 44,514,000 (38,906,000) and group EBIT according to the Consolidated financial statements is attributed to depreciation and amortization of SEK 36,328,000 (21,599,000).

GEOGRAPHICAL INFORMATION

SEK '000	Net sales	
	2019	2018
Sweden	115,061	128,648
Great Britain	229,259	219,175
France	254,731	255,831
Germany	139,134	121,057
Italy	81,572	76,228
Spain	89,381	78,394
Poland	156,188	135,027
Netherlands	57,163	60,833
Other	86,201	97,913
Total	1,208,690	1,173,105

Revenue from external customers is recognised per geographical area in which the revenue was generated.

For geographical information regarding goodwill, see Note C13.

In addition to goodwill Tradedoubler's other intangible assets are mainly accounted for in the parent company, for more information see Note P12 Intangible assets in notes to the Parent company accounts.

C5. Remuneration to employees, group management and board of directors

AVERAGE NUMBER OF EMPLOYEES*

	2019		2018	
	män (%)		män (%)	
Parent company				
Sweden	40	42	46	50
Subsidiaries				
Denmark	1	0	1	0
France	41	27	29	41
Italy	23	42	23	42
Netherlands	8	77	11	74
Poland	43	45	42	52
Switzerland	3	100	4	90
Spain	23	31	25	36
UK	33	44	44	59
Sweden	27	38	25	49
Germany	21	34	18	53
Singapore	1	100	1	100
Total subsidiaries	222	40	223	51
Total group	262	40	269	51

* Including permanent and temporary employees

DISTRIBUTION OF MEN AND WOMEN IN BOARD OF DIRECTORS AND GROUP MANAGEMENT

Share women (%)	2019	2018
The board of directors	0.0	0.0
President and other senior executives	0.0	0.0

REMUNERATION TO EMPLOYEES DISTRIBUTED BETWEEN THE PARENT COMPANY AND SUBSIDIARIES

SEK '000	2019		2018	
	Salaries and other remuneration	Social fees (of which pension)	Salaries and other remuneration	Social fees (of which pension)
Parent company	26,837	8,979	20,889	8,559
Subsidiaries	103,789	25,164	99,133	24,591
		(2,837)		(1,958)
Total	130,625	34,143	120,022	33,150

Activated personell-related development costs in 2019 amounted to SEK 18 M (10).

COST OF REMUNERATION TO EMPLOYEES

SEK '000	2019	2018
Salaries and remuneration	130,625	120,022
Share-based payments	-	60
	130,625	120,082
Pension expenses	4,568	4,034
Social security contributions	29,575	29,116
	34,143	33,150
Total	164,768	153,232

REMUNERATION TO THE PRESIDENT, GROUP MANAGEMENT AND BOARD OF DIRECTORS

	2019				2018			
Remuneration and other benefits, (SEK '000)	Basic salary, other remuneration, directors' fees ¹	Variable remuneration	Pension obligations	Total	Basic salary, other remuneration, directors' fees ¹	Variable remuneration	Pension obligations	Total
The Board of Directors								
Pascal Chevalier	763	-	-	763	763	-	-	763
Gautier Normand	763	-	-	763	763	-	-	763
Jérémy Parola	180	-	-	180	180	-	-	180
Erik Siekmann	180	-	-	180	180	-	-	180
Nils Carlsson	180	-	-	180	180	-	-	180
Matthias Stadelmeyer (CEO)	3,428	318	79	3,825	3,320	-	74	3,394
Other company management	2,658	314	295	3,267	2,330	-	340	2,670
Total	8,152	-	374	8,526	7,716	-	414	8,130

¹ Directors' fees are periodised based on the calendar year.

REMUNERATION TO THE BOARD AND COMPANY MANAGEMENT**Fees to board members and members of the board's committees**

The annual general meeting 2019 approved the following remuneration to the board of directors: SEK 763,000 to the chairman of the board and Gautier Normand. SEK 180,000 to each of the other board members elected by the annual general meeting who are not employed in Tradedoubler.

Guidelines for remuneration to company management

The annual general meeting 2019 resolved on the following guidelines for remuneration to company management, which is defined as the managing director and other members of the Senior Leadership Team. The total remuneration shall be competitive in the local market in which the employee is based in order to attract, motivate and retain skilled employees. Individual remuneration should be based on the employee's experience, skills, responsibilities and performance.

The total remuneration should be based on four main components; fixed salary, variable remuneration, pension benefits and, from time to time, long-term incentive programmes.

Base salary: The base salary shall be in line with local market conditions and shall be based on experience, competence, responsibility and performance. Variable salary shall be in line with local market conditions and reward growth and profitability and have a uniting effect for the group. It should be based on pre-defined measurable targets, both quantitative and qualitative, agreed in writing with the employee. There shall be a maximum for the variable salary, normally not more than 50 per cent of the base salary.

Variable salary: Variable salary shall be in line with local market conditions and reward growth and profitability and have a uniting effect for the group. It should be based on pre-defined measurable targets, both quantitative and qualitative, agreed in writing with the employee. There shall be a maximum for the variable salary, normally not more than 50 per cent of the base salary.

Pension: Pension benefits may be offered to the company management, depending on local market conditions. Management based in Sweden is offered a benefit that, essentially, corresponds to the so called ITP plan.

Notice and severance payment: A mutual termination period of 3-9 months shall apply for the company management. Severance payment, if any, shall not exceed a sum equal to 12 months base salary if the company terminates the employment. If the employee terminates the employment he/she should normally not be entitled to any severance payment.

Long-term incentive programmes: Any share and share price related incentive programmes shall be approved by a General meeting.

Other benefits: Other benefits such as company cars should have a limited value in relation to the total compensation.

Matters regarding the terms of employment for the managing director are to be decided by the board of directors. The managing director decides the terms of employment for the other company management after approval by the remuneration committee.

Members of the board of directors, elected at General meetings, may in certain cases receive a fee for services performed within their respective areas of expertise, outside of their board of directors duties. Compensation for these services shall be paid at market terms and be approved by the board of directors.

The board of directors or the remuneration committee may deviate from these principles if special reasons are at hand in an individual case.

DEVIATION FROM PRINCIPLES

Deviations from principles should be presented and motivated on the following AGM. No deviations from above principles has been identified during 2019.

EARLIER DECIDED REMUNERATION, UNDUO AS PER YEAR-END

As per the time of the AGM, the company has no decided remuneration to company management that is undue.

REMUNERATION POLICY FOR EMPLOYEES

The aim of Tradedoubler's remuneration policy is to offer fair, competitive, market-based remuneration that promotes recruitment and retention of skilled employees.

Pension benefits

Tradedoubler offers pension plans in some markets that are adapted to local market conditions. The pension plans are mainly defined contribution plans, i.e. Tradedoubler pays fixed fees to an insurance company and has no further obligations subsequently. Obligations regarding fees for defined contribution pension plans are recognised as a cost in the income statement when they arise. The retirement age for all senior executives is 65. No right to early retirement exists.

VARIABLE REMUNERATION

Tradedoubler operates a performance- and results-based annual programme for variable remuneration for employees within the group. Various quantitative and qualitative performance- and results-based targets are set for different occupational categories, based on company-wide, and regional targets for the employees. The company management receives variable remuneration which is mainly linked to the group's financial performance. The variable remuneration has a ceiling. The ceiling lies in the range of between 10 and 50 per cent of the fixed salary for the majority of employees. For the group management, the variable remuneration may amount to a maximum of 50 per cent of the fixed salary.

Variable remuneration is paid annually in arrears, however, portions of the variable salary are determined and disbursed on a quarterly basis for employees within the occupational categories — sales and customer service.

During 2019, SEK 8.4 M (6.4) including social security contributions was expensed for the performance- and results-based programme for variable remuneration.

REMUNERATION COMPANY MANAGEMENT

For the CEO a mutual period of notice of 6 months shall apply. In the event of termination by the Company, the CEO is entitled to 6 months fixed salary and pension benefits. Pension benefits are based upon German praxis and do not exceed 25 per cent of the base salary. If the employment is terminated by the Company, the CEO does not have to perform any work during the last 3 months of the notice period and the CEO is, in this case, also entitled to severance payment of three months base salary. The latter shall be reduced with other income that the CEO has during this period.

During 2019 other company management included CFO and CTO. Within company management there is normally a mutual period of notice of 6 months. If an employee in group management initiates the termination notice period is never shorter than 6 months. If termination is initiated by the Company, the notice period is never shorter than 6 months. Pension benefits does not exceed 25 per cent of the basic salary for someone in the group management.

C6. Share-based remuneration

LONG-TERM INCENTIVE PROGRAMMES

The group did not have any long-term incentive programme in place during 2019. The earlier long-term incentive programme ended 31 of May 2018.

The annual general meeting 2015 resolved on a share price related incentive programme for senior executives. Allocation in the programme was contingent upon that the share price, including dividends, in Tradedoubler increased with more than 100 per cent during the performance period starting on 1 June 2015 and ending 31 May 2018. This requirement was not met and thus no allocation was granted in the programme.

