

adform

Annual Report 2024

Adform A/S

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DK-1130 Copenhagen K
CVR no. 26 43 48 15



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Management's Review



Company Details

Name	Adform A/S
Address	Rosenborggade 15, 2 nd floor, 1130 Copenhagen K, Denmark
CVR no.	26 43 48 15
Established	17 January 2002
Registered office	Copenhagen
Financial year	1 January – 31 December
Board of Directors	Torben Brandt Munch (Chair), Lars Dybkjær (Vice Chair), Barbara Daliri Freyduni, John Helmsøe-Zinck & Gustav Mellentin
Executive Management	Troels Philip Jensen
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, 2000 Frederiksberg, Denmark

A letter from our CEO

The year 2024 was a good year for Adform, delivering the best result in the company's history. The overall advertising market rebounded from a sluggish 2023, and our net revenue reached EUR 102.4 million, representing over 15% revenue growth, with an EBITDA of EUR 22 million. This growth was driven by strong performance across our various platform offerings, particularly by our core trading platforms, which grew by 18%.

New global clients and strong regional brands opted for Adform's FLOW platform in 2024. This meant that we outpaced the growth of the industry and yet again strengthened our position. Adform is recognized for our approach to and focus on privacy and GDPR, and we are leading the way in managing reach and frequency in a cookieless world, driving measurable outcomes for our clients. Our leadership in identity, through our ID Fusion solution, along with our transparent approach and focus on compliance and sustainability were key elements of our success. This positions Adform as the powerful media-buying platform for addressability in a fragmented identity landscape.

In 2022, we decided to accelerate our investments in product development. By 2024, we have seen the first results of these efforts, achieving an all-time-high development output of over 25,000 people development days - an increase of more than 60% in commercial development. This will be a strong foundation for further driving our growth in 2025 and beyond. Continuous innovation in omnichannel capabilities, enhanced efficiency through AI, integration with global partners, and investments in areas such as DCO for video have positioned Adform as the only DSP with an integrated omnichannel ad-serving and DCO solution.

In 2025, we will introduce substantial new functionalities to our platform, including the new Omnichannel Media Planner and Augmented Recommendations, both powered by our AI solution - Adform IQ. Adform's commercial success, combined with unparalleled software capabilities, gives us confidence in the future. As a result, we anticipate significant revenue growth in 2025, along with even greater scaled profitability.



Troels Jensen
CEO

Business Overview

Adform operates in the Adtech sector where Adform's main business is to provide the platform that buyers and sellers of digital advertising use to transact ad inventory and automate their advertising processes.

Adform's vision for the future of advertising technology centers on an integrated technology approach that simplifies the barriers to success for advertisers, agencies, and publishers when realizing their overall marketing goals across media channels, whether branding or performance based. As such, Adform facilitates digital advertising across all major digital advertising channels including display, video and connected TV (CTV), mobile, in-app, audio, native, digital out of home (DOOH), and gaming alongside other emergent channels.

Products

Adform offers a number of self-serve software solutions to both buy side customers (i.e. customers buying ad inventory, such as advertisers and agencies) and sell side customers (i.e. customers selling ad inventory, such as publishers). Adform's buy side offering is sold individually or packaged as Adform FLOW. Each product plays a particular role in the digital advertising process.

Adform's buy side products allow agencies and advertisers to engage in bidding for advertising space, and to serve the right ads to users across a wide range of technologies including desktop and mobile, video and CTV, audio devices, gaming, and DOOH screens. Adform's platform helps to ensure that targeting of the ad happens towards relevant user audiences based on available audience data and the user's profile. Similarly, Adform's sell side products allow publishers to sell ad inventory via real-time auctioning and to display the buyers' ads alongside their content. The programmatic trading of ad space and subsequent serving of ads performed through Adform's platform is highly automated and happens within fractions of a second.

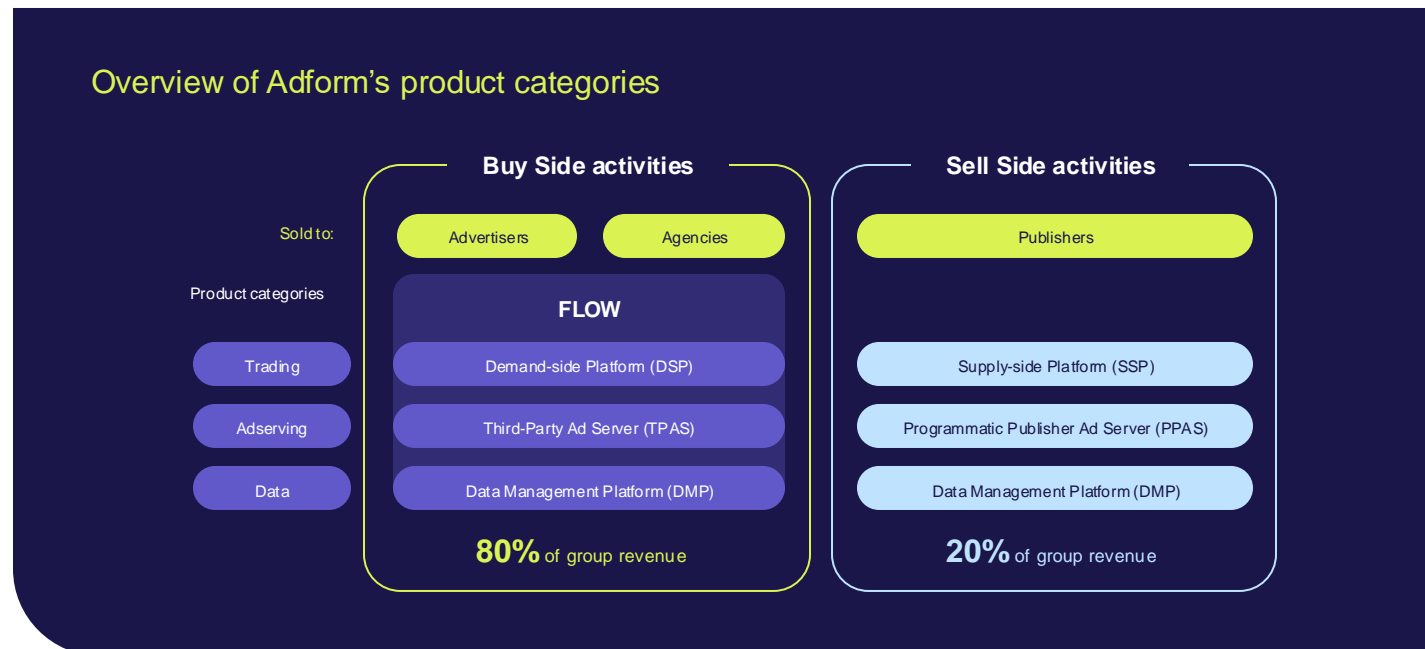
Adform's products are modular, interoperable with other industry solutions, and can compete as standalone point solutions. However, clients enjoy a host of benefits when they use the full product suite and set of platform capabilities including but not limited to real-time activation, seamless and efficient user experience, zero data discrepancy, enhanced data-capabilities, and full fee transparency and reconciliation.

Adform continues to benefit from attractive industry fundamentals and the digitalization of marketing channels. Advertising now relies heavily on ads that are traded 'programmatically' where advertising technology (adtech) solutions are used to buy and sell targeted advertising in real time.

As an innovative adtech company with deep knowledge of programmatic trading, Adform is well-positioned to capture

expanded revenue pools as the programmatic market grows and traditional media channels such as television, radio/audio and out-of-home are continuously integrated into the wider adtech ecosystem. Adform's expertise in programmatic is backed by advanced artificial intelligence (through Adform IQ) and well positioned to deliver excellent results and can create significant value for clients as they seek to maximize their omnichannel investment.

In 2024, Adform maintained a strong focus on the expanding Retail Media market, delivering positive results. With its end-to-end capabilities and close collaboration with agencies, Adform is uniquely positioned to capitalize on emerging trends in this sector. This strong agency connection serves as a key differentiator, enabling seamless media execution and maximizing value for both retailers and advertisers.



Business Overview

Sales presence

Adform operates on a global scale, with 29 offices across 24 countries, ensuring a strong local presence to deliver high-quality service. While the company has deep roots in Europe, its growth extends far beyond the region. In 2024, Adform achieved high double-digit growth in both the U.S. and U.K., further strengthening its position in key global growth markets.

Adform has a comprehensive suite of services tailored to supporting a wide range of client needs and types which range from large national clients to global media agencies and multi-national brands. These include automated self-serve solutions like Adform Help and Adform Academy, as well as an extensive network of local and global teams capable of operational and strategic sales, service, and support. This includes managed service capabilities upon request, and more bespoke service solutions for large multi-national or multi-continent organizations.

The technically sophisticated nature of adtech, combined with the nuanced needs of individual markets, means Adform focuses on service differentiation through on-the-ground experts with local market knowledge and local language skills. These experts are paired with centralized global teams working in close contact with product development and engineering. As a result, Adform's sales, service, and support work together as part of a deeply integrated team able to onboard, inform, and service clients at each stage of their interest, onboarding, and usage of the platform.

In 2024 Adform saw continued positive feedback from clients, marking further improvement in an already positive net promoter score (NPS). Adform's NPS increased by 5 points from 45 in 2023 to 50 in 2024.



29 offices

24 countries

Operations

Adform is headquartered in Copenhagen and is a mature, scaled, customer-focused technology company with the majority of its employees engaged in software development and customer centric roles. Through 2024 Adform employed on average 668 full time equivalents (FTEs). These were split between Sales and Support (47%), Software Development (39%), and other roles (10%).

The company has a highly motivated workforce, illustrated by an employee churn less than 10% and an employee NPS (eNPS) of +40 (up from +25 in 2023). In 2024 Adform introduced a new respect policy which saw a respect eNPS score of +50 demonstrating the strong company values of decency, care and teamwork across a diverse workforce.

Adform's largest (physical) presence is in Lithuania, where the company established a software development hub in 2006. Over the years, Adform has built a strong reputation as a leading employer and recognized brand in the region. The Lithuanian operations have since matured and expanded, now encompassing business support functions such as customer service, sales operations, finance, legal, and HR, further strengthening Adform's global infrastructure.

In 2014, Adform expanded its software development organization with an additional site in Warsaw. The Polish site has a particularly important role in terms of data science expertise.

Adform's Mumbai development site, established in 2022, continues to expand, enhancing customer service, IT, software and product development capacity while providing access to top technical talent. In 2024, the team grew by 39%, further solidifying Mumbai as a key innovation hub within Adform's technology organization.

In 2024 Adform added an additional data center, located in India, to support serving performance in the region. Adform's business requires the ability to serve adds in hundreds of milliseconds or less and this investment supports that business need. This increased the company's global data center count to 8 and further contributes to Adform's infrastructure located around the world, enabling Adform to serve customers globally. As a testament, Adform transacted and served ads in more than 180 countries during 2024.

Adform's technical infrastructure and ongoing investments also serve a pivotal role in delivering on requirements towards regional data and privacy regulation, including GDPR and US privacy compliance.

“Adform has a highly motivated workforce with less than 10% churn and an eNPS of +40.”



Adform's Product Proposition – 2024 Highlights

In late 2023, Adform introduced a brand refresh, including an updated tagline and go-to-market narrative, evolving from "Enterprise technology built for Modern Marketing" to "Change the Game." This evolution reflects the maturation of Adform's FLOW platform and the value it unlocks for clients. It also reinforces Adform's unique combination of technology, transparency, and approach, highlighting the opportunities it creates for those who choose Adform. The new brand positioning was well received by the market and in 2024 it was fully implemented successfully across the organization.

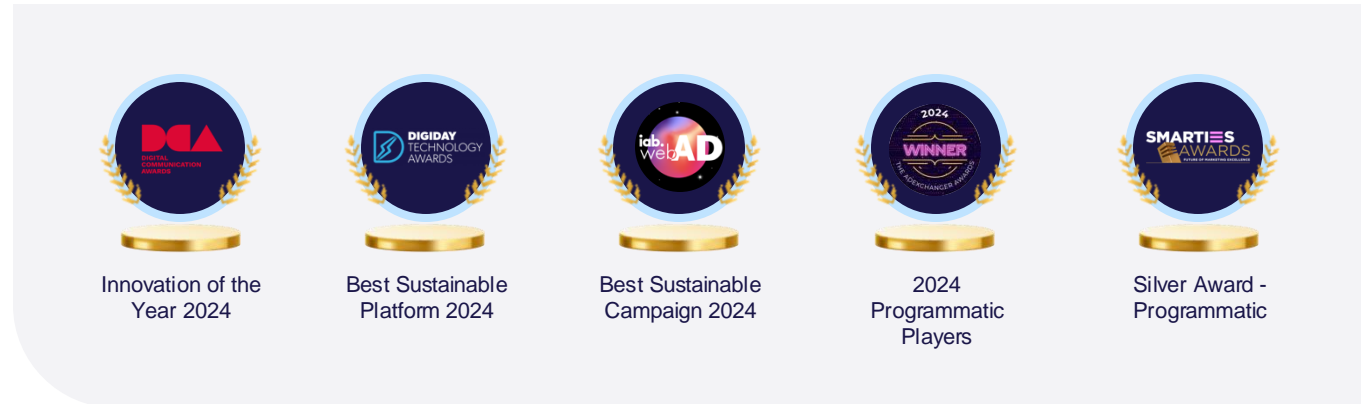
With Adform FLOW as the company's lead product offering, Adform focuses on servicing the needs of advertisers, agencies, and publishers. Adform's product platform aims to provide marketers with seamless management of the whole digital campaign's life cycle across all digital channels.

Adform FLOW offers an integrated advertising platform designed to solve for the inherent complexities and fragmentation of the adtech market. The benefits of this approach have been repeatedly validated:

PwC has carried out three separate analyses of different Adform FLOW capabilities. These were done in 2020, 2022 and 2023 and focused on transparency, pricing, and Adform's identity solutions. The latest analysis, conducted in 2023, focused on testing Adform's first-in-market partnership with Utiq, the European Telco-powered authentic consent service launched by Telekom, Orange, Telefónica, and Vodafone.

<https://site.adform.com/knowledge-center/pwc-2020>
<https://site.adform.com/knowledge-center/pwc-id-fusion>
<https://site.adform.com/solutions/identity/id-fusion-with-utiq/>

The reimagined user experience and integrated interface developed as part of Adform FLOW were recognized in 2022 and 2023 with multiple industry awards focused on user experience, identity, and overall results (see pages 19-20).



Adform's product proposition continued to evolve over the course of 2024 from the principles outlined in 2022. The company's promise to customers builds on operational simplicity, seamless workflows, omnichannel buying (also known as cross-media), and trusted solutions to the fragmented identifier landscape of programmatic advertising. In 2024 Adform was recognized as the only DSP to support more than 5 of the mapped first-party IDs in an analysis of 40 SSPs, DSPs, ID Providers and Publishers (NPA Conseil – Reason Why – Media Square "Future of Cookieless" report – October 2024).

In 2024 key product and proposition enhancements included: (1) Adform's continued scaling and updated positioning of ID Fusion which provides the market with a robust alternative to the third-party cookie. (2) A series of personalization, efficiency and Adform IQ improvements to the platform in preparation for the introduction of the March 2025 introduction of Adform Campaign Planner. The Campaign Planer is a major omnichannel focused improvement that facilitates easier campaign creation and further delivers on Adform's commitment to a tailored User Experience with powerful AI-driven recommendations and optimization (3) The continued scaling of robust Retail Media capabilities to support a key area of industry innovation and growing market opportunity. And (4) A market differentiating DCO for video capability that further enhances Adform's omnichannel focus and video capabilities.

In 2024, Adform's products continued to receive industry recognition, earning multiple awards for innovation, sustainability, and excellence in programmatic technology.

Notable accolades included:

- Best Sustainable Platform 2024 – Digiday Technology Awards
- Innovation of the Year 2024 – Digital Communication Award
- Best Sustainable Campaign 2024 – IAB Web Ad Awards
- Silver Award in the Programmatic Category – Smarties Awards 2024
- Named a 2024 Programmatic Power Player – AdExchanger

In addition, Adform was shortlisted for several prestigious awards, including:

- Best Marketing Technology Solution 2024 & Best Use of CTV Technology – The Wires by ExchangeWire
- Best DSP of the Year – 2024 Programmatic Spain Awards
- Women Leading in Tech 2024

Continued leadership in the multi-ID transition

In 2019 Safari and Firefox web browsers discontinued the use of third-party cookies, a long-time essential part of the advertising technology ecosystem. Adform recognized this as the start of a pivot in the direction of the adtech ecosystem and began building alternatives to the third-party cookie. This further accelerated as GDPR renewed an industry-wide focus on potential alternatives to the third-party cookie. In 2022, ID Fusion moved out of beta and has since served as an industry-leading example of a novel and innovative solution to handle first-party identifiers in a complex and evolving multi-ID landscape. This complex identity landscape includes IDs that range from publisher-owned IDs to universal IDs and are based on deterministic, hybrid, and probabilistic methodologies.

Adform's multi-award-winning bundle of identity capabilities, ID Fusion, continues to deliver market differentiation and revenue. As one of the first in the market with an end-to-end programmatic solution across trading, targeting, and attribution capable of operating entirely on first-party IDs Adform was able to take a strategic decision that the future identity landscape would be multi-ID based and require a flexible approach tailored to supporting a wide range of IDs and identity technologies. In contrast to focusing on a limited portfolio of alternatives to third-party cookies, this has accurately reflected the needs of Adform's clients and the direction of the market. In 2024 a steadily increasing and considerable part of Adform's programmatic buying was enabled and aided by ID Fusion.

To further support this momentum, Adform introduced an updated ID Fusion story in 2024 focusing on the Multi-ID landscape and clarifying differentiation from alternate approaches.

In 2024 Adform's identity solution saw continued differentiation with the expansion of its collaboration with Utiq, the Authentic Consent Service, launched as an initiative between four of the world's largest Telcos.

Omnichannel Acceleration and Differentiation

Adform is focused on providing a robust portfolio of capabilities that are omnichannel in nature and provide a robust buying experience that includes both established and growth channels. Omnichannel is defined as Display, Video, Connected TV (CTV), Digital out of Home (DOOH), Audio, Native, and In-App (Gaming).

Buying across these different channels has historically been a friction point for digital advertisers due to siloes in inventory and technology. Adform is focused on expanding support for these with an omnichannel inventory and technology strategy that removes barriers while pursuing partnerships and introducing technologies that support this process.

In 2024, Adform enhanced its omnichannel dynamic creative optimization for video (DCO) with advanced video asset management, in-banner video previews, and expanded support for pre-roll video—introducing capabilities not available among competing Global DSPs. These updates streamline workflows and enable more sophisticated video campaigns.

Retail Media capabilities building momentum

With growing global interest in Retail Media advertising, Adform is well-positioned to deliver innovative solutions that leverage its modular technology stack, expertise in end-to-end solutions, and deep knowledge of first-party identity.

In 2023 and 2024, Adform successfully onboarded key Retail Media clients while further tailoring its technology offering to maximize value for retailers. This represents a significant growth opportunity, enabling Retail Media clients to activate audience insights and unlock new revenue streams through Adform's advanced technology and strategic approach.

Preparation for a significant expansion of omnichannel capabilities in 2025

In 2025, Adform will introduce a significant expansion of its existing omnichannel capabilities, further reducing barriers to omnichannel buying within the platform. This initiative aligns with the company's broader focus on enhancing user experience, ensuring a more seamless and efficient workflow for clients.

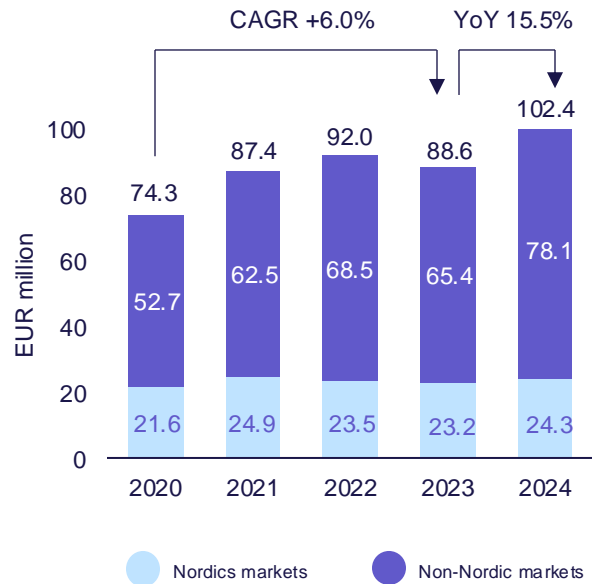
Building up to this expansion, a series of product enhancements were introduced in 2023 and 2024 to refine the platform's usability, personalization, and recommendation features. Key updates included:

- Revamped and Expanded Campaign Experience
- KPI-Driven Campaign Goals
- New AI-Powered Recommendations
- Support for Automated Budget Allocation
- Advanced Forecasting Capabilities

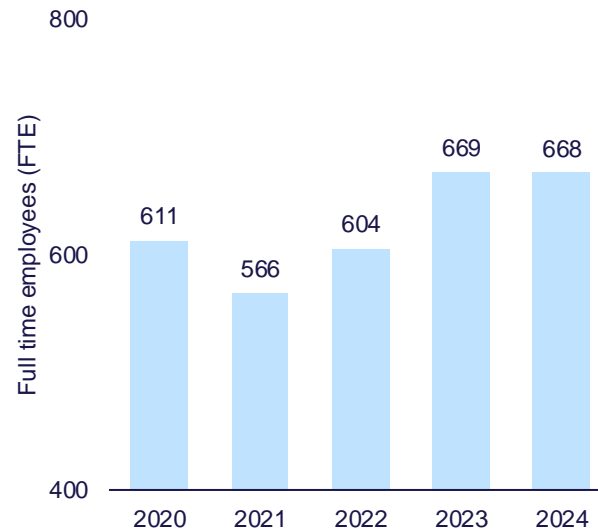
Additionally, significant progress was made in migrating legacy platform components onto the Adform FLOW user experience, reducing the need for users to switch between platforms. These improvements have resulted in a more uniform and efficient workflow, while also enhancing platform stability and processing speed.

Financial Highlights

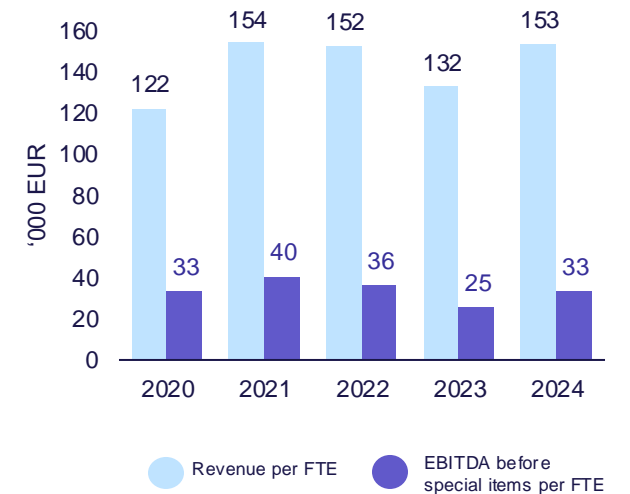
Revenues surpassed EUR 102 million with strong 15.5% margin in 2024



Adform operated with an average of 668 full-time employees (FTE) during 2024

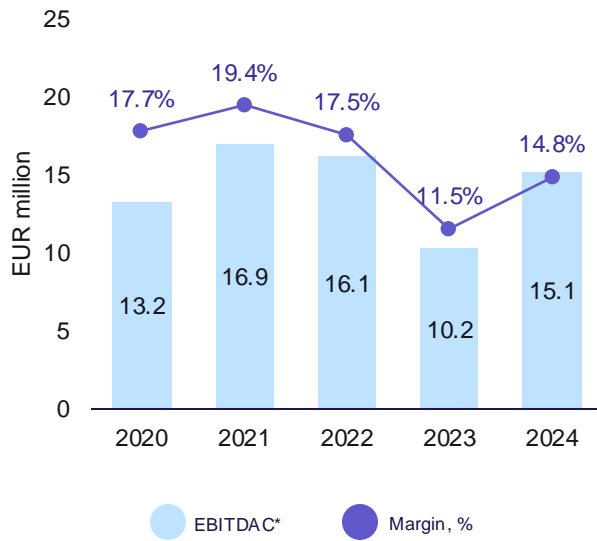


Adform scaling up: higher Revenue and EBITDA per FTE in 2024 amid hiring

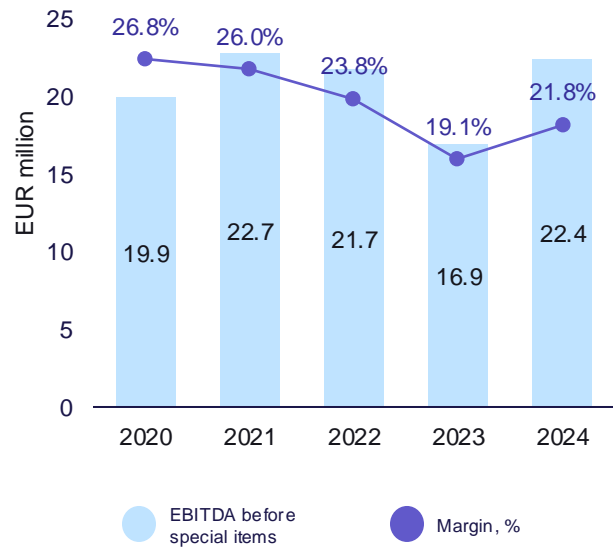


Financial Highlights - continued

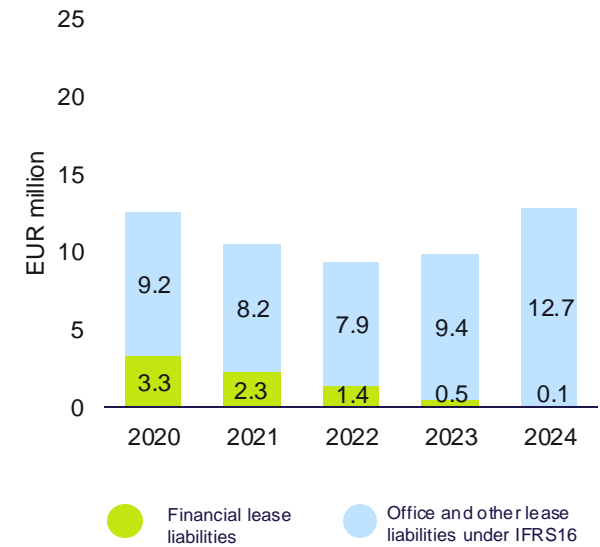
EBITDAC* increased to EUR 15.1m resulting in a margin of 14.8%



EBITDA before special items increased to EUR 22.4m resulting in a margin of 21.8%



Adform operates without any external debt financing



* Note: EBITDAC refers to Earnings Before Interest, Taxes, Depreciation, Amortization, Special Items and Capitalization, and as such attempts to measure the earnings from operations on a cash basis, when all incurred operating expenses are subtracted from revenue income. For the sake of clarity, Adform's use of EBITDAC as a profitability measure predates the outbreak of the COVID-19 pandemic and includes no adjustments to normalize earnings for the impact of COVID-19. For terms and definitions of financial ratios and alternative performance measures not defined by IFRS, refer to accounting policies note 29.)

2024 Group Performance

- Adform recorded EUR 102.4 million in revenues for 2024, a 15.5% increase compared to EUR 88.6 million in 2023.
- While 2023 was a year characterized by reduced marketing spend by large advertisers across the globe and especially in Europe, Adform benefited in 2024 from attractive industry fundamentals as digital advertising budgets returned to what is considered normalized levels during 2024.
- Normalized marketing spend, together with new global clients and strong regional brands opting for Adform's FLOW platform in 2024, combined with (1) continued increase in ID Fusion adoption rate, (2) increasing Omnichannel spend (Display, Video, Connected TV, Digital out of Home, Audio, Native, and In-App, as well as continued successfully onboarding of key Retail Media clients, resulted in the strong performance across Adform's platform offerings, particularly the core trading platforms, which grew by 18%.
- In 2024, Adform continued to benefit from (1) operating with a healthy diversification across geographies and industry verticals, (2) deriving value from a connected buy side and sell side business, and (3) strong long-term underlying market fundamentals in support of digital advertising.
- Further, in 2024 Adform continued to successfully lock in new sales based on the FLOW product proposition (launched in 2020) surpassing the accomplishments in 2022 and 2023 measured by 'won deal value' and 'converted sales'.
- 76.2% of the Group revenues originated outside Nordics in 2024, whereas the Nordics accounted for 23.8% of Group revenues.
- All of Adform's geographic regions had positive growth in 2024. Growth was particularly strong outside the Nordics, as revenue from International markets increased by [19.4]% and with all regions delivering double digit growth – highest growth was seen in US. Growth in the Nordic markets was [4.7]%, primarily driven by Norway and Sweden

“76.2% of the Group revenues originated outside Nordics in 2024”



EBITDA before the special items

- EBITDAC, Management's primary measure of financial performance for the business, increased from EUR 10.2 million in 2023 to 15.1 million in 2024. This resulted in an increase of EBITDAC margin from 11.5% to 14.8%.
- The higher EBITDAC margin in 2024 was a result of revenues increasing by 15.5% compared to 2023, while operational costs increased 7%.
- The increase in EBITDAC profitability is attributable to higher realized revenues, while largely maintaining planned resources for the year, including a planned 7% rise in operational costs compared to 2023.
- Furthermore, Adform realized proportionally higher operational costs compared to 2023 in terms of (1) external marketing services, (2) contracted external services like legal, tax and payroll services, and (3) office administration costs.
- Adform employed on average 668 FTEs through 2024, compared to 669 FTEs in 2023. Staffing levels varied significantly across the year, ending close to the same overall level as entering the year. Increases in staffing were primarily directed towards Sales & Services, Development and IT infrastructure in line with the growth strategy.
- Other departments maintained or reduced their staffing levels in efforts to realize efficiencies.
- Adform recorded an EBIT result of EUR 12.1 million in 2024, which was an increase of EUR 7 million compared to EUR 5.1 million recorded in 2023. EBIT was positively affected by higher revenues while keeping a strong focus on cost control.
- The Group realized a net profit for the year of EUR 9.3 million compared to EUR 3.3 million realized in 2023. The net profit result was positively affected by lower currency exchange losses of EUR 0.4 million during 2024 (compared to losses of EUR 0.6 million in 2023), while benefitted from higher realized interest income than in 2024, supported by the Group's positive cash position.
- As a result of the earnings generation for 2024, total equity for the Group increased by EUR 7.5 million from EUR 41.7 million in 2023 to EUR 49.2 million in 2024.
- The Group's net cash position improved from a net positive of EUR 44.5 million (by 31 December 2023), to a net positive of EUR 51 million, (by 31 December 2024). The Group's net cash position improved as result of the positive earnings generation for the year. Additionally, DPO and DSO working capital positions continued to be well managed.
- Adform does not hold any long-term debt obligations to service, and finances daily operations out of own cash holdings.