PERSONNEL EXPENSE (INCLUDING SOCIAL SECURITY CONTRIBUTION) ARISING FROM SHARE-BASED REMUNERATION

SEK '000	2019	2018
Personnel expense (including social security contributions) arising from share-based remuneration	-	-741
Total personnel expense arising from share-based remuneration	-	-741

C7. Remuneration for auditor

SEK '000	2019	2018
EY		
Audit assignments	3,448	3,525
Tax services	193	137
Other assignments	479	471
Other auditors		
Audit assignments	215	291
Tax services	-	-
Other assignments	-	21
Total	4,335	4,445

Audit assignments refers to the examination of the annual accounts, the consolidated accounts and accounting records as well as the administration of the board of directors and the CEO, other duties that the Company's auditors are obliged to perform as well as advice or other assistance arising from observations during such examination and implementation of such duties. In addition, the auditor reviewed the corporate governance report and the sustainability report. The auditor has also reviewed the interim report for the period January-June 2019 and has been retained for certain advice, most of which pertained to audit-related consultations regarding accounting and tax matters.

C8. Operating costs allocated by type of cost

SEK '000	2019	2018
Remuneration cost to publishers	944,259	909,265
Employee costs	157,147	151,921
Depreciation and amortisation	36,328	21,599
Other operating costs	62,770	73,013
Total	1,200,504	1,155,799

C9. Leases

RIGHT-OF-USE ASSETS

SEK '000	Right-of-use assets for rented premises
Balance at jan 1, 2019	46,014
New contracts	15,444
Terminated Contracts	-14,778
Revaluations	-14,771
Translation difference	207
Balance at dec 31, 2019	32,116

LEASING WHERE GROUP IS THE LEASEE

Non-terminable lease payments amount to:

SEK '000	2019	2018
Within one year	16,559	15,854
Between one and five years	17,928	30,843
More than five years	3,556	4,752
	38,043	51,448

The leases in the group are mainly related to rent for premises.

Revenues for subleasing of office space in Sweden, Germany, and UK amounted to SEK 1,131,000 in 2019.

LEASING LIABILITIES

SEK '000	2019 Leasing liabilities for rented premises	
Balance at jan 1, 2019	46,014	
New contracts	15,444	
Amortisations	-13,890	
Terminated Contracts	-16,972	
Balance at dec 31, 2019	30,596	

SEK '000	Leasing costs for rented premises	Other leasing costs ¹	Total
Depreciation	-14,771		-14,771
Interest related to lease liabilities	-1,730	-	-1,730
Costs related to short term leases	-383		-383
Costs related to leases of low value	-	-815	-815
Total Leasing costs	-16,884	-815	-17,699

Total cash flow related to leasing costs	-14,273	-815	-15,088
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¹ All leasing agreements for Equipment, tools, fixtures, fittings, and other has during 2019 been deemed to be either short-term leases or leases of low value.

C10. Net financial items

SEK '000	2019	2018
Interest income on bank balances & short-term investments	638	298
Interest income, other	191	462
Other financial income	0	18,261
Financial income	829	19,021
Interest expenses on financial liabilities measured at amortised cost	-12,668	-14,195
Interest expense, other	-29	-97
Unrealised result from revaluation of debt in foreign currency	3,193	-
Changes in foreign exchange rates	-3,850	-1,595
Other financial costs	-4,349	-2,221
Financial expense	-17,703	-18,108
Net financial items	-16,874	913

Other financial income in 2018 relates to the repurchase of own bond below nominal value.

C11. Taxes

RECOGNISED IN THE INCOME STATEMENT

The company's tax expense is divided into the following components:

SEK '000	2019	2018
Current tax expense		
Tax expense for the period	-3,185	-4,330
Tax expense related to previous periods	232	-145
Total current tax expense	-2,952	-4,475
Deferred tax expense		
Deferred tax in respect of temporary differences	-11	1,438
Deferred tax expense due to utilisation of previous capitalised loss carryforwards for tax purposes	-50	-82
Total deferred tax expense	-61	1,357
Total	-3,014	-3,118

The tax expense for the year can be reconciled to profit before tax according to the following:

RECONCILIATION OF EFFECTIVE TAX FOR CONTINUED OPERATIONS

	2019		2018	
	%	SEK '000	%	SEK '000
Profit before tax		-8,688		18,220
Tax according to applicable tax rate for parent company	21.4	1,859	22.0	-4,008
Effect of other tax rates for foreign subsidiaries	-3.5	-302	0.4	-100
Adjusted estimates for previous year's loss carryforwards	2.7	232	0.8	-145
Non-deductible expenses	-39.0	-3,385	21.3	-3,875
Non-taxable income	11.0	956	-20.4	3,722
Increase of loss carryforwards for tax purposes without corresponding capitalisation of deferred tax expense	-28.3	-2,463	12.1	-2,196
Utilisation of previously not capitalised loss carryforwards	4.5	390	-13.6	2,485
Other	-3.5	-300	-5.5	1,000
Effective tax rate	-34.7	-3,014	17.1	-3,118

DEFERRED TAX ASSETS AND TAX LIABILITIES RECOGNISED IN THE BALANCE SHEET

Deferred tax assets and tax liabilities are attributable to the following:

SEK '000	Deferred tax assets		Deferred tax liabilities		Net	
	2019	2018	2019	2018	2019	2018
Loss carryforwards	442	466			442	466
Other receivables	65	65			65	65
Other liabilities	5,523	4,885	-1,492	-1,476	4,031	3,409
Other non-current assets	436	284			436	284
Other unused tax deductions ¹⁾	26,510	26,320			26,510	26,320
Deferred tax assets and tax liabilities	32,976	32,020	-1,492	-1,476	31,483	30,544

1) In 2007 Tradedoubler Ltd. completed the acquisition of all shares in IMW with proceeds related to a loan from Tradedoubler AB. HMRC (English tax authority) has retrospectively refused deduction of interest in Tradedoubler Ltd's tax declaration due to UK thin capitalization rules. Tradedoubler AB has at the same time declared interest income and, thus, a double taxation arise. Tradedoubler AB has in an application requested that the Swedish tax authority should initiate proceedings with HMRC in order to eliminate the double taxation that has arisen. The total book value amounts to SEK 14 M, and Tradedoubler estimates that this amount will be collectable. During 2018 Tradedoubler deposited SEK 12 M related to an ongoing tax case to the Spanish Tax Authorities. The Spanish Tax Authorities has questioned some tax deductions within the framework of the transfer pricing policy. Tradedoubler's estimate is that this amount will be refunded.

SEK '000	Capitalisation of loss carryforwards	Other receivables	Other liabilities	Other non-current assets	Other unused tax deductions	Deferred tax assets and tax liabilities
Balance at Jan 1, 2018	428	139	1,769	458	14,000	16,794
Recognised via income statement	50	-84	1,608	-217	-	1,357
Reclassification	-30	-	-	30	12,298	12,298
Translation difference	18	10	30	13	22	93
Balance at Dec 31, 2018	466	65	3,408	284	26,320	30,542
Balance at Jan 1, 2019	466	65	3,408	284	26,320	30,542
Recognised via income statement	-32	-2	579	140	-	685
Reclassification	0	0	4	0	-	4
Translation difference	8	2	40	12	190	252
Balance at Dec 31, 2019	442	65	4,031	436	26,510	31,483

NON-RECOGNISED DEFERRED TAX ASSETS

Deductible temporary differences and loss carryforwards for tax purposes for which deferred tax assets have not been recognised in the income statement and balance sheet:

SEK '000	2019	2018
Tax on loss carryforwards	63,741	63,724
Total	63,741	63,724

The value for tax purposes of capital loss carryforwards of SEK 442,000 and non-capital loss carryforwards of SEK 63,742,000 (of which SEK 62,090,000 is related to the parent company), have a perpetual term. Non-capital loss carryforwards relate to the assessment that is it uncertain whether these will be utilised in the near future.

C12. Financial assets and liabilities distributed per category

SEK '000	2019			2018		
	Valued at amortised cost	At fair value via the Profit & Loss	Total carrying amount	Valued at amortised cost	At fair value via the Profit & Loss	Total carrying amount
Shares and participation in other companies		11,128	11,128		11,128	11,128
Trade receivables	329,309		329,309	276,557		276,557
Cash and bank balances	48,193		48,193	44,171		44,171
Total financial assets	377,502	11,128	388,630	320,728	11,128	331,856
Bond loan	-		-	-		-
Other interest-bearing debts	134,213		134,213	109,337		109,337
Trade payables	18,002		18,002	18,735		18,735
Contingent additional purchase price	-		-	1,565		1,565
Liabilities to publishers	318,651		318,651	280,168		280,168
Total financial liabilities	470,866		470,866	409,805		409,805

Determination of fair value is as a valuation hierarchy consisting of three levels. The levels reflect the extent to which fair value is based on observable market data or assumptions.

Level 1 fair value is determined based on the observed (unadjusted) quoted prices in active markets for identical assets and liabilities.

Level 2 fair value is determined using valuation models based on

observable for the asset or liability other than quoted prices included in Level 1.

Level 3 fair value is determined using valuation models where significant inputs are based on unobservable market data. TradeDoubler currently has no liabilities valued at fair value through the Profit & Loss.

Shares and participation in other companies and contingent additional purchase price is valued according to level 3.