“The Group realized an EBIT result for the year of EUR 12.1 million”

2024 Group Performance

- The carrying amount of capitalized R&D projects on the balance sheet totaled EUR 7.3 million as of 31 December 2024. Amortization of intangible assets for the year amounted to EUR 3.6 million, while capitalized R&D costs for the year were EUR 3.4 million. The reduction in capitalized R&D on the balance sheet across the last 5 years is, in Management's view, a positive development, reflecting the maturing nature of the industry and the company's progress.



Follow-up on 2024 financial guidance

Management planned to achieve revenue growth of approximately 10–14% in 2024, with an EBITDAC margin of around 15% and an EBIT margin of approximately 12%.

Adform successfully fulfilled its 2024 guidance by exceeding revenue growth expectations, achieving a 15.5% increase in revenues, and delivering strong operational performance, with EBITDAC and EBIT margins meeting 2024 guidance.

Annual revenues increased from EUR 88.6 million to EUR 102.4 million, resulting in 15.5% growth compared to 2023. This revenue growth was driven by strong performance across our various platform offerings, particularly by our core trading platforms, which grew by 18%.

EBITDAC increased from EUR 10.2 million in 2023 to EUR 15.1 million in 2024. This represents a 3% increase in EBITDAC margin from 11.5% in 2023 to 14.8% in 2024, delivering on the margin target for the year.

The increase in EBITDAC profitability was largely driven by revenue growth. While operating costs rose by 7% from 2023 to 2024, this increase remained within budget, as cost efficiencies and controls were successfully implemented.

EBIT increased from EUR 5.1 million in 2023 to EUR 12.1 million in 2024, which raised the realized EBIT margin from 5.8% 2023 to 11.8% in 2024. The realized EBIT margin fulfills the margin target for the year and can be viewed as satisfactory.

2024 Group Performance

Outlook for 2025

Adform has a declared goal of “growing profitably”. This means that Adform seeks to balance achievement of revenue growth with delivering meaningful profitability.

Management expects and plans with the goal of achieving revenue growth in the range of 10-13% in 2025, while delivering an EBITDAC margin around 18-20% and an EBIT margin around 15-17%.

The ranging of expectations for revenue growth reflects Management's view that the revenue outlook will remain somewhat difficult to predict in the coming period. This is due to dependency on not only own sales achievement, but to a large degree, also on developments in the general economic sentiment and the pace at which digital advertising budgets continue to grow.

By realizing scale efficiencies and capitalizing on past resource investments, Management expects to continue to achieve a step up in profitability in 2025 compared to 2024.

“Management plans with the goal of achieving **revenue growth in the range of 10-13% for 2025**, with a step-up in profitability margins driven by scale efficiencies”



Financial Overview 2020-2024

Summary of financials and key metrics for the past five years, provided for comparison:

EUR'000	2020	2021	2022	2023	2024
Key figures					
Gross billings	331,727	371,002	365,378	334,716	360,179
Revenue	74,328	87,440	92,055	88,613	102,387
EBITDAC ¹²	13,173	16,928	16,149	10,162	15,110
EBITDA ¹	16,793	22,438	18,937	15,363	22,031
EBITDA before special items ¹²	19,901	22,725	21,723	16,923	22,357
Operating profit/loss (EBIT)	3,883	10,916	7,640	5,146	12,084
Net financials	-2,456	-1,401	64	-328	-90
Profit/loss for the year	1,870	11,513	5,859	3,248	9,279
Total assets					
Total assets	127,837	140,314	128,630	133,613	146,674
Capitalized development projects for the year	3,492	2,616	2,273	3,092	3,356
Investments in tangible assets for the year	405	2,902	2,609	2,549	3,056
NIBD before IFRS16 ¹	16,470	31,423	34,823	43,921	50,868
NIBD after IFRS16 ¹	7,242	23,265	26,916	34,563	37,570
Equity	22,774	32,494	38,411	41,709	49,225
Cash flow					
Cash flow from operating activities	19,488	25,500	12,319	19,951	19,192
Cash flow from investing activities	-3,945	-5,668	-5,297	-6,568	-6,957
Cash flow from financing activities	-19,165	-5,805	-4,314	-4,907	-5,738
Net cash flow	-3,622	14,027	2,708	8,476	6,497
Financial ratios					
Gross billings ¹ growth, %	-1.0%	11.8%	-1.5%	-8.4%	7.6%
Revenue growth, %	2.1%	17.6%	5.3%	-3.7%	15.5%
Gross margin, %	93.6%	92.9%	90.1%	94.3%	93.8%
EBITDA ¹ margin, %	22.6%	25.7%	20.6%	17.3%	21.5%
EBITDAC ¹ margin, %	17.7%	19.4%	17.5%	11.5%	14.8%
EBIT margin, %	5.2%	12.5%	8.3%	5.8%	11.8%
Equity ratio, %	17.8%	23.2%	29.9%	31.3%	33.6%
NIBD after IFRS 16 ¹ /EBITDA ¹	0.4	1.0	1.4	2.2	1.7
Earnings per share, basic, EUR	0.03	0.17	0.08	0.05	0.13
Earnings per share, diluted, EUR	0.03	0.15	0.08	0.04	0.13
Average number of employees					
Average number of employees	647	602	648	674	704
Average number of full-time equivalent employees	611	566	604	669	668

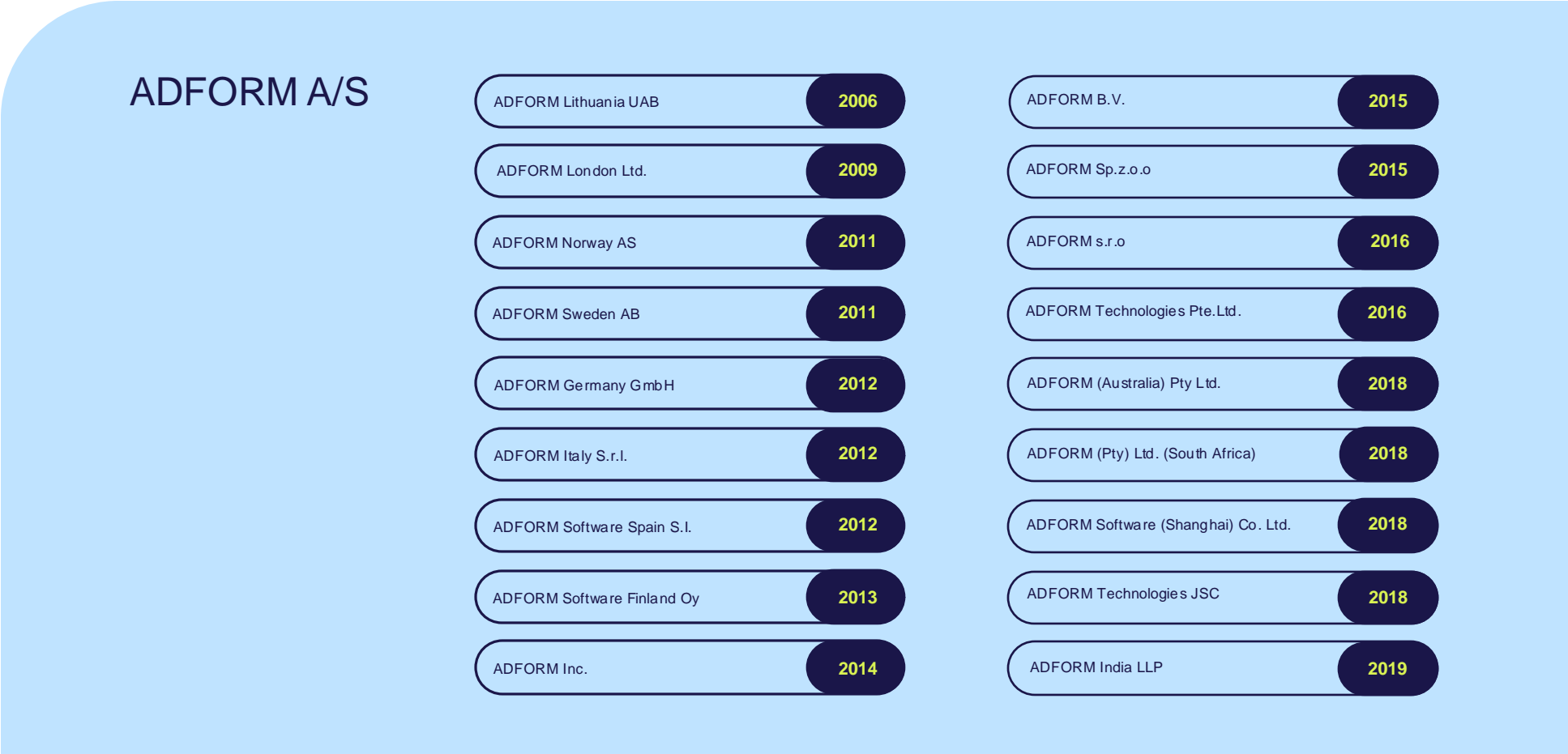
¹ For terms and definitions of financial ratios and alternative performance measures not defined by IFRS, refer to accounting policies note 29.

² Special items include non-qualifying funding costs related to capital increase and IPO, restructuring costs, impairment charges of capitalized development costs and share based payment expenses (SBP).

Group Legal Structure

The figure below provides an overview of the Group's legal structure totaling 18 entities.

All subsidiaries are 100% directly owned by Adform A/S except for Adform India LLP, where 99.98% is owned by Adform A/S due to a local Indian ownership requirement.



Year referenced in the above figure denotes year of incorporation.

Memberships, Accreditations and Certifications

Adform has a long-standing heritage of leading the industry and striving to deliver toward the highest standards. Adform's commitment extends to the industry's most important and trusted accreditations and certification programs.

Find Adform's latest memberships, accreditations, and certifications on [Adform.com](https://adform.com).



Adform was the first full-stack ad tech provider to secure a **ISO/IEC 27001 rating** and actively maintains the ISO/IEC 27001 certification for our full-stack offering. ISO/IEC 27001 is the industry leading authority for excellent information security handling best practices and protocols.



The **Science Based Targets initiative (SBTi)** is a global framework for aligning corporate greenhouse gas (GHG) reduction targets with climate science, aiming to limit global warming to 1.5°C, in line with the Paris Agreement.



Adform is **EDAA Trust Seal certified** by the European Interactive Digital Advertising Alliance. EDAA has been established by a cross-industry coalition of European-level associations with an interest in delivering a responsible program for online behavioral advertising, which benefits internet users with greater transparency, choice, and control.



Adform is an Official Member of the **Network Advertising Initiative (NAI)**. The NAI is the leading self-regulatory association comprised exclusively of third-party digital advertising companies and promotes the health of the online ecosystem by maintaining and enforcing high standards for data collection and use for advertising online and in mobile.



The **Digital Advertising Alliance (DAA)** establishes and enforces responsible privacy practices across the industry for relevant digital advertising, providing consumers with enhanced transparency and control through multifaceted principles applying to multi-site data and cross-app data gathered in either desktop, mobile web, or mobile app environments.



The **IAB Tech Lab** is a global trade organization that develops technical standards and solutions for the digital advertising ecosystem. As a member, we adhere to its standards to improve efficiency, privacy, and security in digital advertising technologies and help drive innovation across the industry.



The **Interactive Advertising Bureau (IAB)** is a trade association that represents the digital advertising industry. Adform proudly aligns with and actively contributes to the advancement of industry standards and best practices, demonstrates leadership in the adoption of these standards by engaging in numerous policy and working groups.



Adform is **IAB UK Gold Standard Certified** under the categories Sell Side Support and Buy Side Support as part of IAB UK's Gold Standard certification. This certification demonstrates our commitment to transparency, privacy, and best practices in the UK digital advertising industry.



Since 2017, Adform has been fully credited and committed to the **Media Rating Council (MRC) accreditation** with MRC Compliance with ad impression measurement guidelines and best practices including Display and Video Served Impressions plus Viewability across Desktop, CTV, Mobile Web & In-App.



The **Trustworthy Accountability Group (TAG)** is the leading global initiative fighting criminal activity and increasing trust in the digital advertising industry. Adform is a founding member of the Certified Against Fraud program and holds a TAG Platinum Member status.



Holding a TAG Platinum Member status, Adform is Brand Safety Certified (BSC), Certified Against Fraud (CAF), Certified for Transparency (CAP) certifications, TAG Certified Against Malware.

Awards and Recognition

Adform is actively engaged in the digital advertising industry and with its clients to shape the future of adtech. The company's product strategy and focus on transparency has resulted in a large number of industry awards and recognitions from around the world. In addition to these industry awards, Adform also performs well in leading industry analysts' reviews of the adtech industry and connected ecosystem.



Best Sustainable Campaign 2024



Innovation of the Year 2024



2024 Silver Award - Programmatic



Leader SPARK Matrix for Ad Tech 2023



Cynopsis - Winner Best DSP 2023



Martech – Best International Marketing Tool 2023



Winner of Best Sustainable Platform 2024



AdExchanger Programmatic Power Player 2023 and 2024



Winner Digital Advertising Automotive Category 2023



Strong Performer Forrester Omnichannel DSP Wave 2023



Winner of Best Response to Change 2022



Winner of Best Response to Change Using Tech 2022



Adweek Best DSP 2022



iF Design Award 2022



Winner of Best Identity Technology



Magic Quadrant for Ad Tech Leader 2018, 2019, 2020, and 2021*



Winner of Best Privacy Technology



Highly Commended Best Marketing Technology Solution



Red Dot Award for User Experience



Gartner Customer Choice 2022



Financial Times Diversity Leaders List

Group - Financial Review

Income statement

Revenues for the Group amounted to EUR 102.4 million in 2024, corresponding to a revenue increase of 15.5% compared to EUR 88.6 million in 2023.

The increase in Group revenues was primarily driven by higher sales in International markets. In 2024 revenue from International markets increased by 19.4% compared to 2023, while revenue from Nordic markets increased by 4.7% compared to 2023.

Nordic revenues accounted for 23.8% of total revenue in 2024 compared to 26.2% in 2023, while International revenues accounted for 76.2% of total revenue in 2024 compared to 73.8% in 2023.

Revenues from Buy Side activities increased by 12.2% in 2024 and accounted for 80.3% of Group revenues, whereas revenues from Sell Side activities increased by 31.4 % in 2024 and accounted for 19.7% of total Group revenues.

The growth in Buy Side revenue was driven by higher programmatic trading revenues generated through Adform's product platform, as well as increased revenues from Ad serving and other services.

EBITDAC, which is management's primary operational measure of earnings for the business, increased from EUR 10.2 million in 2023 to 15.1 million in 2024, growing the EBITDAC margin from 11.5% to 14.8%.

EBITDAC refers to Earnings Before Interest, Taxes, Depreciation, Amortization, Capitalization and Special Items, and as such measures the earnings from operations on a cash basis, when all the incurred operating expenses are subtracted from revenue income.

The increase in EBITDAC profitability is driven by higher realized revenues, while largely maintaining planned resources for the year, including a planned 7% rise in operational costs compared to 2023.



Group - Financial Review

EBITDA in 2024 amounted to EUR 22 million corresponding to an EBITDA margin of 21.5%, compared to an EBITDA of EUR 15.4 million (and EBITDA margin of 17.3%) in 2023.

The table below explains how EBITDA and EBITDAC reconcile to the Operating Profit/Loss (EBIT) according to the consolidated financial statements:

EUR'000	2024	2023
Operating profit (EBIT)	12,084	5,146
Amortization and depreciation (excl. R&D impairment)	9,947	10,217
EBITDA	22,031	15,363
Special items		
Non-qualifying funding income/costs regarding capital increase and financial related consultations (recognized in Administrations income/costs)	37	55
Share based payments (recognized in Operating expenses)	270	273
Expenses related to cash settlement of warrants	0	173
Restructuring costs (severance payments related to structural organization changes recognized in Operating expenses)	19	1,059
R&D impairment	0	0
EBITDA before special items	22,357	16,923
Office lease costs recognized under right-of-use of leased assets	-3,891	-3,669
Capitalized development projects for the year	-3,356	-3,092
EBITDAC	15,110	10,162

EBIT in 2024 was a profit of EUR 12.1 million compared to a profit of EUR 5.1 million in 2023. As a result, EBIT margin increased from 5.8% in 2023 to 11.8% in 2024. EBIT increased due to higher realized revenues, while largely maintaining planned resources for the year.

Net financial items in 2024 amounted to expenses of EUR 0.1 million, compared to expenses of EUR 0.3 million in 2023. The positive change in net financial items was supported by higher interest income, which increased to EUR 1.2 million in 2024 compared to EUR 0.9 million in 2023.

Tax for the year in 2024 was an expense of EUR 2.7 million.

Net profit for the year in 2024 was EUR 9.3 million compared to profit of EUR 3.2 million in 2023.

Balance sheet

The balance sheet as of 31 December 2024 totaled EUR 146.7 million compared to EUR 133.6 million in 2023. The positive change was primarily due to a combination of (1) increase in Cash balances, and (2) increase in Right of Use assets. Total equity as of 31 December 2024 was EUR 49.2 million, compared to EUR 41.7 million as of 31 December 2023. The change in Equity reflects the combined effect of the profit for the year and the Share Based Payments program.

Net interest-bearing debt (“NIBD”) was a surplus of EUR 37.6 million as of 31 December 2024, compared to EUR 34.6 million as of the 31 December 2023. NIBD was mainly impacted by positive cash generation from operating cash flow activities in 2024.

EUR'000	2024	2023
Cash	51,004	44,468
Lease liabilities, non-current	-10,122	-6,304
Lease liabilities, current	-3,312	-3,601
NIBD (Net Interest-Bearing Debt)	37,570	34,563

Cash flow

Cash flow from operating activities in 2024 was a total of EUR 19.2 million. The net change in working capital was EUR 1.5 million. Cash flow from investing activities in 2024 was a negative of EUR 7 million compared to a negative EUR 6.6 million in 2023. Investment in intangible assets in 2024 was EUR 0.042 million lower than in 2023.

Cash flow from financing activities in 2024 was a negative EUR 5.7 million, compared to a negative EUR 4.9 million in 2023.

Resulting Net Cash Flow in 2024 was a positive EUR 6.5 million.

Equity

During 2024, Adform purchased 17,081 B-shares and 600,000 A-shares as treasury shares for a total amount of EUR 2 million. The B-shares were repurchased from an employee who is no longer employed at Adform, while the A-shares were acquired from existing shareholders.

Subsequently, Adform canceled all treasury shares, including the A and B shares, during the year. The total cancellation amount was EUR 2 million, corresponding to a nominal amount of DKK 0.01 per share. As of 31 December 2024, Adform holds 0% of the A and B shares as treasury shares.

Events after the balance sheet date

There are no events with a material effect on the financial position of the Company after the close of the balance sheet date.

There are in addition no other materials events after the reporting period to be disclosed.

Parent Company - Financial Review

Income Statement

The Parent Company (Adform A/S) administers a significant part of the Group's sales activities. Total revenues of the Parent Company in 2024 amounted to EUR 88 million, compared to EUR 79 million in 2023 and corresponding to a revenue increase of 11.5%.

The increase in revenues was driven by growing sales in both the International and Nordic markets. In 2024 revenue from International markets increased by 14.3% compared to 2023, and revenue from Nordic markets increased 4.8% compared to 2023. Nordic revenue accounted for 27.6% of total revenue in 2024 compared to 29.4% in 2023, while International revenue accounted for 72.4% of total revenue in 2024 compared to 70.6 % in 2023.

Revenues from Sell Side activities grew 11.9% in 2024 and accounted for 16.5% of total revenues, whereas revenues from Buy Side activities increased by 11.4% in 2024 and accounted for 83.5% of total revenues. The revenue increase was primary driven by growing activities from Trading Platforms.

EBIT in 2024 was a profit of EUR 7.3 million compared to a profit of EUR 1.5 million in 2023.

Net profit for the year in 2024 was EUR 8.1 million compared to a profit of EUR 3.5 million in 2023.

As of 31 December 2024, the Parent Company employed 33 individuals, primarily engaged with management, sales and local service activities. Other main activities such as operation of infrastructure and product platform, product development, billing, finance, legal and human resources are handled by subsidiaries of the Parent Company.

Balance sheet

The balance sheet as of 31 December 2024 totaled EUR 131.1 million compared to EUR 130.5 million in 2023. The increase was primarily driven by a rise in Non-Current Assets. Total equity as of 31 December 2024 was EUR 45.8 million, compared to EUR 39.5 million as of 31 December 2023. The change in Equity reflects the combined effect of the profit for the year and effects of Share Based Payments and Purchase of Treasury Shares.

Cash flow

Cash flow from operating activities in 2024 totaled EUR 10.7 million. The net change in working capital was a negative EUR 4 million. Cash flow from investing activities in 2024 was a negative of EUR 4.5 million compared to a negative EUR 3.7 million in 2023.

Cash flow from financing activities in 2024 was a negative EUR 3.2 million, compared to a negative EUR 1.9 million in 2023.

Resulting Net Cash Flow in 2024 was combined positive EUR 3 million.



Risk Management

Adform's business entails a number of commercial, financial, regulatory and operational risks, which could potentially have a negative effect on the Group's future activities and results. To manage risk, principal factors categorized as potential risks are monitored, analyzed, and managed.

The Group's procedures and internal controls are planned and executed to ensure a sufficient level of comfort that the financial reporting is reliable and in compliance with internal policies, as well as gives a true and fair view of the Group's financial performance, the financial position and material risks. The procedures and controls are furthermore planned with a view to support the quality and efficiency of the Group's business processes and the safeguarding of the Group's assets.

Management continuously monitors and evaluates operational, commercial, financial and regulatory risks across the business, including an assessment of the likelihood that an adverse effect will occur, and whether the financial impact of such adverse effect would be material. The design and degree of control activities are based upon such risk assessments.

The aim of the Group's control activities is to ensure that the objectives, policies, manuals and procedures of the Executive Management are fulfilled, as well as to prevent, detect and correct any errors, deviations and omissions in a timely manner. As part of this, the Executive Management has established coherent and transparent reporting systems that are easily accessible to the relevant levels in the Group. Adform has since 2018 had a Whistleblower Protection Policy whereby individuals are encouraged to report concerns regarding any questionable actions, activities or other matters, in an externally managed system to ensure confidentiality. Further, in 2024, Adform has established a Risk Management Committee to address various security and Group risks.

Main commercial risks

Adform is dependent on the strength of its ongoing relationship with agencies and advertisers and continued campaign activation using Adform's product platform. Adform does not have any exclusive relationships with any agency and agencies typically do not agree to any minimum spend or similar business volume guarantees towards Adform.

Adform is dependent on third-party providers, both within its ordinary business process and to ensure sufficient inventory is available, and on obtaining access and keeping access to third-party services and inventory at reasonable costs.

Adform faces potential liability and harm to its business based on human errors or connections to third party systems, which can lead to overspend or unintended spend on its platform.

Adform runs a sophisticated ad tech platform, and the ongoing maintenance and access hereto for Adform's customers is crucial. Consequently, ensuring that the platform is available 24/7 is important, and cyber security threats are therefore a risk. As mentioned, Adforms' established Risk Committee has security as a key component of its remit.

The overall global and regional macroeconomic and political environment, including Russia's invasion of Ukraine, can cause risk to Adform's operations, especially considering Adform's large offices in Lithuania and Warsaw, due to its proximity to Ukraine, Belarus and Russia.

Adform's failure to meet content and ad inventory standards, customers' misuse of data, or Adform's failure to prevent fraud and malware could harm its business. Hence, Adform may face legal claims or reputational damage due to the potential misuse of Adform's self-serve platform by customers.



Main financial risks

Main financial risks including payment risk, credit risk, liquidity risk and currency risk are described in note 23 to the consolidated financial statement. In 2024 inflation remained elevated but showed a declining trend, easing some cost pressures. However, geopolitical uncertainty and persistently high interest rates continue to impact global economic conditions. Additionally, shifts in advertiser spending and evolving regulatory requirements introduce new financial risks that require close monitoring.

Main regulatory risks

The regulatory landscape within the adtech industry is continuously evolving. The General Data Protection Regulation (GDPR) was introduced on 25 May 2018 in the EU, and in addition, further regulation is being introduced in the EU and other countries or states (e.g. the Digital Services Act in the EU, the CRPA in California and other state laws in various states in the USA, the AI Act in the EU and the upcoming NIS II Directive in the EU).

In general, all such privacy, compliance and security regulations significantly raise compliance obligations imposed on e.g. adtech companies, based, inter alia, on the principles of accountability, governance, transparency and which data can be leveraged by Adform and other ad tech companies, when providing its services. The GDPR, the DSA, and the upcoming NIS II directive also include enforcement regimes that contain mandatory audit rights and fines at significant levels.

GDPR and other rules and regulations are aimed at safeguarding the interests of the consumers and will continue to have a significant impact for adtech and other participants in the online advertising industry. Adform continues to spend significant time to adjust its policies and practices to comply with the ever-changing regulatory global landscape under these new regulations. These include, but are not limited to:

- Revised or new data flows architectures have been developed to ensure privacy by design and default;
- Revised and/or new legal framework to set up personal data controller/ processor and joint controller relationships;
- Assessment on whether Adform or our clients are deemed “a business” and perform “sales” pursuant to the newly introduced privacy laws on a state level in the US;
- Additional obligations and requirements levied on the security, and the underlying organization, policies and reporting scheme;
- Robust technical means to establish consent protocols for certain types of activities and give the necessary control (e.g. right to information and access, right to be forgotten and data portability) to the consumers and ensuring that the industry has the technical setups to comply with the regulation, e.g. IAB’s transparency and consent framework and continued development of new legal frameworks and a comprehensive privacy center on <http://www.adform.com>.

Despite the various privacy initiatives within Adform, Adform cannot exclude the risk that authorities, organizations or private citizens decide to initiate enforcement activities or legal claims.

Further, the evolving roll out of artificial intelligence, and its use within the online advertising space places additional regulatory risks as rules and regulations are introduced by the EU and others.

These and more developments will continue to unfold, and Adform will monitor these developments closely and analyze the effects. Adform will evaluate the need for changes on an ongoing basis following various guidance, decisions, and new regulation as they are adopted and the latest technical specifications are released.

In addition, as case law and the regulatory landscape evolve, Adform may risk losing access to valuable data on which they have previously relied to enhance the value of their offerings. The added costs, regulatory requirements, and complexities from GDPR, ePrivacy, CCPA, DSA, and other regulations—including new court decisions, additional guidance from supervisory authorities, and new laws like the CRPA in California and the Digital Services Act in the EU—will further impact Adform and the adtech industry.

Adform is subject to complex Danish and foreign direct or indirect tax laws as well as compliance and documentation requirements, and tax liabilities may therefore prove to be greater than anticipated.

Finally, ESG related regulations like the Corporate Sustainability Reporting Directive (CSRD) are becoming applicable to entities across Europe. At the time of this annual report, Adform is not yet within the reporting scope of the CSRD, but Adform will be for 2025 (with reporting in 2026), which has an impact on the business and the underlying data collection needed for Adform to comply.

Main operational risks

Given the online nature of Adform’s business – being an online software platform Adform’s business results and operations may be materially adversely affected by cyber-attacks, malicious actions or unintentional errors.

Given the nature of Adform’s business model (software online), Adform’s business results and operations may be adverse affected by technological errors and service disruptions.

Adform has both a newly established Risk Management Committee and an internal security council that meet on a regular basis to ensure a structured and unified approach to discuss, amongst others, the security threats, roadmap and plans, and to ensure that the relevant risk forum is taken.

Adform’s execution capability and overall success heavily depends on its continued ability to hire, motivate and retain highly skilled employees.

Corporate Governance

The Company operates with a two-tiered governance structure consisting of the Board of Directors and the Executive Management. The two management bodies are separate and have no overlapping members.

The Board of Directors is responsible for the overall strategic direction of the Group, supervising the activities, management and organization, as well as ensuring that financial and managerial control of the Group is conducted adequately.

The Executive Management serves as a highly qualified sparring partner to the Board of Directors in relation to strategic initiatives and monitoring the Group's financial condition, risk management and business activities on an ongoing basis.

The Executive Management has established a formal group reporting process to the Board of Directors, which covers monthly financial reporting comparing to budget and includes explanation of underlying business drivers and material deviances to budget and expectations. In addition to the reporting of earnings, the reporting covers balance sheet and cash flow statements, and supplementary information as needed from time to time. Reporting to the Board of Directors includes an update of expectations and financial outlook for the year, when underlying business momentum indicates material shifts in the financial trajectory of the Group.

Board of Directors

The Board of Directors consists of five members:

- **Torben Brandt Munch, Chair**
- **Lars Dybkjær, Vice Chair**
- **Barbara Daliri Freyduni**
- **John Helmsøe-Zinck**
- **Gustav Mellentin**

The Board of Directors is elected at the Annual General Meeting; and all of its members are up for election each year.

Board Committees

The Board of Directors has established a formal Audit Committee under the supervision of the Company's Board of Directors. The Audit Committee tasks are to supervise the Group's audit, financial reporting, risk management and compliance matters, and further supervises the external auditor's independence of the Company. The Audit Committee consists of one members from the Board of Directors, and one member who is appointed by the shareholders.