C13. Intangible assets

SEK '000	Development expenses	Administration & Support	Goodwill	Other	Total
Accumulated acquisition costs					
Opening balance at Jan 1, 2018	148,942	46,548	562,430	1,179	759,099
Investments for the year	17,089	0	0	55	17,144
Translation difference	0	0	21,213	244	21,457
Closing balance at Dec 31, 2018	166,031	46,548	583,644	1,477	797,700
Opening balance at Jan 1, 2019	166,031	46,548	583,644	1,477	797,700
Investments for the year	21,475	0	0	168	21,643
Translation difference	0	0	19,812	201	20,014
Closing balance at Dec 31, 2019	187,506	46,548	603,456	1,847	839,356
Accumulated amortisation and impairment losses					
Opening balance at Jan 1, 2018	-106,187	-44,020	-282,042	-657	-432,905
Amortisation	-16,984	-2,528	0	-232	-19,744
Translation difference	0	0	-9,142	-207	-9,349
Closing balance Dec 31, 2018	-123,171	-46,548	-291,184	-1,096	-461,998
Opening balance at Jan 1, 2019	-123,171	-46,548	-291,184	-1,096	-461,998
Amortisation	-19,948	0	0	-282	-20,231
Translation difference	0	0	-13,178	-192	-13,370
Closing balance Dec 31, 2019	-143,120	-46,548	-304,362	-1,571	-495,600
Carrying amounts					
At Jan 1, 2018	42,755	2,528	280,388	522	326,193
At Dec 31, 2018	42,860	0	292,460	382	335,702
At Dec 31, 2019	44,387	0	299,094	276	343,756

Amortisation of intangible assets is included in administrative expenses. All intangible assets, aside from goodwill, are amortised. For further information about depreciation methods, see Note C1 Accounting Policies.

"Goodwill is tested annually for impairment or as soon as there are indications of a decline in value. The impairment for 2019 has, as previous years, been performed in connection with the preparation of the year-end report and is based on a 5-year discounted cash flow analysis per cash generating unit (segment). Impairment in 2019 did not result in any writedown.

The future cash flows on which the valuation is based on is based primarily on assumptions of sales growth and gross margin development for the company's various business flows and future cost levels. During the forecast period the average yearly growth in gross profit has been assumed to be 6% and the average operating cost level is assumed to increase by 2% yearly. Estimated cash flows has been discounted with WACC based on a risk-free rate of interest plus a stock market premium. WACC before tax in the estimates for the six cash-generating units on 31 December 2019 was 14.4 (13.8) per cent. WACC after tax was 12.4 (11.7) per cent.

A sensitivity analysis shows that an increase in WACC after tax of 2 percentage units combined with a decreased growth rate after the forecast period of a half percentage unit, each of which is reasonably likely, indicates that there is margin for all segments but DACH.

For estimation of future revenue and growth both external and internal assumptions are used, which may differ from market to market. The short-term forecasts and market position have a major impact on the estimated future growth in the segments.

Tradedoubler's forecast period extends until 2024 and is based on a five year outlook, which is new for this year. Earlier year the impairment was tested by using a ten year forecast period, but has been changed this year due to that Tradedoubler's nisch within Internet marketing no longer can be deemed as a new market. The growth rate in the forecast period is in line with the outlook for the market the company plans to address. The growth rate after the forecast period is set at 3 (1.5) per cent per year. It is an assessment of the then addressable markets estimated growth. The increase of this growth rate compared to earlier year is mainly related to the shortened forecast period in this years' impairment test.

GOODWILL ALLOCATED PER CASH GENERATING UNIT

SEK '000	2019	2018
Nordics	78,393	77,968
UK & Ireland	51,308	47,669
France & Benelux	49,846	49,090
DACH	66,773	65,760
South	27,800	27,378
R-Advertising	24,974	24,595
Total	299,094	292,460

In addition to goodwill, Tradedoubler's other intangible assets are mainly recorded in the parent company. See Note M12 Intangible assets in the notes to the parent company's financial statements.

C14. Property, plant and equipment

SEK '000	Equipment, tools, fixtures and fittings
Accumulated cost	
Opening balance Jan 1, 2018	31,627
Investments	665
Sales/Disposals	-43
Translation difference	826
Closing balance Dec 31, 2018	33,075
Opening balance Jan 1, 2019	33,075
Investments	470
Sales/Disposals	-2,664
Translation difference	630
Closing balance Dec 31, 2019	31,512
Accumulated depreciation	
Opening balance Jan 1, 2018	-28,443
Depreciation	-1,855
Sales/Disposals	36
Translation difference	-751
Closing balance Dec 31, 2018	-31,013
Opening balance Jan 1, 2019	-31,013
Depreciation	-1,327
Sales/Disposals	2,648
Translation difference	-593
Closing balance Dec 31, 2019	-30,285
Carrying amounts	
At Jan 1, 2018	3,184
At Dec 31, 2018	2,062
At Dec 31, 2019	1,227

C15. Prepaid expenses and accrued income

SEK '000	2019	2018
Rent of promises	2,195	2,246
Accrued income	10,738	8,877
Other	1,414	2,845
Total	14,347	13,968

C16. Shareholder's equity

SHARE CAPITAL

Share capital refers to the parent company's share capital. Each share carries one vote and those entitled to vote may vote for the full number of shares represented and owned without any restriction in voting rights. All shares carry equal rights to share in the company's assets and profits and in any surplus on liquidation.

At December 31, 2019, Tradedoubler AB had a share capital of SEK 18.4 M distributed among 45,927,449 shares, each share with a par value of SEK 0.40.

Reconciliation of number of shares	Number of shares issued	Issued share capital
Number of shares issued January 1, 2019*	45,927,449	18,370,978
Number of shares issued December 31, 2019**	45,927,449	18,370,978

* of which 1,060,473 shares are in own custody

** of which 790,760 shares are in own custody

TRANSLATION RESERVE

The translation reserve included all exchange differences that arise on translation of financial statements from foreign operations that have prepared their financial statements in another currency than the currency which the group's financial statements are presented in. The parent company and group present their financial statements in Swedish kronor (SEK).

RETAINED EARNINGS INCLUDING NET PROFIT FOR THE YEAR

Retained earnings including net profit for the year includes profits earned in the parent company and its subsidiaries. Previous allocations to the statutory reserve, excluding transferred share premium reserves, are included in this equity item.

DIVIDEND

The board and CEO will propose to Tradedoubler's Annual General Meeting 2020 that no dividend should be declared for 2019 in accordance with Tradedoubler's guidelines.

Tradedoubler has a policy of distributing at least 50 per cent of the profit after tax, provided that a suitable capital structure is maintained. Distribution may occur through share dividends, share redemption and share buyback.

GROUP CAPITAL MANAGEMENT

Group capital under management is composed of shareholders' equity, which at the end of 2019 amounted to SEK 233 M (236) in total and loan capital, which at the end of 2019 amounted to SEK 134 (111). The measures of the company's capital structure used for control purposes are the interest coverage ratio, defined as profit before tax, plus interest expense, divided by interest expense; and the debt/equity ratio, defined as the total of interest-bearing liabilities and pension provisions less cash and cash equivalents and interest-bearing receivables, divided by shareholders' equity. The Group's goal in managing capital is to safeguard its survival and freedom of action and to ensure that shareholders receive a return on their investment. The distribution between shareholders' equity and loan capital should be such that a good balance is achieved between risk and return. If necessary, the capital structure is adapted to changing economic conditions and other markets factors. To maintain and adapt its capital structure, the Group can distribute funds, raise shareholder's equity by issuing new shares or capital contributions, or reduce or increase liabilities.

SHARES IN OWN CUSTODY

Total holdings of own shares at the end of 2019 amounted to 790,760 ordinary shares.

The 2015 incentive programme ended in May 2018 without any allotment. For more information regarding long-term incentive programme, see notes to the consolidated accounts, C6 Share-based remuneration.

C17. Earnings per share

EARNINGS PER SHARE

	2019	2018
Profit for the year attributable to the parent company's shareholders (SEK '000)	-11,702	15,102
Weighted average number of outstanding ordinary shares before and after dilution (thousands)	45,072	44,173
Earnings per share, before and after dilution	-0.26	0.34

C18. Loan

In December 2018, the five-year bond loan that Tradedoubler signed in December 2013 matured. Tradedoubler repurchased parts of the bond loan during the years 2016-2018 and the remaining part of the bond loan after repurchase was redeemed in an early redemption in early December 2018.

In the third quarter 2019 Tradedoubler finalized an arms-length renegotiation regarding its current loan agreement with the Company's principal owner Reworld Media S.A. The Company has increased its current facility with Reworld Media S.A from SEK 40 M to a total of SEK 134 M (EUR 13.45 M) in order to repay the Company's SEK 71 M loan to a Swedish credit institution.

The facility with Reworld Media S.A. is on market terms, and the majority of the facility has a maturity in 2026 with an fixed interest rate between 3 and 4 per cent. The loan has an amortization structure where SEK 12.7 M will be amortized each year until 2024. SEK 6.4 M will be amortized during 2024, and the rest of the loan will be amortized 2025 or 2026. SEK 12,7 M of the loan will be amortized during 2020 and is therefore classified as short-term debt. The rest of the loan, adjusted for periodized arrangement fees, SEK 121.5 M, is classified as long-term debt. The loan contains one covenant which means that the loan will fall due in the event of a change in control of the company.

C19. Other liabilities

SEK '000	2019	2018
Prepayments from clients	34,644	39,383
VAT	10,969	8,707
Withholding tax and social security contributions	6,592	7,419
Other	14,835	1,122
Total	67,041	56,630

C20. Accrued expenses and deferred income

SEK '000	2019	2018
Accrued costs related to personell	11,750	10,324
Provision for rent, redundant premises	-	1,531
Provision for consultancy	4,814	6,254
Provision for closing of legal entities	179	327
Accrued interest	290	3,272
Other	13,070	10,942
Total	30,103	32,649

C21. Financial risks

FINANCE POLICY

Tradedoubler's Finance policy has been drawn up for the purpose of balancing the group's financial risks. The policy is continually reviewed and is adopted by the board. Responsibility for the group's financial transactions and risks is tasked to the group's central financial department.

CREDIT RISKS

Financial investments

Cash and cash equivalents are mainly invested in bank accounts held with Tradedoubler's two main banks at the best possible bank interest.

Cash and cash equivalents

SEK '000	Total
Cash and cash equivalents	48,193
Sum	48,193

Customer credit risk

The group and the company are exposed to credit risk, which arises primarily in connection with trade receivables. Trade receivables at year-end amounted to SEK 349 M (295).

The group has established a credit policy that determines how clients are managed, with decision-making levels set for various credit limits. Tradedoubler strives for advance payment from clients. When deviations from advance payment are made, the company's credit policy serves as the basis for decision.

Tradedoubler has not noticed increased bad debt losses in any geographical area. However, the group management is actively monitoring the situation. No specific risk concentration exists for any customer category.

Incurred bad debt losses during the year amounted to SEK 1,901,000 (7,186,000) in the group, net after reversal of liabilities to publishers.

Provision for anticipated bad debt losses in the balance sheet amounted to SEK 19,343,000 (18,033,000).

Since a publisher in most cases only gets paid when the customer has paid the invoice, the company's customer credit risk is reduced in this way.

Maturity analysis, trade receivables

	2019	2018
SEK '000	Carrying amount	Carrying amount
Trade receivables not due	216,668	159,080
Trade receivables, due 0-30 days	74,579	65,213
Trade receivables, due 31-90 days	30,109	50,236
Trade receivables, due >90+ days	27,208	20,061
	348,652	294,589

Provision, doubtful trade receivables

	2019	2018
SEK '000	Redovisat värde	Redovisat värde
Trade receivables, due 0-30 days	-	-
Trade receivables, due 31-90 days	-	-
Trade receivables, due >90+ days	-19,343	-18,033
	-19,343	-18,033

FOREIGN EXCHANGE RISK

Foreign exchange risk refers to the risk that changes in exchange rates may affect the consolidated income statement, balance sheet and cash flow statement. Foreign exchange risk exists in the form of transaction risk and translation risk. Tradedoubler is exposed to foreign exchange risk in 14 countries involving eight different currencies, with Euro (EUR) and British pounds (GBP) representing the majority share.

In 2019, approximately 52 (52) per cent of group sales were made in EUR and approximately 19 (19) per cent in GBP. In 2018, approximately 42 (42) per cent of the group's costs were in EUR and approximately 12 (13) per cent in GBP.

TRANSACTION RISK

Exposure attributable to exchange rate fluctuations in client and supplier invoices is limited since invoicing to customers and from suppliers largely occurs in local currency for all companies in the group.

In contrary to previous years, Tradedoubler AB has a loan amounting to M 13.45 EUR and is therefore more exposed to exchange rate changes between SEK and EUR than earlier. Exchange rate differences from this revaluation is recognised in the income statement and is not currently hedged.

Tradedoubler is also exposed to foreign exchange risk in the parent company's intra-group lending to subsidiaries which takes place in the subsidiary's currency, as well as deposits from subsidiaries of excess liquidity. Exchange rate differences due to deposits and lending from subsidiaries are recognised in the income statement.

Intra-group lending and deposits are currently not hedged. In the event of a change of the group's underlying currencies of 11 per cent, this would affect the company's net sales by approx. SEK 11 M, of which SEK 6 M relates to subsidiaries in euro zone countries, SEK 2 M relates to the UK subsidiary and SEK 2 M to other foreign companies in the group.

TRANSLATION RISK

Changes in foreign exchange rates impact the group's earnings on translation of the income statements of foreign subsidiaries to the group's presentation currency, SEK.

Translation exposure also arises in connection with translation of the group's investments in foreign subsidiaries to the group's presentation currency, SEK, which is recognised as a component of "other comprehensive income" (outside the income statement).

In the event of a weakening of the group's underlying currencies of 10 per cent, this would affect the company's profit before tax negatively by approx. SEK 1.3 M, of which SEK 0.7 M relates to subsidiaries in euro zone countries, SEK 0.3 M relates to the UK subsidiary and SEK 0.3 to

other foreign companies in the group. If the company's underlying currencies weakened by 10 per cent at the end of the reporting period, it would weaken consolidated equity by approx. SEK 3.7 M, of which SEK 2.7 M relates to the subsidiaries in euro zone countries, SEK 0.3 M relates to the UK subsidiary and SEK 0.6 M to other foreign companies in the group.

The group's net investments in foreign currency primarily involve EUR and GBP. Net investments in foreign currency are not currently hedged.

INTEREST RISK

Interest risk refers to the risk that changes in market interest rates may affect the consolidated income statement and cash flow or the fair value of financial assets and liabilities. A significant factor affecting the interest risk is the interest rate refixing period. The group's interest rate exposure is managed centrally, which means that the finance function is responsible for identifying and managing this exposure.

On 31 December 2019, interest-bearing assets in the form of bank balances amounted to SEK 48 M. Bank balances run according to variable rates of interest, mainly linked to market rates for each currency that the asset relates to. A change in the variable interest rate of + / - 1 per cent on the closing date affect the Group's net financial items by SEK 0 M.

Tradedoubler renegotiated during 2019 its loan with their principal owner Reworld Media. The loan signed with a fixed interest rate and thus a limited interest risk.

LIQUIDITY RISK

Tradedoubler works actively to minimise the group's liquidity risk by not taking risks in the cash flow. A publisher in most cases is only paid when the customer has paid the invoice to Tradedoubler. Tradedoubler limits its liquidity risk in this way. Credit ratings are performed on new clients and Tradedoubler normally requires advance payments from clients for which adequate financial information is not available.

Tradedoubler also has counterparty risk related to liquidity risks, which are principally related to banks in existing markets. At the balance sheet date, the company has external interest-bearing borrowing of SEK 134 M or SEK 140 M when excluding accrued arrangement fees.

In the third quarter Tradedoubler finalized an arms-length re-negotiation regarding its current loan agreement with the Company's principal owner Reworld Media S.A. The Company has increased its current facility with Reworld Media S.A from SEK 40 M to a total of SEK 140 M (EUR 13.45 M) in order to repay the Company's SEK 71 M loan to a Swedish credit institution. The facility with Reworld Media S.A. is on market terms, and the majority of the facility has a maturity in 2026 with an interest rate less than half of the previous loan with the Swedish credit institution.

The loan has an amortization structure where SEK 12.7 M will be amortized each year until 2024. SEK 6.4 M will be amortized during 2024, and the rest of the loan will be amortized 2025 or 2026.

Duration analysis, financial liabilities

SEK '000	2019			
	Total	Within 1 month	Within 1-3 months	Over 4 months
External loans	140,332			140,332
Interest external loans	26,279	-	1,253	25,026
Trade payables	18,002	17,336	646	20
Lease Liability	38,043	-	3,918	34,125
Short-term liabilities to publishers	318,651	91,244	211,304	16,102
Total	541,307	108,580	217,120	215,606

SEK '000	2018			
	Total	Within 1 month	Within 1-3 months	Over 4 months
External loans	111,000			111,000
Interest external loans	37,541	-	3,497	34,044
Trade payables	18,735	17,039	1,477	218
Short-term liabilities to publishers	280,168	101,157	166,902	12,109
Total	447,444	118,196	171,876	157,371

C22. Pledged assets and contingent liabilities

SEK '000	2019	2018
Pledged assets		
Rental deposits	5,819	4,874
Company mortgage	-	100,000
Reported value of net assets	-	35,300
Total pledged assets	5,819	140,174
Contingent liabilities	None	None

During 2019, Tradedoubler repaid the loan to the Swedish credit institution and thus there is no outstanding company mortgage and the value of other pledged assets is 0.

C23. Transactions with related parties and companies

Transactions with related parties are priced on commercial terms. The group has during the year had transactions between the parent company and its subsidiaries. The transactions consist primarily of license invoices from the parent company to the subsidiaries. See further description in Notes to the Parent company's financial statements, M15 Investments and M23 Transactions with related parties.

TRANSACTIONS WITH KEY PEOPLE IN EXECUTIVE POSITIONS

Aside from transactions in the normal course of business, to board and senior executives specified in Notes to the Consolidated Financial Statements, Note C5 Remuneration to employees, group management and board of directors and Note C6 Share-based remuneration, the following third party transactions have occurred.

Tradedoubler's CTO, Francois Pacot, has during the year received payment of 120 KEUR related to his monthly fee as consultant and 257 KEUR related to other services through his fully owned companies Datamind and Azote Media.

Reworld Media has, as a publisher in France received remuneration of 14 KEUR, 47 KEUR for provided HR-support and 149 KEUR in remuneration for rent, both related to Tradedoubler's French subsidiary. Reworld Media has during 2019 been invoiced for purchased services from Tradedoubler France of 34 KEUR in total and from R-Advertising of 1.7 KEUR in total.