The Audit Committee consists of two members:

- **John Helmsøe-Zinck** (appointed by the Board of Directors)
- **Lars Lunde** (appointed by the shareholders)

No other formal board committees have been established.

Executive Management

The Executive Management consists of one member:

Troels Philip Jensen (born 1967, Danish nationality) joined Adform in April 2020 and serves as Chief Executive Officer. Troels brings more than 25 years of experience in advanced software and FinTech. Before joining Adform, Troels served as COO at Itiviti AB and as Managing Director Western Europe at SimCorp. Troels is elected to the Board of Directors for the Danish company, Ole Lynggaard A/S and is registered in the governing boards of the Adform Group entities. Troels holds a M.Sc. in Economics and International Business from the Copenhagen Business School and Leuven Universiteit.

ESG

At Adform our ESG strategy is embedded in our overall business strategy. As a Group, Adform wish to act responsibly in relation to our customers, employees, business partners and the outside world, and we are committed to acting in an ethical manner in respect of the use of data, and adhering to ethical, transparent, and forward-looking best practices.

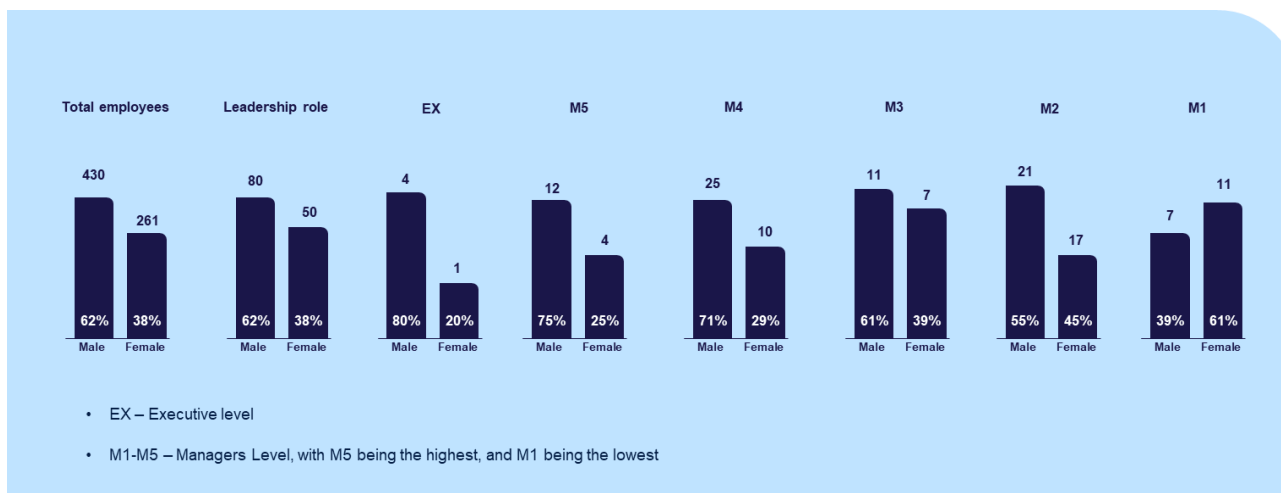
To oversee the developments and progress in respect of all ESG related activities, in 2023 an ESG Steering Committee has been established by the Executive Leadership Team, which consists of the Chief Executive Officer (Troels Philip Jensen), the CHRO (Charlotte Kure Juul) and the COO (Oliver James Whitten). The ESG Steering Committee meet on recurring basis to set the ESG agenda and discuss progress on the set targets.

ESG report and Data Ethics Policy

Adform has made public its report on Corporate Social Responsibility (ESG), cf. section 99a of the Danish Financial Statement Act and our Data Ethics cf. section 99d of the Danish Financial Statement Act. Both reports are available here on the Group's website, see here: <https://site.adform.com/company/corporate-governance>.

Gender Distribution in all management levels across the Group

Adform is committed to adhering to ethical, transparent, and forward-looking best practices while providing an inclusive workplace. In alignment with Adform's guiding principles, Adform's believe in equal opportunity and fair treatment for all, whilst ensuring that we also hire and promote the best person for the positions available.



Since 2018, Adform has made public its annual gender diversity policy, which also has been completed for 2024 and can be found via this link: <https://site.adform.com/company/corporate-governance>.

Adform's primary focus in regard to diversity relates to gender, which serves as a measurable indicator of our progress, although we acknowledge that diversity extends beyond this.

In 2022, Adform set the ambition of having women in leadership positions to reflect the overall ratio between men and women across the organization. Adform reached this goal in the reporting for 2022 for the first time. In the policy for 2023, Adform exceeded the goal, as overall 38% of all leadership positions within the Group is held by females, with females accounting for 35% of the overall work force. In 2024, Adform continue to be on its target, as the women in leadership positions reflect the overall ratio between men and women in the Group.

New Gender Diversity Reporting Legislation

In 2022, the Danish Parliament passed new legislation on gender distribution. The law introduced stricter requirements around target figures and policies related to legal entities and contain a focus on gender balance among shareholder-elected members of company boards, and the two management levels below*.

In 2023, Adform therefore included gender diversity reporting in our management report, which continue also for 2024. Hence, this management report also include a short summary of our gender diversity policy and targets, plus Adform's activities and developments in 2024 on the two management levels below the Board of Directors. The following constitute Adform' reporting in this respect, in accordance with section 99b of the Danish Financial Statements Act.

Adform has retroactively to the beginning of 2022 applied the new legislation from the Danish Parliament, to provide an overview of the gender diversity status within the Group as reflected in the table on the following page.

Gender Diversity

Summary of our gender distribution policy:

Adform's overall targets are to:

- Ensure fair gender representation in all leadership positions, in relation to the overall ratio between men and women across the organization;
- Ensure fair gender representation for the two management levels below the board of directors, as provided by the Danish Business Authority, as can be found in the annual report for the Group for 2024

Adform is committed to ensuring equal opportunity for all, both for current and future Adform employees, regardless of their gender, beliefs and background.

Board of Directors

Adform's Board of Directors consist of a total of 5 shareholder elected members, where four (4) are male and one (1) is female.

In 2024, Adform has not achieved equal gender distribution* within its Board of Directors as one of the previous female members left the Board of Directors during the year, and this position has not been refilled. If the position will be replaced, the shareholders of the Group will take gender in as one of the criteria in the selection process.

Diversity in the two management levels below the Board of Directors

By the end of 2024, a total of 44 people were a part of the two management levels below the Board of Directors**, 25 were men, and 19 were female.

In 2022, 2023 and 2024, Adform's representation of the underrepresented gender in the two management levels below the Board of Directors has respectively been, 38% (2022), and 34% (2023) and 43% (2024).

By 2030, Adform strives for at least 40% representation of the underrepresented gender on an aggregate for all of Adform's management layers within the business, including a target of 40% by 2023 by the two management levels below the Board of Directors.

Adform achieved the management representation target for the CEO and the two levels below the CEO in 2024. This success is attributed to our transparent recruitment process and unbiased, assessment-based promotion and recruitment practices. These efforts have supported a diverse pipeline of candidates from both genders, as reflected in our overall employee distribution.

Initiatives in 2024

- Adform has launched a Respect Policy to promote Adform's approach to a respectful and safe workplace in line with our Guiding Principles.
- Adform has released Adform's Culture Guide. Adform mapped 18 countries on five dimensions that significantly impact workplace dynamics and collaboration to assist our employees in navigating cultural differences.
- Adform has initiated an assessment as to whether a gender pay cap exist within the Group and assess if the right advance metrics are in place to support promotional purposes.

Initiatives in 2025

- Adform will expand monthly Pulse survey with respectful Culture domain. This initiative aims to support Adform's Respect Policy by providing monthly data on how employees perceive the respectful culture.
- A set of workshops on team roles, personality differences, cultural differences, feedback, conflict management, and engagement at the team level will take place. These workshops are designed to enhance respect, understanding, and collaboration within and across the organization. The ambition is for 80% participation by the end of 2025.
- Adform will finalize the gender pay gap assessment within the Group, including analysis of existing advancement procedures and metrics.

Gender Diversity and Targets	2030 (target)	2024	2023	2022
Overall distribution of men and female within the Group	60/40 split	M: 62% F: 38%	M: 65% F: 35%	M: 63% F: 37%
Underrepresented gender across all employees	60/40 split	38%	35%	37%
All management layers	60/40 split	38%	38%	37%
Board of Directors				
Shareholder elected		5	6	6
Underrepresented gender (%)		20%	33%	33%
Two Management levels below the Board**				
Members		44	38	47
Underrepresented gender (%)		43%	34%	38%
Targets (%)	40%			

Management Statement



Management Statement

The Executive Management and Board of Directors have reviewed and approved the annual report of Adform A/S for the financial year 1 January to 31 December 2024.

The annual report has been prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act applying to reporting class C, large enterprises.

In our opinion, the consolidated financial statements and the parent company financial statements provides a true and fair view of the Group's and the Company's financial position as of 31 December 2024, and of the results of the Group's and parent company's operations and cash flows for the financial year 1 January – 31 December 2024.

Further, in our opinion, the Management's Review includes a true and fair review of the development in the Group's operations and financial matters, as well as the financial results and financial position of the Group and the parent company.

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

Copenhagen, 27th of March, 2025

Executive Management:



Troels Jensen
CEO

Board of Directors:



Torben Brandt Munch
Chair



Lars Dybkjær
Vice Chair



Barbara Daliri Freyduni



John Helmsøe-Zinck



Gustav Mellentin

Independent Auditor's Report



Independent Auditor's Report

To the shareholders of Adform A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Adform A/S for the financial year 1 January – 31 December 2024, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2024 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January – 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

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

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Independent Auditor's Report - Continued

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

Independent Auditor's Report - Continued

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Copenhagen, 27 March 2025
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Henrik Pedersen

State Authorised
Public Accountant
mne35456



Thomas Steen Andersen

State Authorised
Public Accountant
mne47810



Consolidated Financial Statements

1 January – 31 December



Consolidated Financial Statements 1 January – 31 December

Consolidated income statement

Note	EUR'000	2024	2023
1	Revenue	102,387	88,613
	Cost of sales	-6,335	-5,011
	Gross profit/loss	96,052	83,602
2,3,4,6	Research and development costs	-24,408	-23,511
2,3,6	Sales and marketing expenses	-42,167	-38,042
2,3,6	Administrative expenses	-17,407	-16,924
7	Other operating income	14	21
	Operating profit/loss (EBIT)	12,084	5,146
8	Financial income	3,745	5,076
9	Financial expenses	-3,835	-5,404
	Profit/loss before tax	11,994	4,818
10	Tax for the year	-2,715	-1,570
	Profit/loss for the year	9,279	3,248
	<i>Attributable to:</i>		
	Shareholders of Adform A/S	9,279	3,248
19	Earnings per share, basic (EUR)	0.13	0.05
19	Earnings per share, diluted (EUR)	0.13	0.04

Consolidated statement of comprehensive income

Note	EUR'000	2024	2023
	Profit/loss for the year	9,279	3,248
	Other comprehensive income		
	<i>Items that may be reclassified to the income statement in subsequent periods:</i>		
	Exchange differences in translation	28	-73
	Other comprehensive income for the year, net of tax	28	-73
	Total comprehensive income for the year	9,307	3,175
	<i>Attributable to:</i>		
	Shareholders of Adform A/S	9,307	3,175

Consolidated Financial Statements 1 January – 31 December

Consolidated balance sheet

Note	EUR'000	2024	2023
ASSETS			
Non-current assets			
12	Intangible assets	8,502	8,005
13	Tangible assets	4,883	4,577
14	Right of use assets	12,835	9,440
15	Deferred tax assets	2,629	3,889
16	Other non-current assets	905	898
Total non-current assets		29,754	26,809
Current assets			
17,18	Trade receivables	61,324	58,252
18	Other receivables	1,851	1,339
	Income tax receivables	273	302
	Prepayments	2,468	2,443
18	Cash	51,004	44,468
Total current assets		116,920	106,804
TOTAL ASSETS		146,674	133,613

Note	EUR'000	2024	2023
EQUITY AND LIABILITIES			
Equity			
19	Share capital	93	94
19	Treasury shares	0	-9
	Foreign currency translation reserve	96	68
	Retained earnings	49,036	41,556
Total equity		49,225	41,709
Non-current liabilities			
14,20,25	Lease liabilities	10,122	6,304
15	Deferred tax liabilities	116	234
Total non-current liabilities		10,238	6,538
Current liabilities			
14,20,25	Lease liabilities	3,312	3,601
21	Trade payables	70,968	70,576
	Income tax payables	174	174
	Prepayments from customers	3,599	4,007
22	Other liabilities	9,158	7,008
Total current liabilities		87,211	85,366
Total liabilities		97,449	91,904
TOTAL EQUITY AND LIABILITIES		146,674	133,613

Consolidated Financial Statements 1 January – 31 December

Consolidated statement of changes in equity

2024					
EUR'000	Share capital	Treasury shares	Foreign currency translation reserve	Retained earnings	Total equity
Equity 1 January 2024	94	-9	68	41,556	41,709
Profit for the year	0	0	0	9,279	9,279
Other comprehensive income					
Foreign currency translation	0	0	28	0	28
Total other comprehensive income	0	0	28	0	28
Total comprehensive income for the year	0	0	28	9,279	9,307
Transactions with owners					
Share-based payments	0	0	0	270	270
Purchase of treasury shares	0	-2,033	0	0	-2,033
Settlement of warrants	0	0	0	-28	-28
Cancellation of treasury shares	-1	2,042	0	-2,041	0
Total transactions with owners	-1	9	0	-1,799	-1,791
Equity 31 December 2024	93	0	96	49,036	49,225
2023					
EUR'000	Share capital	Treasury shares	Foreign currency translation reserve	Retained earnings	Total equity
Equity 1 January 2023	94	-2	141	38,178	38,411
Profit for the year	0	0	0	3,248	3,248
Other comprehensive income					
Foreign currency translation	0	0	-73	0	-73
Total other comprehensive income	0	0	-73	0	-73
Total comprehensive income for the year	0	0	-73	3,248	3,175
Transactions with owners					
Share-based payments	0	0	0	273	273
Purchase of treasury shares	0	-7	0	0	-7
Settlement of warrants	0	0	0	-143	-143
Total transactions with owners	0	-7	0	130	123
Equity 31 December 2023	94	-9	68	41,556	41,709

Consolidated Financial Statements 1 January – 31 December

Consolidated cash flow statement

Note	EUR'000	2024	2023
	Profit/loss before tax	11,994	4,818
6	<i>Adjustment for:</i>		
	Amortisation, depreciation and impairment	9,947	10,217
8,9	Financial items, net (financial income and expenses)	90	329
	Other non-cash items	270	890
	Cash flow from operating activities before changes in working capital	22,301	16,254
	Changes in working capital	-1,475	5,168
	Cash flow from operations	20,826	21,422
	Financial costs, net	575	178
9	Payment of lease interest	-665	-518
	Income taxes paid	-1,544	-1,131
	Cash flow from operating activities	19,192	19,951
	Investments in intangible assets	-3,894	-3,936
13	Investments in tangible assets	-3,056	-2,549
16	Change in other non-current assets	-7	-83
	Cash flow from investing activities	-6,957	-6,568
25	Payment of lease commitments	-3,677	-4,140
3	Cash settlement of warrants	-28	-760
	Purchase of treasury shares	-2,033	-7
	Cash flow from financing activities	-5,738	-4,907
	Net cash flow	6,497	8,476
	Currency adjustments	39	-253
	Cash, 1 January	44,468	36,245
	Cash¹ 31 December	51,004	44,468

The above cannot be derived directly from the income statement and the balance sheet.
Other non-cash items mainly relate to recognised costs from share-based payments.

Consolidated Financial Statements 1 January – 31 December

Notes to the consolidated financial statements

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Consolidated Financial Statements 1 January – 31 December

Notes

1 Revenue

Adform's software platform consists of a number of individual products that each play a role in the digital advertising process.

The Executive Management monitors and operates the Group as one segment in respect of earnings, covering business activities with customers on both the buy side (advertisers and agencies) and the sell side (publishers).

Revenue allocation by region:

Revenue activities are monitored based on the location of respective customers. The revenue is attributed to the geographical market segment Nordic if it is generated by the offices in Denmark, Sweden, Norway and Finland. The revenue generated outside Nordic is reported as International.

EUR'000	2024	2023
Nordic	24,337	23,252
International	78,050	65,361
	102,387	88,613

Revenues per customer category:

EUR'000	2024	2023
Revenue from Buy Side (comprises the fees paid by agencies and advertisers)	82,262	73,298
Revenue from Sell Side (comprises the fees paid by publishers)	20,125	15,315
	102,387	88,613

Revenues per product category:

EUR'000	2024	2023
Trading platforms*	69,213	58,530
Ad serving	19,045	18,301
Data*	8,826	9,018
Other Services	5,302	2,764
	102,387	88,613

*For these product categories Adform recognizes revenue as an agent while the rest is recognized as the principal.

Non-current operating assets (intangible and tangible assets) by country:

EUR'000	2024	2023
Denmark	13,670	12,799
Lithuania	5,400	2,302
Other countries	7,150	6,921
Total non-current operating assets	26,220	22,022
Deferred tax assets and Other non-current assets	3,534	5,131
Total non-current assets	29,754	27,153

Consolidated Financial Statements 1 January – 31 December

Notes

1 Revenue – continued

In 2024 and in 2023, no customer accounted for more than 10% of total revenue.

Adform has established normal bonus schedules with large customers, where bonuses are released on either a quarterly or an annual basis. Bonus schedules are generally based on total spend through Adform's platform.

Adform does not incur material direct costs in obtaining contracts with customers.

Gross billings

Adform has several revenue streams that are based on different pricing models, including activity-based revenue, percent of media spend, revenue share and other fee models. Adform's gross billings include the value of clients' purchase of media through Adform's platform, plus platform and other fees. The value of media purchased, which is not attributable to Adform, is recognized as media costs and netted out from gross billings (non-IFRS) to revenue. Adform's revenue as a percentage of gross billings can fluctuate due to product mix, the types of services and features selected by clients through the Adform platform and certain volume discounts. Adform reviews gross billings for internal management purposes to assess underlying business momentum, market shares and trading scale as well as to adequately plan for working capital needs and monitor collection risk. Management believes that gross billings represent a good guide to the overall activity of the Group.

The following table provides a reconciliation of revenue as reported under IFRS to gross billings (non-IFRS):

EUR'000	2024	2023
Gross billings (non-IFRS)	360,179	334,716
Media costs (non-IFRS)	-257,792	-246,103
Reported revenue according to IFRS	102,387	88,613

Set out below is the disaggregation of the Group's revenue from contracts with customers.

Timing of revenue recognition from customers:

EUR'000	2024	2023
Services transferred at a point in time	102,387	88,613
Services transferred over time	0	0
	102,387	88,613

Adform has concluded that it transfers control over its services (i.e. advertisers and agencies buying of ad inventory, publishers selling ad inventory, and serving of the ad actual impression), at a point in time, because this is when the customer (publishers, agencies and advertisers) benefits from the automated ad trading and ad serving performed by the Group's software platform.

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Notes

2 Staff costs

EUR'000	2024	2023
Wages and salaries	52,446	48,267
Pensions (defined contribution plan)	825	607
Other expenses for social security	4,644	4,273
Share-based compensation expenses (refer to note 3)	270	273
Other employee expenses	120	72
	58,305	53,492
Development costs capitalised as intangible assets	-3,356	-3,092
	54,949	50,400
Average number of full time employees	668	669

Note staff costs are included in research and development costs, sales and marketing expenses as well as administrative expenses.

EUR'000	2024	2023
<i>Remuneration to the Executive Board*</i>		
Wages and salaries	1007	803
Pension	23	24
Share-based compensation expenses	81	74
	1,111	901
<i>Compensation to the Board of Directors</i>		
Compensation	204	234
Share-based compensation expenses	-12	6
	192	240

*Recording of remuneration to the Executive Management consists of the remuneration to registered members of the Executive Management in the individual financial year. The remuneration for the financial year 2023 includes the payments for a full calendar year for Troels Philip Jensen and Lars Christian Salvador Duus, whilst it for 2024 has a pro-rata element in respect of Lars Christian Salvador Duus who left Adform during the financial year. Further, Adform repurchased the warrants and B-shares granted to Christian Duus under the MIP program. For additional information, refer to note 3 and 19.

Remuneration to the Board of Directors for the financial year 2024 consist of the paid board fee to Torben Brandt Munch (Chair), Barbara Daliri Freyduni (board member) and a pro rata element the previous board member Maria Hjorth, who resigned from the board in 2024. In addition, previous recognized expenses of EUR 12 thousand related to share-based compensation is reversed as the resigned board member does not retain vested warrants.

The compensation to the Executive Management consists of base salary and customary benefits (free phone, computer and internet subscription) and the Executive Management participates in the short-term cash-based incentive programme to Executive Management and selected employees (STIP). Furthermore, the Executive Management participates in the long-term incentive programmes to Executive Management and selected employees (Warrant Programme).

The Company can terminate the employment of the Executive Management for any reason upon at least 6 months advance notice. The CEO, Troels Philip Jensen, can terminate his employment with the Company for any reason upon at least 6 month's advance notice.

Consolidated Financial Statements 1 January – 31 December

Notes

3 Share-based payments

Adform A/S has established incentive programmes under which certain employees and board members of the Parent Company and its subsidiaries have been granted warrants or options to purchase shares. Warrants and share options can be exercised by the employees an exit by cash purchase of shares only.

The valuation of the shares granted in 2024, 2023 and 2022 is based on the following assumptions:

	2024	2023	2022
Share price (EUR)	3.3	2.3 – 3.0	3.6 - 3.89
Volatility	32%	41%	39%
Risk-free interest rate	1.93% - 2.15%	2.51% - 3.31%	-0.48% - 1.03%
Expected dividends	0%	0%	0%
Expected remaining life (years)	3.0	4.0	5.0

Current share option and warrant schemes

Scheme	Options and warrants granted	Granted	Exercise period	Exercise price (weighted average)	No. of employees	Market value at date of grant
2015	104,544	August	10 years after date of grant	4.3	1	34,401
2016	1,325,000	September	10 years after date of grant	3.3	2	534,958
2017	131,500	March and November	10 years after date of grant	3.1	2	55,663
2018	3,267,152	January, April, June, September	31-12-2025	0.2	105	6,843,341
2019	1,484,988	October, November	31-12-2027	0.7	59	626,892
2020	596,000	April, August	31-12-2027	1.7	29	226,937
2021	2,387,381	January, April, August, September	N/A.	1.0	83	432,762
2022	253,395	February, May	31-12-2027	3.3	23	221,408
2023	608,978	March, December	31-12-2027	3.3	70	307,239
2024	120,000	December	31-12-2027	3.3	24	62,739

Consolidated Financial Statements 1 January – 31 December

Notes

3 Share-based payments – continued

Scheme	Board of Directors	Executive Management	Senior staff	Total	Average price per option
2015	-	-	104,544	104,544	4.3
2016	-	-	1,325,000	1,325,000	3.3
2017	-	-	131,500	131,500	3.1
2018	-	85,403	3,181,749	3,267,152	0.2
2019	200,000	74,728	1,210,260	1,484,988	0.7
2020	-	-	596,000	596,000	1.7
2021	14,948	1,842,086	530,357	2,387,391	1.0
2022	14,948	-	238,447	253,395	0.9
2023	-	-	608,978	608,978	0.5
2024	-	-	120,000	120,000	0.5
Granted at 31 December 2024	229,896	2,002,217	8,046,835	10,278,948	

Consolidated Financial Statements 1 January – 31 December

Notes

3 Share-based payments – continued

Outstanding share options

	Board of Directors	Executive Management	Senior Staff	Total	Average price per option
Outstanding at 1 January 2023	229,896	1,842,086	4,071,920	6,143,902	
Granted	-	-	608,978	608,978	0.5
Options waived/expired or exercised	-	-	-219,132	-219,132	0.3
Outstanding at 31 December 2023	229,896	1,842,086	4,461,766	6,533,748	
Outstanding at 1 January 2024	229,896	1,842,086	4,461,766	6,533,748	
Granted	-	-	120,000	120,000	0.5
Options waived/expired or exercised	-14,948	-153,726	-37,500	-206,174	0.3
Outstanding at 31 December 2024	214,948	1,688,360	4,544,266	6,447,574	

The table below shows the number of warrants and options granted and vested as of 31 December 2024 and the subscription price per share.

Incentive programme (shares)	Number	Vested as at 31 December 2024*	Subscription price per share of DKK 0.01
Warrants (Global programme), appendix 2	833,655	833,655	DKK 0.01-DK10.91
Warrants 2019, appendix 3	1,316,747	1,316,747	DKK 12.46
Warrants 2019, appendix 4	642,584	642,584	DKK 0.01
Warrants 2021, appendix 6	881,380	590,017	DKK 24.92
LTIP Options	250,000	250,000	EUR 3.00
LTIP Options	250,000	250,000	EUR 1.00
CSOP Options	152,703	152,703	DKK 0.80
CSOP Options	250,000	250,000	DKK 5.60
MIP Program	1,831,548	1,831,548	DKK 0.68-0.96
Phantom Stock Awards	38,957	38,957	DKK 0.01-DK10.91

* Vested as of 31 December 2024 due to fulfilment of service requirement by the employee. No exit has occurred.

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Notes

3 Share-based payments – continued

Warrants (Global programme), appendix 2

In August 2018 and in September 2018 a warrant programme (on equal terms) was initiated under which a number of employees in the parent company and its subsidiaries were granted warrants. The warrant programme replaced a previous restricted stock unit program established in April 2018.

According to the warrant programme, participants can subscribe for new shares in the Company at a subscription price of DKK 0.01 - 10.91.

In 2019, a total number of 2,787,239 warrants was granted. In 2020 - 2024, no new warrants were granted under this program.

Under the terms of the warrant programme, it is a condition for exercising the warrants, that a) an exit as defined in appendix 2 to the Company's articles of association occurs no later than 31 December 2025 and b) provided that the individual participant's employment with parent or one of its subsidiaries has not ceased on each relevant vesting date.

Common good and bad leaver provisions are included in the terms and conditions of the warrant programs.

Based on the characteristics of the warrant programme, the likelihood of an exit has been assessed by Management and incorporated as part of valuation of fair value at grant date. The warrant value was calculated with a share price of approximately DKK 16.4.

For the twelve-month period ended 31 December 2024, EUR 0 (2023: EUR 0 thousand) has been recognised in the income statement and in equity.

Repurchase of warrants granted under appendix 2 in 2023

Former employees who were granted warrants under appendix 2 have in accordance with the agreement kept some or all of the vested warrants. In 2023, Adform repurchased warrants from a former employee who accepted the repurchase due to strategical reasons. The repurchase price for each warrant is agreed with the individual participant at DKK 24.91. The total amount paid by Adform to the former employee who accepted this repurchase amounts to EUR 312 thousand. Management treated the repurchase as an equity transaction as required by IFRS. Management concluded that the repurchase was a one-time event and do not plan to carry out any future settlement of active warrant programs in cash, hence it is management's assessment that the repurchase do not form precedents for settlement of warrant agreements in cash and therefore the current active warrant programs will continue to be treated as equity- settled program.

Warrants 2019, appendix 3

In October 2019, a new warrant programme was initiated under which a number of employees and board members in the parent company and its subsidiaries were granted warrants. According to the warrant programme, participants can subscribe for new shares in the Company at a subscription price of DKK 12.46.

In total, 1,667,867 warrants have been granted during the period from 2019 to 2021 (hereof 0 in 2024). From the beginning of the program 351,120 warrants were waived, hence the total net warrants granted amounts to 1,316,747.

Consolidated Financial Statements 1 January – 31 December

Notes

3 Share-based payments – continued

Under the terms of the warrant programme, it is a condition for exercising the warrants, that a) an exit as defined in appendix 3 to the Company's articles of association occurs no later than 31 December 2027 and b) provided that the individual participant's employment or engagement with parent or one of its subsidiaries has not ceased on each relevant vesting date.

Common good and bad leaver provisions are included in the terms and conditions of the warrant programs.

Based on the characteristics of the warrant programme, the likelihood of an exit has been assessed by Management and incorporated as part of valuation of fair value at grant date. The warrant value was calculated with a share price of DKK 12.46 – 14.36.

For the twelve-month period ended 31 December 2024, an income of EUR 4 thousand has been recognized as cost in the income statement and in equity (2023: expense of EUR 1 thousand).

Warrants 2019, appendix 4

In November 2019, a new warrant programme was initiated under which a number of employees in the parent Company and its subsidiaries were granted warrants. According to the warrant programme, participants can subscribe for new shares in the Company at a subscription price of DKK 0.01.

In 2019, a total number of 762,533 warrants was granted. In 2020 – 2024 period, no new warrants were granted under this program.

In connection with the grant in November 2019, the previous warrant programme from 2018 (Global programme) was not cancelled or modified.

If a participant has been granted warrants governed by the warrant programme from 2018 under appendix 2 (Global programme and U.S. employees) and warrants governed by the appendix 4 warrant programme, then it follows that the participant shall not be entitled to exercise both warrants that are granted pursuant to both programmes under appendix 2 and appendix 4. If a participant exercise warrants governed by one of these programmes, then participant will be considered to have waived all vested warrants governed by the other programme and these warrants will lapse.

As such, the new warrant programme from November 2019 (appendix 4) is considered a second award to the previous warrant programme from 2018 (Global programme and U.S. employees, appendix 2). Management has evaluated that the new warrant programme from November 2019 (appendix 4) cannot be designated as a replacement award, because the original award (previous warrant programme from 2018) is still in place and therefore Management has evaluated that Adform in regard to awards under appendix 2 and appendix 4 has two awards running 'in parallel'.

Management has assessed the fair value of the new warrant programme from November 2019 (appendix 4) and reassessed the fair value of the original award at the grant date of the new warrant programme. Based on the fair value assessment, the incremental fair value is expensed over the vesting period of the new warrant programme from November 2019 (appendix 4).