During the year, Tradedoubler's German subsidiary leased parts of its premises to NetMedia Europe Deutschland GmbH, where rental income amounted to SEK 0.2 M. Pascal Chevalier is Chairman of the board of NetMedia Europe.

In May 2018, Tradedoubler entered into a loan agreement with Reworld Media. This loan was renegotiated and increased in Q3 2019 so that the Company could replace the loan from a Swedish credit institution. At the end of the year the loan amounted to SEK 134 M (EUR 13.45 M). The loan has an amortization structure and matures in 2026. The loan is subscribed on market terms and the interest expense during 2019 has amounted to SEK 5.3 M. An arrangement fee of SEK 312 K related to the new loan was paid to Reworld Media in December 2019. The agreement contains a clause related to change of control, however, no other covenants are in place. The arm's length principle has been applied on all these transactions.

C24. Cash flow statement, supplementary information

CASH AND CASH EQUIVALENTS

SEK '000	2019	2018
Cash and bank balances	48,193	44,171
Total according to the balance sheet	48,193	44,171
Total according to the cash flow statement	48,193	44,171

SEK '000	2019	2018
Interest received	829	759
Interest paid	-15,680	-11,191

ADJUSTMENT FOR ITEMS NOT INCLUDED IN THE CASH FLOW

SEK '000	2019	2018
Depreciation and amortisation	36,328	21,599
Provisions for severance payments	271	585
Unrealised exchange rate differences	3,819	1,159
Write-down accounts receivables	-3,912	-10,333
Other	-4,547	-16,602
	31,959	-3,592

C25. Change related items

Change related items refer to items of non-recurring nature and the purpose of disclosing these separately is to make it easier for the reader to understand the underlying year-on-year developments. In the table below the items adjusted for in 2019 and 2018 are listed.

SEK '000	2019	2018
Costs		
Severance	-4,512	-3,497
Office moving costs	-2,936	-
Restruct costs	-298	-79
Long-term incentive programme	-	741
Revaluation contingent additional purchase price	302	-556
Other	0	619
Sum change related costs	-7,444	-2,771
Sum change related items	-7,444	-2,771

TOTAL AMOUNT EFFECTING EBITDA PER SEGMENT

SEK '000	2019	2018
Nordics	-596	-866
UK & Ireland	-4,833	-160
France & Benelux	-1,403	-1,743
DACH	-280	888
South	-121	-194
Group Management & support functions	-212	-697
Sum	-7,444	-2,771

C26. Shares and participation in other companies

The item refers to 7 per cent of the shares in DynAdmic. The shares are classified as financial assets available for sale. The shares are valued at fair value and value adjustments are recognised in other comprehensive income.

SEK '000	2019	2018
Opening balance 1 January 2019	11,128	11,128
Change in value	0	0
Closing balance 31 December 2019	11,128	11,128

C27. Events after the balance sheet date

The outbreak of COVID-19 will have an impact on Tradedoubler going forward. The scale of the impact is still very hard to estimate since there are different segments within the business that is more or less impacted. The travel sector which is one of Tradedoubler's largest is very negatively impacted while sectors like streaming and pharmacy's are benefiting from the current situation. In general Tradedoubler will have a negative impact on its revenue in the short term, this will to some extent be offset by cost reductions across the board. The long term impact of the COVID-19 outbreak is more uncertain.

No other significant events have occurred after the balance sheet date.

Parent company income statement

SEK '000	Note	2019	2018
Net sales	P3	75,914	69,416
Cost of goods sold		-6,359	-6,442
Gross profit		69,555	62,974
Selling expenses		-1,592	-534
Administrative expenses		-53,001	-54,180
Research & development expenses		-24,774	-21,233
Operating profit	P4, P5, P6, P7, P8	-9,813	-12,974
Profit from financial items			
Profit from participations in group companies		10,292	12,145
Other interest income and similar income statement items		870	18,498
Interest expenses and similar income statement items		-17,819	-20,029
Net financial items	P9	-6,658	10,613
Profit before tax		-16,472	-2,360
Tax	P10	52	75
Net profit for the year		-16,420	-2,285

Statement of comprehensive income

SEK '000	Note	2019	2018
Profit for the year		-16,420	-2,285
Other comprehensive income			
Exchange difference on increased net investment, net after tax		-	-
Reversal of exchange difference on increased net investment, net after tax		-	-
Total other comprehensive income		-	-
Total comprehensive income for the year		-16,420	-2,285

Parent company's balance sheet

SEK '000	Note	Dec 31, 2019	Dec 31, 2018
ASSETS	P11		
Non-current assets			
Intangible assets	P12	44,387	42,860
Equipments, tools, fixtures and fittings	P13	54	554
Financial assets			
Participations in group companies	P14, P15	174,695	174,996
Shares and participations in other companies	P14, P15, P25	11,128	11,128
Deferred tax asset	P10	14,130	14,079
Total non-current assets		244,394	243,618
Current assets			
Trade receivables		5,105	100
Receivables from group companies		138,745	106,091
Tax receivables		1,617	1,014
Other receivables		1,063	1,861
Prepaid expenses and accrued income	P16	3,593	3,105
Cash and cash equivalents		25,094	12,559
Total current assets		175,216	124,729
Total assets		419,610	368,347
EQUITY AND LIABILITIES			
Shareholders' equity	P17		
Restricted equity			
Share capital		18,371	18,371
Fund for development expenses		31,487	29,960
Total restricted equity		49,858	48,331
Non-restricted equity			
Share premium reserve		352,540	352,540
Retained earnings		-318,676	-315,871
Net profit for the year		-16,420	-2,285
Total non-restricted equity		17,444	34,384
Total equity		67,302	82,714
Long-term liabilities	P11		
Other interest-bearing debt	P18	121,526	109,337
Total long-term liabilities		121,526	109,337
Current liabilities	P11		
Current interest-bearing debt	P18	12,687	-
Trade payables		9,133	7,992
Liabilities to group companies		86,597	67,233
Contingent additional purchase price short term		-	1,565
Other liabilities	P19	115,454	87,796
Accrued expenses and deferred income	P20	6,910	11,711
Total current liabilities		230,782	176,297
Total equity and liabilities		419,610	368,347

For more information about pledged assets and contingent liabilities, see Note P22.

Parent company changes in equity

SEK '000	Restricted		Non-restricted		Total equity
	Share capital	Fund development expenses	Share premium reserve	Retained earnings incl.net profit for the year	
Opening balance at January 1, 2018	18,371	29,338	352,540	-317,865	82,383
Comprehensive income					
Net profit for the year				-2,285	-2,285
Fund development expenses		622		-622	-
Transactions with shareholders					
Use of shares in own custody				2,556	2,556
Equity-settled share-based payments				60	60
Closing balance at December 31, 2018	18,371	29,960	352,540	-318,156	82,714
Opening balance at January 1, 2019	18,371	29,960	352,540	-318,156	82,714
Comprehensive income					
Net profit for the year				-16,420	-16,420
Fund development expenses		1,526		-1,526	-
Transactions with shareholders					
Use of shares in own custody				1,009	1,009
Equity-settled share-based payments				-	-
Closing balance at December 31, 2019	18,371	31,487	352,540	-335,094	67,302

Parent company cash flow statement

SEK '000	Note	2019	2018
Operating activities	P24		
Profit before tax		-16,472	-2,360
Adjustment for items not included in the cash flow		10,748	2,882
Paid tax		-603	-
Cash flow from operating activities before changes in working capital		-6,327	522
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables		-2,028	9,381
Increase (-)/Decrease (+) in operating liabilities		11,319	-9,853
Cash flow from operating activities		2,965	50
Investing activities			
Investments in intangible assets		-21,475	-17,089
Investments in property, plant and equipment		-54	-
Investments in financial assets		0	25
Cash flow from investing activities		-21,529	-17,064
Financing activities			
Newly raised loans		103,663	111,000
Payment of contingent additional purchase price		-1,565	-68
Repayment of loan and own bonds		-71,000	-115,740
Cash flow from financing activities		31,098	-4,808
Cash flow for the year		12,535	-21,822
Cash and cash equivalents at the beginning of the year		12,559	34,381
Cash and cash equivalents at the end of the year		25,094	12,559

P1. Accounting policies

The parent company has prepared its annual accounts and consolidated accounts according to the Swedish Annual Accounts Act (1995:1554).

DIFFERENCES BETWEEN THE ACCOUNTING POLICIES OF THE GROUP AND THE PARENT COMPANY

The differences between the accounting policies applied by the group and the parent company are shown below. The accounting policies set out for the parent company below have been applied consistently for all periods presented in the parent company's financial statements.

CLASSIFICATION AND FORMAT

The parent company's income statement and balance sheet are prepared according to the Swedish Annual Accounts Act's layout. The difference in relation to IAS 1: Presentation of financial statements that was applied in the presentation of the consolidated financial statements is mainly in recognition of financial income and expenses, non-current assets and shareholders' equity, discontinued operations and the presence of provisions as a separate heading in the balance sheet.

SUBSIDIARIES

Participations in subsidiaries are recognised in accordance with the cost method.