Consolidated Financial Statements 1 January – 31 December

Notes

3 Share-based payments – continued

Based on the characteristics of the warrant programme, the likelihood of an exit has been assessed by Management and incorporated as part of valuation of fair value at grant date. The warrant value was calculated with a share price of DKK 12.46.

For the twelve-month period ended 31 December 2024, EUR 0 thousand has been recognised as income in the income statement and in equity (2023: EUR 0 thousand).

Warrants 2021, appendix 6

In September 2021, a new warrant programme was initiated under which a number of employees and board members in the parent company and its subsidiaries were granted warrants. According to the warrant programme, participants can subscribe for new shares in the Company at a subscription price of DKK 24.92.

In total, 997,321 warrants have been granted during the period from 2021 to 2024 (hereof 120,000 in 2024). From the beginning of the program 115,941 warrants were waived, hence the total net warrants granted amounts to 881,380.

Under the terms of the warrant programme, it is a condition for exercising the warrants, that a) an exit as defined in appendix 6 to the Company's articles of association occurs no later than 31 December 2027 and b) provided that the individual participant's employment or engagement with parent or one of its subsidiaries has not ceased on each relevant vesting date.

Common good and bad leaver provisions are included in the terms and conditions of the warrant programs.

Based on the characteristics of the warrant programme, the likelihood of an exit has been assessed by Management and incorporated as part of valuation of fair value at grant date. The warrant value was calculated with a share price of DKK 17.1-28.0.

For the twelve-month period ended 31 December 2024, an expense of EUR 194 thousand has been recognised as cost in the income statement and in equity (2023: an expense of EUR 190 thousand).

LTIP Options and CSOP options

The long-term stock option programme (LTIP Options) was granted in 2016. All LTIP options have been fully recognised prior to 2022.

The main principles for the UK CSOP programme are overall in line with the terms and conditions of the options as described above, though with the small deviation that the LTIP options granted in 2016 does not require an exit, before the participant can exercise the options. At 31 December 2024 EUR 0 thousand income in respect to the UK CSOP programme has been recognised in the financial statements (2023: an expense of EUR 0 thousand).

Based on the characteristics of the options programme, the likelihood of an exit has been assessed by Management and incorporated as part of valuation of fair value at grant date. The warrant value was calculated with a share price of DKK 12.46.

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3 Share-based payments – continued

Management Incentive Program (MIP-Program)

In January 2021 and August 2021, a Management Incentive Program (the “MIP-Program”) was agreed with Management and a few select employees in which the participants in the MIP-Program have acquired B-shares and warrants in the Company. As of 31 December 2024, the MIP-Program participants have aggregated subscribed for 451,889 class B-shares of DKK 0.01 nominal value each and the Company has issued in the aggregate 2,033,031 warrants of DKK 0.01 nominal value each. The warrants issued pursuant to the MIP-Program are divided equally into 3 classes pending on subscription price and all warrants will subscribe class B-shares. The purchase price per warrant in Series I is a DKK amount corresponding to 7,71% of the share price, the purchase price per warrant in Series II is a DKK amount corresponding to 6,33% of the share price and the purchase price per warrant in Series III is a DKK amount corresponding to 5,47% of the share price. The warrants can only be exercised in case of a sale or an IPO, as defined in the MIP-Program and related agreements.

The valuation of the MIP warrant program is based on simulations of the possibility of a sale or IPO occurs and the likelihood that the minimum IRR within each series are achieved. In the consolidated financial statement, the MIP warrant program is treated as a equity settled program, hence the cost related to the vested warrants are booked directly against equity. The period over which the cost are recognized is based on management expectation of when an exit occurs. Upon issuance of the MIP warrant programme in the beginning of 2021, Management assessed the most likely Exit date to be 31 December 2024.

For the twelve-month period ended 31 December 2024, an expense of EUR 81 thousand has been recognized as cost in the income statement and in equity (2023: an expense of EUR 81 thousands)

Repurchase of warrants and b-shares stemming from the MIP-Program

In 2024, Adform repurchased b-shares and warrants from a former employee who left Adform due to the participants resignation, which allowed the repurchase according to the MIP-Program and related agreements.

The repurchase price for the b-shares amounted to DKK 12,46, which was equivalent to the acquisition price. The repurchase price in total for the warrant a combination of an acquisition at fair market value (as defined in the MIP-Program and related agreements) and the acquisition price (as defined in the MIP-Program and related agreements), and totalled DKK 209,370.40 for the 153,726 warrants. Consequently, the total amount paid totalled DKK 422,199.70.

Management treated the repurchase as an equity transaction as required by IFRS. Management concluded that the repurchase was a one-time event and does not plan to carry out any future settlement of active warrant programs in cash, hence it is management’s assessment that the repurchase do not form precedents for settlement of warrant agreements in cash and therefore the current active warrant programs will continue to be treated as equity-settled program.

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4 Research and development costs

Adform's research and development activities focuses on the development of the Adform product platform. Research and development costs that are not eligible for capitalisation have been expensed in the period and they are recognised in research and development costs.

EUR'000	2024	2023
This year incurred research and development costs	21,931	20,056
Amortisation of intangible assets	3,186	4,167
Depreciation of tangible assets and right-of-use assets	2,647	2,380
Development costs recognised in intangible assets	-3,356	-3,092
Development costs recognised in research and development costs	24,408	23,511

5 Fees to independent auditors

EUR'000	2024	2023
Fee for statutory audit	193	186
Other assurance services	15	0
Total audit related services	208	186
Tax and VAT advisory services	18	30
Other services	42	10
Total non-audit services	60	40
Total fees to independent auditors	268	226

Fees for services other than the statutory audit of the financial statements amounted to EUR 81 thousand. Fees for other assurance engagements amounted to EUR 15 thousand and include fees for local statutory reports. Fees for non-audit services amounted to EUR 60 thousand relates to financial, tax and sustainability services.

For 2023, expenses related to other non-audit services were mainly affected by tax consultations.

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6 Amortisation, depreciation and impairment

EUR'000	2024	2023
Amortisation of intangible assets	3,396	4,234
Depreciation of tangible assets	2,760	2,252
Depreciation of right-of-use assets	3,791	3,731
	9,947	10,217

Amortisation and impairment of intangible assets has been recognised in the income statement as follows:

EUR'000	2024	2023
Research and development costs	3,185	4,167
Sales and marketing expenses	163	51
General and administrative expenses	48	16
	3,396	4,234

7 Other operating income

In 2024 other operating income consists of income from resale of fixed assets amounting to EUR 14 thousands.

In 2023 other operating income consists of income from resale of fixed assets amounting to EUR 21 thousands.

8 Financial income

EUR'000	2024	2023
Interest income	1,237	857
Foreign exchange gains and adjustments	2,508	4,219
	3,745	5,076

9 Financial expense

EUR'000	2024	2023
Foreign exchange losses and adjustments	2,945	4,796
Interest expenses from leases (right-of-use assets)	665	518
Other interest expenses	225	90
	3,835	5,404

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10 Tax for the year

EUR'000	2024	2023
Current income tax charge for the year	-1,443	-692
Change in deferred tax	-1,229	-417
Adjustment to tax for prior years	-43	-461
Total tax for the year (positive amount = income, negative amount = expense)	-2,715	-1,570
Deferred tax on other comprehensive income	0	0

Tax reconciliation	2024		2023	
	EUR '000	%	EUR '000	%
Profit before tax	11,994		4,818	
Tax using the Danish corporation tax rate	-2,639	22 %	-1,060	22 %
Deviation in foreign subsidiaries' tax rates compared to the Danish rate	47	1 %	59	-1 %
Adjustment for tax prior year	-43	0 %	-461	10 %
Non-taxable income	70	-1 %	59	-1 %
Non-deductible expenses	-150	1 %	-167	3 %
Effective tax / tax rate for the year	-2,715	23 %	-1,570	33 %

Non-taxable income primarily relates additional tax deduction from research and development activities.

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11 Government grants

- Adform Lithuania UAB, the subsidiary company, participates in tax credit and funding program related to software development projects co-financed by the European Union. Under these arrangements, the subsidiary receives financial support, subject to compliance with specific terms and conditions outlined in the program. In 2024, Adform Lithuania UAB recognized EUR 63 thousand in funding. This amount includes EUR 35 thousand related to 2021 and EUR 28 thousand related to 2022, which were recognized in 2024 upon meeting the necessary conditions.
- Additionally, Adform Lithuania UAB employed an individual through the Labor Inspectorate under the Employment Subsidy Program and received a subsidy of EUR 8 thousand.
- Adform Technologies Pte Ltd, the subsidiary company, received EUR 1 thousand in subsidies under the local small companies support initiative.

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12 Intangible assets

EUR'000	Completed development projects	Licenses	Total
Cost as at 1 January 2024	49,539	4,253	53,792
Foreign currency translation adjustments	0	-3	-3
Disposals	0	0	0
Additions	3,356	538	3,894
Cost as at 31 December 2024	52,895	4,788	57,683
Amortisation and impairment as at 1 January 2024	42,573	3,214	45,787
Foreign currency translation adjustments	0	-2	-2
Disposals	0	0	0
Amortisation	3,043	353	3,396
Amortisation and impairment as at 31 December 2024	45,616	3,565	49,181
Carrying amount 31 December 2024	7,279	1,223	8,502

EUR'000	Completed development projects	Licenses	Total
Cost as at 1 January 2023	46,447	3,417	49,864
Foreign currency translation adjustments	0	-8	-8
Disposals	0	0	0
Additions	3,092	844	3,936
Cost as at 31 December 2023	49,539	4,253	53,792
Amortisation and impairment as at 1 January 2023	38,449	3,111	41,560
Foreign currency translation adjustments	0	-7	-7
Disposals	0	0	0
Amortisation	4,124	110	4,234
Amortisation and impairment as at 31 December 2023	42,573	3,214	45,787
Carrying amount 31 December 2023	6,966	1,039	8,005

Completed development projects include costs related to the continued development of the Adform Platform, which is used by the customers. Development projects are amortised over 5-7 years.

The continued development of Adform's product platform is expected to result in a considerable competitive advantage and, hence, a significant increase in the level of activity and results of operations.

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13 Tangible assets

Tangible assets consist of IT equipment, leasehold improvements and other fixtures and fittings.

EUR'000	2024	2023
Cost as at 1 January	20,263	17,811
Foreign currency translation adjustments	80	-86
Additions	3,056	2,549
Disposals	0	-11
Cost as at 31 December	23,399	20,263
Depreciation and impairment losses as at 1 January	15,686	13,514
Foreign currency translation adjustments	70	-69
Disposals	0	-11
Depreciation	2,760	2,252
Depreciation and impairment as at 31 December	18,516	15,686
Carrying amount 31 December	4,883	4,577

14 Leases

The main recognized right-of-use asset is property, for which Adform leases 39 office premises and data centers. Right-of-use assets specifies as highlighted in the following:

EUR'000	2024	2023
Carrying amount as of 1 January	9,440	8,471
Foreign currency translation adjustments	86	15
Remeasurement	5,784	1,927
Additions for the year	1,316	2,758
Depreciations for the year	-3,791	-3,731
Carrying amount total right-of-use assets	12,835	9,440

The carrying amount of the total right-of-use assets can be specified in the following lease classes:

EUR'000	2024	2023
Property	12,576	8,805
IT and other fixtures and equipment	259	635
Carrying amount total right-of-use assets	12,835	9,440

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14 Leases – Continued

Analysis of lease liabilities, showing the remaining contractual maturities, is provided in the following table:

EUR'000	2024	2023
Less than one year	3,997	4,084
Between one and five years	10,172	6,310
More than five years	988	701
Total contractual cash flows	15,157	11,095
Carrying amount	13,434	9,905
Maturity of carrying amount		
Non-current	10,122	6,304
Current	3,312	3,601
Total lease liabilities	13,434	9,905

The profit or loss impact of leases recognised for the year are specified below:

EUR'000	2024	2023
Depreciations for the year	3,791	3,731
Interest expenses on lease liabilities	665	518
Total effect in the income statement	4,456	4,249

Total cash outflow relating to leases was EUR 4,344 thousand (2023: EUR 4,658 thousand) for the period.

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15 Deferred tax

EUR'000	2024	2023
Deferred tax as at 1 January	3,655	4,219
Foreign currency translation adjustments	-9	-8
Change in deferred tax	-1,229	-417
Adjustment to tax for prior years	96	-139
Deferred tax 31 December	2,513	3,655
<i>Recognized in the balance sheet as follows:</i>		
Deferred tax assets	2,629	3,889
Deferred tax liabilities	-116	-254
Deferred tax, net	2,513	3,655
<i>Specification of deferred tax:</i>		
Temporary differences on assets and liabilities	-1,314	-1,523
Tax loss carry-forward	3,827	5,178
Deferred tax, net	2,513	3,655

As of 31 December 2024, the Management has assessed the extent to which tax profits under applicable tax legislation can be realised in the foreseeable future. On this basis, a deferred tax asset related to tax loss carry-forward of EUR 3,827 thousand has been recognised. The capitalisation has been made based on expected positive earnings over within the next 3-5 years.

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16 Other non-current assets

Other non-current assets consist of deposits.

EUR'000	2024	2023
Cost as at 1 January	898	815
Foreign currency translation adjustments	3	-15
Additions	128	272
Disposals	-124	-174
Cost as at 31 December	905	898
Value adjustments	0	0
Carrying amount 31 December	905	898

Receivables related to trading orders represent receivables from agencies and advertisers, where Adform has processed transactions (equal in value to gross billings) on behalf of media agencies and advertisers.

The Group is exposed to credit risk associated with (a) trade receivables and (b) receivables related to trading orders. No significant losses were incurred in respect of individual trade receivables in 2023 and 2024. Credit risk and ageing analysis is further described in note 23.

17 Trade receivables

The Company's trade receivables splits into (a) trade receivables and (b) receivables related to trading orders:

EUR'000	2024	2023
Trade receivables	17,432	15,422
Receivables related to trading orders	43,892	42,830
Carrying amount 31 December	61,324	58,252

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18 Financial instruments by category

EUR'000	2024	2023
Financial assets measured at amortized cost		
Trade receivables	17,432	15,422
Receivables related to trading orders	43,892	42,830
Other receivables, current	1,851	1,339
Cash	51,004	44,468
	114,179	104,059
Financial liabilities measured at amortized cost		
Lease liabilities, non-current	10,122	6,304
Lease liabilities, current	3,312	3,601
Trade payables	4,104	4,986
Payables related to trading orders	66,864	65,590
Other liabilities ¹	85	78
	84,487	80,560

The fair value of the assets and liabilities listed above is not materially different from the carrying amount. Management has assessed that cash, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

¹ Excludes non-financial instruments such as public debt and staff payables of EUR 9,073 thousand (2023 EUR 6,929 thousand).

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19 Share capital

On December 2024, the share capital comprised 69,075,181 shares (2023: 69,697,569) with a nominal value of DKK 0.01 each. All shares are fully paid. The shares have been divided into classes:

- Class A: 68,623,292
- Class B: 451,889

One A-share holds one vote. B-shares have no voting rights.