GROUP CONTRIBUTIONS AND SHAREHOLDERS' CONTRIBUTIONS FOR LEGAL ENTITIES

The parent company reports group contributions and shareholders' contributions in accordance with RFR2. The company has chosen to account for group contributions paid and received in the income statement.

Shareholders' contributions are carried directly against equity in the case of the receiver and capitalised as shares and participations by the grantor, to the extent that impairment is not required.

FUND DEVELOPMENT EXPENSES

In accordance with the amendments to the Swedish Annual Accounts Act and RFR2 that is applicable from 1 January 2016, the parent company has applied the rule on allocation to a development expenses fund. The change means that after 1 January 2016 companies that activate self-developed intangible assets has to bring about an amount equal to the capitalised development expenditures from unrestricted equity to a fund for development expenses in restricted equity. In the event of amortisation of the capitalised development expenditures, the corresponding amount will be returned to unrestricted equity.

LEASING

The parent company has chosen to not apply IFRS 16 according to the possibility given in RFR 2. This means that the parent company's accounting of leasing remain unchanged. The parent company is leasee in operational leasing agreements in which the lessor carries the economical risks and advantages. The lease costs are accounted for liniary over the leasing period.

P2. Critical estimates and judgements

VALUATION OF SHARES IN SUBSIDIARIES

Shares in subsidiaries are recognised in the parent company at cost less any impairment losses. When an indication of impairment occurs, an impairment test is performed, using the same method as described for goodwill in Note C2. Impairment test has been carried out in 2019 in conjunction with the impairment testing of the group's goodwill. Important assumptions and estimates in connection with this are shown in the section about the goodwill impairment testing in Note C1 in notes to the consolidated statements.

The parent company is affected by estimates and judgements regarding intangible assets. For information regarding critical estimates and judgements in the annual accounts see the note to the Consolidated accounts, C2 Critical estimates and judgements.

P3. Distribution of revenue

SEK '000	2019	2018
Other revenue	7,064	7,064
License fees	68,842	62,351
Total revenue	75,914	69,416

P4. Remuneration to employees

AVERAGE NUMBER OF EMPLOYEES

	2019		2018	
	men (%)		men (%)	
Sweden	40	42	46	50

REMUNERATIONS AND SOCIAL SECURITY CONTRIBUTIONS

SEK '000	Salaries and other remuneration	
	2019	2018
Salaries and remuneration	26,837	20,889
of which share-based payments	0	(60)
Social security contributions	8,979	8,559
of which pensions	(2,837)	(2,075)
Total	35,816	29,448

For further information regarding remuneration to the board and company management and the remuneration policies within the group, see notes to the consolidated statements, Note C5 Remuneration to employees, group management and board of directors.

P5. Share-based remuneration

PERFORMANCE-BASED SHARE PROGRAMME 2015

The parent company has in 2019 reported a cost of SEK 0 (-741,000) for the long-term incentive programme that was decided at the Annual general meeting 2015. For more information regarding the share-based remunerations in the group, see notes to the consolidated statements, Note C6 Share-based remuneration.

P6. Remuneration for auditor

SEK '000	2019	2018
EY		
Audit assignments	2,068	2,750
Other assignments	300	300
Total	2,368	3,050

Audit assignments refers to the examination of the annual accounts, the consolidated accounts and accounting records as well as the administration of the board of directors and the CEO, other duties that the Company's auditors are obliged to perform as well as advice or other assistance arising from observations during such examination and implementation of such duties. In addition, the auditor reviewed the corporate governance report. The auditor has also reviewed the interim report for the period January-June 2019 and has been retained for certain advice, most of which pertained to audit-related consultations regarding accounting.

P7. Operating costs allocated by type of cost

SEK '000	2019	2018
Remuneration cost to publishers	6,359	6,442
Employee costs	25,342	20,367
Depreciation and amortisation	20,502	20,355
Other operating costs	33,523	35,225
Total	85,727	82,389

P8. Operating leases

LEASING WHERE THE COMPANY IS LESSOR

Non-terminable lease payments amount to:

SEK '000	2019	2018
Within one year	4,788	4,815
Between one and five years	4,218	9,049
Longer than five years	-	-
	9,006	13,864

The operating lease costs in the company are mainly related to rent for office premises. Costs for operating leases 2018 amounted to SEK 3,831,000 (4,675,000).

P9. Net financial items

SEK '000	2019	2018
Dividends from group companies	7,045	8,622
Group contributions received	3,247	4,803
Result from sales of shares in subsidiaries	-	-1,280
Profit from participations in group companies	10,292	12,145
Interest income, group companies	354	67
Interest income, other	516	171
Other financial income	-	18,260
Financial income	870	18,498
Interest expense, group companies	-1,840	-974
Interest expense, other	-10,954	-14,204
Unrealised result at fair valuation of short term investments	3,193	-
Change in foreign exchange rates	-3,869	-2,840
Other financial expenses	-4,349	-2,011
Financial expenses	-17,819	-20,029
Net financial items	-6,658	10,613

Other financial income relates to repurchase of own bond below nominal value.

P10. Taxes

The company's tax expense is divided into the following components:

SEK '000	2019	2018
Current tax expense		
Tax expense for the period	-	-
Total current tax expense	-	-
Deferred tax		
Deferred tax related to temporary differences	52	75
Total deferred tax	52	75
Total	52	75

The tax expense for the year can be reconciled to profit before tax according to the following:

RECONCILIATION OF EFFECTIVE TAX

	2019		2018	
	% SEK '000		% SEK '000	
Profit before tax	-16,471		-2,360	
Tax according to applicable tax rate	21.4	3,525	22.0	519
Non-deductible expenses ¹⁾	-15.5	-2,552	386.0	-85
Non-taxable income	9.3	1,531	70.4	1,661
Increase of loss carryforwards without corresponding capitalisation of deferred tax expense	-14.9	-2,452	-85.6	-2,020
Effective tax/tax rate	0.3	52	3.2	75

¹⁾ During 2019, SEK 11.3 M has been retributed as non-deductible expenses due to the implementation of limited deductions for interest expenses.

NON-RECOGNISED DEFERRED TAX ASSETS

Deductible loss carryforwards for tax purposes for which deferred tax assets have not been recognised in the income statement and balance sheet:

SEK '000	2019	2018
Tax on loss carryforwards	62,090	61,289
Total	62,090	61,289

The value for tax purposes or non-capital loss carryforwards has a perpetual term. Non-capital loss carryforwards relates to the assessment that it is uncertain whether these will be utilised in the near future.

DEFERRED TAX ASSETS RECOGNISED IN THE BALANCE SHEET

Deferred tax assets are attributable to the following:

SEK '000	Other receivables	Other non-current assets	Other unused tax deductions	Deferred tax assets and tax liabilities
Balance at Jan 1, 2018	-53	57	14,000	14,004
Recognised via income statement	53	22	-	75
Reclassification	-	-	-	-
Balance at Dec 31, 2018	-	79	14,000	14,079
Balance at Jan 1, 2019	-	79	14,000	14,079
Recognised via income statement	-	52	-	52
Reclassification	-	-	-	0
Balance at Dec 31, 2019	-	130	14,000	14,130

For more information regarding Other unused tax deductions, see Note C11 in notes to the consolidated accounts.

P11. Financial assets and liabilities distributed per category

Trade receivables, trade payables, other current receivables and liabilities that are measured at cost have short terms and thus fair value corresponds with the carrying amount. TradeDoubler currently has no liabilities valued at fair value through the profit and loss. Fair value for contingent additional purchase price has been determined using valuation models where significant inputs are based on unobservable market data.

P12. Intangible assets

SEK '000	Development expenses	Administration and support
Accumulated acquisition costs		
Opening balance at Jan 1, 2018	148,942	46,548
Investments for the year	17,089	-
Closing balance at Dec 31, 2018	166,031	46,548
Opening balance at Jan 1, 2019	166,031	46,548
Investments for the year	21,475	-
Closing balance at Dec 31, 2019	187,506	46,548
Accumulated amortisation		
Opening balance at Jan 1, 2018	-106,187	-44,020
Amortisation for the year	-16,984	-2,528
Closing balance Dec 31, 2018	-123,171	-46,548
Opening balance at Jan 1, 2019	-123,171	-46,548
Amortisation for the year	-19,948	-
Closing balance Dec 31, 2019	-143,119	-46,548
Carrying amounts		
At Jan 1, 2018	42,755	2,528
At Dec 31, 2018	42,860	0
At Dec 31, 2019	44,387	0

P13. Property, plant and equipment

SEK '000	Inventarier, verktyg och installationer
Accumulated acquisition**	
Opening balance Jan 1, 2018	11,259
Investments	-
Closing balance Dec 31, 2018	11,259
Opening balance Jan 1, 2019	11,259
Investments	54
Closing balance Dec 31, 2019	11,313
Accumulated depreciation	
Opening balance Jan 1, 2018	-9,861
Depreciation for the year	-844
Closing balance Dec 31, 2018	-10,705
Opening balance Jan 1, 2019	-10,705
Depreciation for the year	-554
Closing balance Dec 31, 2019	-11,259
Carrying amounts	
At Jan 1, 2018	1,398
At Dec 31, 2018	554
At Dec 31, 2019	54

P14. Financial assets

SEK '000	Dec 31, 2019	Dec 31, 2018
Accumulated acquisition costs		
Opening balance	186,124	183,138
Divestment group companies	-	-497
Shareholder's contribution	-	2,927
Revaluation of contingent additional purchase price	-302	556
Closing balance Dec 31	185,823	186,124

P15. Investments

SPECIFICATION OF THE PARENT COMPANY'S DIRECT HOLDINGS OF PARTICIPATIONS IN SUBSIDIARIES AND OTHER COMPANIES

Subsidiary	Corporate identity number	Registered office	Number of shares	Participation as %	Book value	
					Dec 31, 2019	Dec 31, 2018
TradeDoubler OY	777468	Helsinki	100	100	70	70
TradeDoubler A/S	25137884	Copenhagen	125	100	5,772	5,772
TradeDoubler Ltd	3921985	London	5,000	100	140,000	140,000
TradeDoubler Espana SL	B82666892	Madrid	100	100	62	62
TradeDoubler Srl	210954 (rep)/26762 (Rac)	Milan	1	100	2,683	2,683
TradeDoubler GmbH	76167/URNo R181/2001	München	1	100	250	250
TradeDoubler AS	982006635	Oslo	1,000	100	6,011	6,011
TradeDoubler SARL	B431573716 (2000B08629)	Paris	500	100	119	119
TradeDoubler BV	20100140	Rotterdam	40	100	188	188
TradeDoubler International AB	556833-1200	Stockholm	500	100	3,195	3,195
TradeDoubler Sweden AB	556592-4007	Stockholm	1,000	100	2,003	2,003
TradeDoubler Sp zoo	015792506	Warszaw	1,000	100	115	115
TradeDoubler AG	CH020.3.3.028.851-0	Zürich	997	100	609	609
TradeDoubler Performance Marketing LTDA	14.273.556/0001-66	Sao Paolo	297,923	100	0	0
Adnologies GmbH	HRB200226	Hamburg	107,912	100	0	0
Tradedoubler Singapore PTE LTD	201615663C	Singapore	1,000	100	6	6
R-Advertising	B502207079	Mougins	1,375,953	100	10,780	10,780
Metapic Sweden AB	556965-7868	Stockholm	10,000	100	2,831	3,133
DynAdmic SAS	753502582	Mougins	346,180	7	11,128	11,128
					185,823	186,124

P16. Prepaid expenses and accrued income

SEK '000	2019	2018
Rent of premises	1,114	1,082
Other	2,479	2,022
Total	3,593	3,105

P17. Shareholders' equity

SHARE CAPITAL

Share capital refers to the parent company's share capital. Each share carries one vote and those entitled to vote may vote for the full number of shares represented and owned without any restriction in voting rights. All shares carry equal rights to share in the Company's assets and profits and in any surplus on liquidation.

At December 31, 2019, Tradedoubler AB had a share capital of SEK 18.4 M distributed among 45,927,449 shares, each share with a par value of SEK 0.40.

Reconciliation of number of shares	Number of shares issued	Issued share capital
Number of shares issued January 1, 2019*	45,927,449	18,370,978
Number of shares issued December 31, 2019**	45,927,449	18,370,978

* of which 1,060,473 shares are in own custody

** of which 790,760 shares are in own custody

P18. Loans

In the third quarter 2019 Tradedoubler finalized an arms-length re-negotiation regarding its current loan agreement with the Company's principal owner Reworld Media S.A. The Company has increased its current facility with Reworld Media S.A from SEK 40 M to a total of SEK 134 M (EUR 13.45 M) in order to repay the Company's SEK 71 M loan to a Swedish credit institution. The facility with Reworld Media S.A. is on market terms, and the majority of the facility has a maturity in 2026 with an interest rate less than half of the previous loan with the Swedish credit institution.

For more information regarding loans, see Note to Consolidated Financial Statements, C18 Loans.

P19. Other liabilities

SEK '000	2019	2018
Current liabilities to publishers	110,261	86,108
Withholding tax and social security contributions	1,560	1,680
Other	3,633	8
Total	115,454	87,796

P20. Accrued expenses and deferred income

SEK '000	2019	2018
Holiday pay	1,912	1,192
Other payroll expenses	197	326
Consultancy costs	880	480
Audit costs	1,130	2,120
Closing of legal entities	179	327
Accrued interest	290	3,272
Other	2,322	3,994
Total	6,910	11,711

P21. Financial risks

FINANCIAL RISKS AND RISK MANAGEMENT

Tradedoubler's financial risk management is handled and monitored at group level. For more information regarding the financial risks, see notes to the Consolidated statements, Note C21 Financial risks.

P22. Pledged assets and contingent liabilities

SEK '000	2019	2018
Pledged assets		
Company mortgage	-	100,000
Shares in R-Advertising	-	10,780
Total pledged assets	-	110,780
Contingent liabilities	935	893

Contingent liabilities consists of performance guarantees to subsidiaries.

P23. Transactions with related parties

Transactions with related parties are priced on commercial terms.

Transactions with related parties for Tradedoubler AB mainly consists of licensing fees corresponding to SEK 69 (62), invoiced by the parent company to subsidiaries and other revenue of SEK 6 M (7). The parent company's receivables from subsidiaries amounted to SEK 139 M (106). The parent company's liabilities to subsidiaries amount to SEK 87 M (67). Receivables and liabilities from subsidiaries have been netted off in the balance sheet.

TRANSACTIONS WITH KEY PEOPLE IN EXECUTIVE POSITIONS

In May 2018, Tradedoubler entered into a loan agreement with Reworld Media. This loan was renegotiated and increased in Q3 2019 so that the Company could replace the loan from a Swedish credit institution. At the end of the year the loan amounted to SEK 134 M (EUR 13.45 M). The loan has an amortization structure and matures in 2026. The loan is subscribed on market terms and the interest expense during 2019 has amounted to SEK 5.3 M. The agreement contains a clause related to change of control, however, no other covenants are in place. The arm's length principle has been applied on all these transactions.

No transactions with key people in executive positions have taken place during the year except the ones specified in the notes to the Consolidated statements, Note C5 Remuneration to employees, group management and board of directors, Note C6 Share-based remuneration and Note C23 Transactions with related parties.

P24. Cash flow statement, supplementary information

CASH AND CASH EQUIVALENTS

SEK '000	2019	2018
Cash and bank balances	25,094	12,559
Total according to the balance sheet	25,094	12,559
Total according to the cash flow statement	25,094	12,559

SEK '000	2019	2018
Interest received	516	171
Interest paid	-15,260	-12,077

ADJUSTMENT FOR ITEMS NOT INCLUDED IN THE CASH FLOW

SEK '000	2019	2018
Depreciation and amortisation	20,502	20,355
Other provisions	-7,787	-609
Unrealised exchange rate differences	-295	665
Other	-1,672	-17,529
	10,748	2,882

P25. Shares and participation in other companies

The item refers to 7 per cent of the shares in DynAdmic.

SEK '000	2019	2018
Opening balance 1 January	11,128	11,128
Closing balance 31 December	11,128	11,128

P26. Events after the balance sheet date

No significant events other than the Corona crisis have occurred after the end of the balance sheet date.

For more information see Note to Consolidated Financial Statements, C27 Events after the balance sheet date.

The undersigned assure that the consolidated accounts and annual report have been prepared in accordance with international accounting standards, IFRS, as adopted by the EU, and pursuant to generally accepted accounting standards and provide a true and fair view of the group's and parent company's operations, financial position and results of operations and describe significant risks and uncertainties facing the group. The consolidated income statement and statement of financial position and the parent company's income statement and balance sheet are subject to approval by the annual general meeting to be held on 7 May 2020.

Stockholm, 6 April 2020

Pascal Chevalier

Chairman

Gautier Normand

Board member

Jérémy Parola

Board member

Erik Siekmann

Board member

Nils Carlsson

Board member

Matthias Stadelmeyer

President and CEO

Our audit was submitted on 8 April 2020

Ernst & Young AB

Erik Sandström

Authorised Public Accountant

Auditor's report

To the general meeting of the shareholders of Tradedoubler AB (publ), corporate identity number 556575-7423

Report on the annual accounts and consolidated accounts

OPINIONS

We have audited the annual accounts and consolidated accounts of Tradedoubler AB (publ) except for the corporate governance statement on pages 7-11 and the statutory sustainability report on pages 6-7 for the year 2019. The annual accounts and consolidated accounts of the company are included on pages 1-45 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2019 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2019 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 7-11 and the statutory sustainability report on pages 6-7. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

KEY AUDIT MATTERS

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

ACCOUNTING AND VALUATION OF CAPITALIZED DEVELOPMENT EXPENDITURE

Description

Capitalized development expenditure is recognized in the statement of financial position of the group and the parent company at December 31, 2019 to 44 MSEK. The company's accounting policies for development expenditure is described in note K1. Capitalized development expenditures are amortized over the estimated useful life in accordance with the amortization periods described in note K1. Note K2 describes that significant estimates and judgments are required by the company to assess the conditions for capitalization of development expenditures. Furthermore, the company needs to make assumptions about the useful life of capitalized development expenditures in order to determine the amortization period. The company continuously evaluates whether there are indications of impairment for capitalized development expenditures. As described in note K2, there has not been any cases of impairment triggers based in the group and the parent company during the year.

As a result of the estimates and assumptions that needs to be made to determine whether development expenditure should be capitalized or not, the period of use and whether indications of impairment exist, we have assessed the accounting of development expenditures as a key audit matter.

How our audit addressed this key audit matter

In our audit, we evaluated the company's process for handling and accounting of development expenditures. We have further assessed the estimates and assumptions made by the company relating to ongoing development projects through monitoring and analyzing the future economic benefits on which the development projects are based.

We also evaluated the applied amortization periods against the underlying business decisions and we have checked that amortization has been recorded in accordance with these. We have also assessed the company's assumptions made when assessing whether impairment exists or not.

We have also reviewed the disclosures in the annual report.

VÄRDERING AV GOODWILL OCH AKTIER I DOTTERBOLAG **Description**

Goodwill is recorded in the consolidated statement of financial position as of 31 December 2019 to 299 MSEK. Shares in subsidiaries are recorded in the statement of financial position for the parent company as of December 31, 2019 to 175 MSEK. Goodwill in the group is defined as an asset with indefinite useful life for which no amortization is recorded. Shares in subsidiaries are recognized at cost less any impairment write-offs. The company's accounting principles for goodwill and shares in subsidiaries are described in note K1 and note M1.

The company performs an impairment test at least annually and when an indication of impairment is identified to make sure that the carrying value of goodwill does not exceed the recoverable amount. For shares in subsidiaries, such a test is performed when there are indications that the carrying value exceeds the recoverable value. The impairment test performed during the year for goodwill has also included the parent company's carrying value of shares in subsidiaries. Principles for the impairment test are described in note K1. Significant judgments and estimates of the valuation and other significant information about the performed impairment test are described in Note K2 and K13. The impairment test that the company performed during 2019 has not resulted in any impairment write-off.

As a result of the judgments and significant assumptions required when calculating the value in use, we have assessed the valuation of goodwill and shares in subsidiaries as a key audit matter.

How our audit addressed this key audit matter

In our audit, we evaluated the company's process for determining if an indication of impairment exists, and the preparation of the impairment test.

We have examined how cash-generating units are identified and determined. We have with support from our valuation experts evaluated the company's valuation and calculation methods, we have assessed the reasonableness of the assumptions and sensitivity analysis of changes in assumptions made. We have also assessed the accuracy in previous forecasts against historical results. We have evaluated the reasonableness of the used discount rate and long-term growth by comparing with other companies in the same industry.

We have also reviewed the disclosures in the annual report.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-6. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstate-

ments can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, 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 opinions. 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 the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group'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 annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. 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 a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Tradedoubler AB (publ) for the year 2019 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated (loss be dealt with) in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the

size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

AUDITOR'S RESPONSIBILITY

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we assess whether the proposal is in accordance with the Companies Act.

THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for that the corporate governance statement on pages 7-11 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

THE AUDITOR'S OPINION REGARDING THE STATUTORY SUSTAINABILITY REPORT

The Board of Directors is responsible for the statutory sustainability report on pages 6-7, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Ernst & Young AB, and Erik Sandström as auditor in charge, Box 7850, 103 99 Stockholm were appointed auditors of Tradedoubler AB (publ) by the general meeting of the shareholders on 15 May 2019 and has been the company's auditors since the financial year 2009.

Stockholm, 8 April 2020
Ernst & Young AB

Erik Sandström

AUTHORIZED PUBLIC ACCOUNTANT

Board of Directors

Pascal Chevalier

Member and Chairman of the Board of Directors since 2015.

Independent in relation to the company and the executive management. Dependent in relation to the company's major shareholders.

Born: 1967

Education: MBA from IAE Paris, IT engineering graduate of EPITDA.

Other assignments:

Co-founder and CEO of Reworld Media S.A., Board Member and CEO of Sporever, Board Member of 50 Partners, Nextedia, Planet.fr, Leadmedia Group and Mobile Network Group.

Former assignments:

Pascal was the Chairman of the board of Netbooster (Alternext Paris ALNBT), Director of Prosodie in London (now Cap Gemini), Chairman of the board of CPI Venture.

Shareholding:

0 shares.

Gautier Normand

Member of the Board of Directors since 2015.

Independent in relation to the company and the executive management. Dependent in relation to the company's major shareholders.

Born: 1978

Education: Business school in Paris.

Other assignments:

Co-founder and COO of Reworld Media S.A., Board Member and deputy CEO of Sporever.

Former assignments:

CEO of La Tribune, Head of Projects at NextRadio TV. Development Director at Axel Springer France and Media Sector Director at Deloitte.

Shareholding:

0 shares.

Jérémy Parola

Member of the Board of Directors since 2016.

Independent in relation to the company and the executive management. Dependent in relation to the company's major shareholders.

Born: 1987

Education: Bachelor degree in Marketing from EDHEC Business School and Master's degree in Communication, Marketing and Media Management at Celsa/ La Sorbonne.

Other assignments:

Web marketing director at Reworld Media S.A.

Former assignments:

Business Development Manager at La Tribune (financial Newspaper).

Shareholding:

0 shares.

Erik Siekmann

Member of the Board of Directors since 2016.

Independent in relation to the company, the executive management and the company's major shareholders.

Born: 1971

Education: Studies in Economics at the Technical University of Berlin (TU Berlin).

Other assignments:

Founder and CEO of Digital Forward GmbH and founder and CEO of Daytona Ventures GmbH as well as co-founder and CEO of ESP – eSales Performance Marketing GmbH.

Former assignments:

CEO Blume 2000 new media AG and CEO and co-founder of Valentins GmbH.

Shareholding:

0 shares.

Nils Carlsson

Member of the Board of Directors since 2016.

Independent in relation to the company, the executive management and the company's major shareholders.

Born: 1969

Education: MBA, Finance Management, Edinburgh 2011; School of Economics & Management Stockholm, Handelshögskolan 2004; School of Economics Växjö, University degree, Economics, 1994.

Other assignments:

CEO Eniro Sweden AB, Member of the board of Netbooster, Electrolux, EHL, Vitvaruåtervinning and Eniro.

Former assignments:

CEO Electrolux Sweden AB; Group COO Netbooster Group; CEO Guava (UK); VP Product & Sales Telenor AB; Director Business Development Vodafone Group; Director Product development Europolitan AB.

Shareholding:

0 shares.

Company Management

Matthias Stadelmeyer

Chief Executive Officer (CEO) since April 2014.

Born: 1976

Education: Studied Industrial Management and Engineering at the University of Applied Sciences in Munich.

Previous assignments: Matthias Stadelmeyer has held several leading positions within Tradedoubler such as Sales Director and Head of TD Technology in Germany, Regional Director for market unit DACH and Vice President Sales. Matthias started his career as Team leader for Online Marketing at CANCOM IT Systeme AG, Munich.

Based: Munich.

Holdings: 100,000 shares.

Viktor Wågström

Chief Financial Officer (CFO) since October 2016.

Born: 1983

Education: Degree in Finance from Stockholm University.

Previous assignments: Viktor joined Tradedoubler in March 2015 as Head of Group Accounting, was appointed Interim CFO in May 2016 and took on the position permanently in October 2016. Prior to that Viktor worked for Cision, an international PR software company and held a number of roles including Group Treasurer and Business Controller.

Based: Stockholm.

Holdings: 20,000 shares.

François Pacot

Chief Technical Officer (CTO) since November 2017.

Born: 1985

Education: Studied Engineering at Telecom Bretagne in France and Marketing at UCI in California.

Previous assignments: François joined Tradedoubler in December 2016 when the group acquired R-Advertising, an email marketing company in which he held the position of the CEO. Prior to that François founded RoyalCactus, a leading social & mobile gaming company.

Based: Aix-en-Provence, France.

Holdings: 0 shares.

Alternative Performance Measurements

Tradedoubler uses the key ratios of capital employed and solidity to enable the reader to assess the possibility of dividend, implementation of strategic investments and the group's ability to meet financial commitments. Further, Tradedoubler use the key ratio EBITDA excluding change related items for investors to be able to understand the underlying business performance.

Definitions

Active publisher

A publisher that has, during the last month, generated a recordable transaction in the Tradedoubler network.

Capital employed

Total assets less current and long-term noninterest-bearing liabilities, including deferred tax liabilities.

Change related items

Change related items refer to items of non-recurring nature and the purpose of disclosing these separately is to make it easier for the reader to understand the underlying year-on-year developments.

EBITDA

EBITDA is revenue before tax, net financial items and depreciation/amortisation and impairment.

EBITDA-margin

EBITDA as a percentage of revenue.

Equity/assets ratio –

Shareholders' equity as a percentage of total assets.

Net margin

Profit after tax as a percentage of sales.

Operating margin

Operating profit as a percentage of revenue.

Percentage of risk-bearing capital

Total of shareholders' equity, minority interests, shareholder loans and deferred tax liabilities divided by total assets.

Price/equity ratio

Price of the share divided by shareholders' equity per share.

P/E ratio

Share price divided by revenue for the year per share.

Return on shareholders' equity

Revenue for the period as a percentage of the average shareholders' equity, calculated as open and closing shareholders' equity divided by two.

Return on capital employed

Operating profit plus interest income as a percentage of average capital employed, calculated as opening and closing capital employed divided by two.

Revenue per share

Revenue of the year divided by the average number of shares.

Revenue per share after full dilution

Revenue of the year divided by the average number of shares after full dilution.

Solidity

Total equity as a percentage of total assets.

Working capital

Total current assets less cash and cash equivalents, short term investments and total current liabilities.