EUR'000	2024	2023	2022
Share capital 1 January	94	94	94
Capital increase	0	0	0
Cancellation of Treasury Shares	-1	0	0
Share capital 31 December	93	94	94

EUR'000	2024	2023
Treasury shares 1 January	9	2
Additions during the year	2,033	7
Cancellation of Treasury Shares	-2,042	0
Treasury shares 31 December	0	9

During 2024, Adform purchased 17,081 B-shares and 600,000 A-shares as treasury shares for a total amount of EUR 2,033 thousand. The B-shares were repurchased from an employee who is no longer employed at Adform, while the A-shares were acquired from existing shareholders.

Subsequently, Adform canceled all treasury shares held, including the A and B shares, acquired during the year. The total cancellation amount was EUR 2,042 thousand, corresponding to a nominal amount of DKK 0.01 per share. As of 31 December 2024, Adform holds 0% of the A and B shares as treasury shares.

Earnings per share

EUR'000	2024	2023
Profit attributable to equity holders	9,279	3,248
Weighted average number of ordinary shares	69,622,946	69,692,262
Dilutive effect of share-based payments	3,823,448	3,728,914
	73,175,331	73,421,176
Weighted average number of ordinary shares adjusted for the effect of dilution		
Basic earnings per share, EUR	0.13	0.05
Diluted earnings per share, EUR	0.13	0.04

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20 Lease liabilities

EUR'000	2024	2023
Non-current borrowings		
Lease liabilities	10,122	6,304
	10,122	6,304
Current borrowings		
Lease liabilities	3,312	3,601
	3,312	3,601
Maturity of current and non-current borrowings		
Less than one year	3,312	3,601
Between one and five years	8,839	5,642
More than five years	1,283	662
	13,434	9,905

In 2023 Adform cancelled a committed multicurrency cash pool facility of EUR 10.0 million which was available with its main bank. Subsequently, an adjacent floating charge security of DKK 75,000,000 and a registered negative pledge was released by the Adform's main bank provider in Q1, 2024.

21 Trade payables

The Group's trade payables split into (a) trade payables and (b) payables related to trading orders:

EUR'000	2024	2023
Trade payables	4,104	4,986
Payables related to trading orders	66,864	65,590
	70,968	70,576

Trade payables are non-interest-bearing and are normally settled on a 30-60-day term.

Payables related to trading orders represent payable amounts (media costs) to publishers, where Adform has processed transactions on behalf of agencies and advertiser. Payables related to trading orders represents the total costs invoiced by the

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21 Trade payables – continued

publisher to Adform in connection with the order processing of transactions delivered by the Group on behalf of third party where the Group, as part of its activities, performs the order processing and holds the credit risk.

22 Other liabilities

EUR'000	2024	2023
Staff payables	7,139	4,963
Duties to public authorities	1,935	1,966
Other accrued expenses	85	78
	9,159	7,008

23 Credit risk, liquidity risk and currency risk

Adform's principal financial liabilities comprise trade payables and other liabilities. The main purpose of these financial liabilities is to finance the Group's operations. Hence, the Group has considerable amounts of trade and other receivables and cash that derive directly from its operations.

Adform is exposed to market risk, credit risk and liquidity risk. The Group is not materially exposed to interest rate risk as the Group has no loans or borrowings.

It is Adform's policy not to trade in derivatives for speculative purposes.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risks from its operating activities (primarily Trade receivables and Receivables related to trading orders), including deposits with banks and other financial instruments.

Credit risk relating to Trade receivables and Receivables related to trading orders

A limited number of Adform's contracts with media agencies provide that if the advertiser does not pay the agency, the agency is not liable to Adform, and Adform must seek payment solely from the advertiser, under a type of arrangement called sequential liability. Despite Adform's process of taking out insurances on as many clients as possible, contracting with these agencies, which in some cases have or may develop higher-risk credit profiles, may subject Adform to greater credit risk than if Adform was to contract directly with advertisers. This credit risk may vary depending on the nature of a media agency's aggregated advertiser base. Adform may also be involved in disputes with agencies and their advertisers over the operation of Adform's platform, the terms of its agreements or its billings for purchases made by them through its platform.

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23 Credit risk, liquidity risk and currency risk – continued

If Adform is unable to collect or make adjustments to bills to clients, Adform could incur credit losses, which could have a material adverse effect on its results of operations for the periods in which the credit loss occur. In the future, credit loss may exceed the allowance for expected credit losses and its credit loss exposure may increase over time. An increase in the allowance for expected credit losses could have a materially negative effect on the Group's business, financial condition and operating results. Even if Adform is not paid by its clients on time or at all, Adform may still be obligated to pay for the advertising Adform has purchased for the advertising campaign.

As of 31 December, the ageing analysis of Trade receivables and Receivables related to trading orders is as follows:

EUR'000	Past due, but not impaired								
	Total carrying amount	Allowance for expected credit loss	Neither past due nor impaired	< 30 days	31-60 days	61-90 days	91-180 days	181-360 days	>360 days
2024	61,324	-1,335	44,791	14,554	1,884	519	631	249	31
2023	58,252	-1,544	42,250	14,597	1,670	421	408	297	153

Generally, Adform takes out credit insurances to cover a part of its outstanding receivables, however it does not have 100% insurance coverage on all its customers, and consequently Adform is subject to credit risks on its customers. The insurance is waived on a customer balance if the customer has outstanding receivables past due over 90 days. As of 31 December 2024, the outstanding receivables covered by insurance amounted to 49%.

No significant losses were incurred in respect of individual trade receivables in 2023 and 2024 to date.

Analysis of movements in allowance for expected credit losses regarding Trade receivables and Receivables related to trading

EUR'000	2024	2023
Allowance for expected credit losses as at 1 January	-1,544	-1,926
Additions	-1,334	-1,543
Utilised	320	501
Unused amounts reversed	1,223	1,424
Allowance for expected credit losses as at 31 December	-1,335	-1,544

Adform uses a provision matrix to calculate the expected credit losses for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

In addition, Adform continuously conduct individual assessments to evaluate the need for allowances for expected credit losses. If this leads to an assessment that Adform will not be able to collect outstanding payment, an allowance for the expected credit loss is recognised immediately.

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23 Credit risk, liquidity risk and currency risk – continued

The provision matrix is initially based on Adform's historical observed default rates. Adform will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the advertising sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The provision for expected credit losses as of 31 December 2024 amounts to EUR 1,335 thousand. The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions. Adform's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. Management believes that the write-downs made for expected credit losses are adequate. However, the actual credit losses based on the outstanding balance may deviate from this and is dependent on Adform's ability to collect payments.

Credit risk from balances with banks and financial institutions

Credit risk from balances with banks and financial institutions is managed by Management on a regular basis. Based on external credit ratings, no material risk has been identified in respect to the Group's cash balances.

Liquidity risk

A substantial part of Adform's buy side business is from media agencies. Adform is generally contractually required to pay advertising inventory and data suppliers within a negotiated period of time, regardless of whether its clients pay Adform on time, or at all. Additionally, while Adform attempts to negotiate long payment periods with its suppliers and shorter periods from its clients, Adform is not always successful. As a result, Adform fairly often face a timing issue with its accounts payables vis-a-vis accounts receivables, requiring Adform to remit payments from its own funds, and accept the risk of bad debt, provided such risk is not covered by Adform's insurance scheme.

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23 Credit risk, liquidity risk and currency risk – continued

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments

¹ Excluding non-financial instruments such as public debt and staff payables of EUR 9,073 thousand (2023: EUR 6,929 thousand).

EUR'000	Carrying amount	Contractual maturity incl. interest (cash flow)			
		Total	Within one year	1 to 5 years	> 5 years
31 December 2024					
Lease liabilities, non-current	10,122	11,160	0	10,172	988
Lease liabilities, current	3,312	3,997	3,997	0	0
Trade payables	4,104	4,104	4,104	0	0
Payables related to trading orders	66,864	66,864	66,864	0	0
Other liabilities ¹	85	85	85	0	0
	84,487	86,210	75,050	10,172	988
31 December 2023					
Lease liabilities, non-current	6,304	7,011	0	6,310	701
Lease liabilities, current	3,601	4,084	4,084	0	0
Trade payables	4,986	4,986	4,986	0	0
Payables related to trading orders	65,590	65,590	65,590	0	0
Other liabilities ¹	78	78	78	0	0
	80,559	81,749	74,738	6,310	701

Currency risk

The majority of the transactions through Adform's platform are denominated in EUR. Adform transacts in other currencies, including Danish Kroner, Norwegian Kroner, Swedish Krona, U.S. Dollars, British Pounds and in other countries local currencies in which the Group operates. Additionally, some transactions involve a mismatch between the currency in which Adform pays and the currency in which Adform invoices its clients. Adform expects the number of transactions in foreign currencies to continue to grow in the future. In addition, a large amount of Adform's expenses are in Danish Kroner and EUR, whilst some income stem from other currencies as mentioned above. Consequently, Adform is subject to risks associated with currency exchange rate fluctuations.

Adform does not hedge its exposure to foreign currency fluctuations. A hedging strategy might not be possible to execute as hedging instruments may not be available for all currencies or may not always offset losses resulting from currency exchange rate fluctuations. Moreover, the use of hedging instruments can itself result in losses if the Group is unable to structure effective hedges with such instruments. As a result of that, Adform seeks to mitigate currency risk by renegotiating invoicing currencies of clients and suppliers to ensure the currency inflows and outflows are balanced.(natural hedging).

Adform applies Surplus Cash Hedging (natural hedging) for USD by moving surplus cash – beyond what is need for normal business operations and liquidity purposes to USD denominated accounts to balance assets and liabilities.

Operating costs are also exposed to foreign currency exchange rates, albeit to a lower degree. Currency risks on items of the statement of financial position are monitored weekly.

The following table shows how a +10% change in the Group companies' functional currencies would affect the Group's pre-tax equity. The Group's exposure to foreign currencies changes for all other currencies is not assessed material.

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23 Credit risk, liquidity risk and currency risk – continued

The impact would have been opposite if the exchange rates had been decreasing with the identical percentages.

Sensitivity analysis, impact on equity as at 31 December:

EUR'000	2024	2023
NOK	124	110
SEK	509	357
GBP	215	300
USD	-218	-516

A sensitivity analysis of the transaction exposure shows the impact on pre-tax profit or loss of a +10% exchange rate change in Group receivables and liabilities and cash denominated in foreign currencies.

The Group's exposure to foreign currencies changes for all other currencies are not material.

The impact would have been opposite if the exchange rates had been decreasing with the identical percentages.

Sensitivity analysis, impact on pre-tax profit as at 31 December:

EUR'000	2024	2023
NOK	124	110
SEK	509	357
GBP	215	300
USD	-218	-516

24 Capital management

The primary objective of the Group's capital management is to maximise shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. Cash and financial assets are monitored on a regular basis by Management and the Board of Directors in assessing current and long-term capital needs. To maintain or adjust the capital structure, the Group may adjust transactions to shareholders. There has not been paid any dividends to shareholders in previous years. Adform relies primarily on cash flow from operating activities to finance its operations.

The current debt consists of lease liabilities, which as per 31 December 2024 amounts to EUR 14.3 million.

In 2023, Adform cancelled a committed multicurrency cash pool facility of EUR 10.0 million, which was available with its main bank provider. Subsequently, an adjacent floating charge security of DKK 75,000,000 and a registered negative pledge was released by the Adform's main bank provider in Q1, 2024.

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25 Changes in liabilities arising from financing activities

EUR'000	1 January 2024	Cash flows	New leases	Other	31 December 2024
Lease liabilities, non-current	6,304	0	1,063	2,755	10,122
Lease liabilities, current	3,601	-3,677	253	3,135	3,312
Total liabilities from financing activities	9,905	-3,677	1,316	5,890	13,434

Other relates to rolled-up and accrued interest and reclassifications between current and non-current.

EUR'000	1 January 2023	Cash flows	New leases	Other	31 December 2023
Lease liabilities, non-current	5,350	0	2,001	-1,047	6,304
Lease liabilities, current	3,979	-4,140	765	2,997	3,601
Total liabilities from financing activities	9,329	-4,140	2,766	1,950	9,905

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26 Commitments, contingencies, commitments and pledges etc.

Contingent liabilities

Litigation and claims

Adform is, due to its ordinary activity, part of various disputes. Management has assessed that these are not expected to have a material effect on the Group's financial position or future earnings.

In 2024, Adform has been involved in a legal case brought by a data subject in Belgium whereby the claimant (the data subject) claims that Adform's processing of the data subjects' data on certain websites have been unlawful. The case will go before the court of Brussels (1st instance) in Q2, 2025.

Pledges and securities

In 2023 Adform cancelled a committed multicurrency cash pool facility of EUR 10.0 million which was available with its main bank provider. Subsequently, the adjacent floating charge security of DKK 75,000,000 and a registered negative pledge was released by the Adform's main bank provider in Q1, 2024.

The carrying amounts of the assets are stated below:

EUR'000	2024	2023
Tangible assets	0	4,577
Trade receivables	0	58,252

Guarantees

Pursuant to a guarantee agreement entered into by the Parent company and its subsidiary, Adform Italy S.R.L., the Parent company has unconditionally and irrevocably guaranteed to a supplier as primary obligor the due and punctual performance by Adform Italy S.R.L of all its obligations arising in its ordinary course of business with this specific supplier. The guarantee was entered because it secured extended payment terms to the customer from 30 days to 45 days. The parent company has provided guarantees and a payment warranty. As at 31 December 2024, the balance towards the customer (supplier) amounted to EUR 1.21 million (2023: EUR 2.11 million).

Adform has provided guarantee of payments related to office rent of EUR 188 thousand and bank guarantee to Adform Software Finland Oy bank account of EUR 200 thousand.

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27 Related parties

Shareholders

Adform A/S has registered the following shareholders who hold 5% or more of the share capital:

- GCM Holding ApS, Copenhagen K, Denmark, 38.20%
- GRO Holding VIII ApS, Copenhagen K, Denmark, 27.30%
- VIA Equity Fund A K/S, Hellerup, Denmark, 22.73%

As a result of the shareholder agreement, share of voting rights do not necessarily in all instances correspond to share of ownership.

Other related parties

Other related parties of Adform with significant influence include the Board of Directors, Executive Management and their close family members. Related parties also include companies in which the aforementioned persons have control or significant interests..

Transactions with related parties

No other transactions with related parties occurred in 2024 and in 2023 than disclosed transactions with (previous) Management and the repurchase of shares from smaller shareholders.

Transactions with Management

In 2024, Adform did not enter into any transactions with members of the Board of Directors or the still employed Executive management, except for compensation and benefits received as a result of their membership of the Board of Directors, employment with Adform or shareholdings in Adform. Please refer to note 2 and 3.

In connection with the resignation of a now former member of the Executive Management during 2024, Adform repurchased the warrants and B-shares from the member. Please refer to note 3 and 19 for further details.

28 Events after reporting period

There are no single events with a material effect on the financial position of the Company after the close of the balance sheet date.

There are in addition no other materials events after the reporting period to be disclosed.

Consolidated Financial Statements 1 January – 31 December

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29 Accounting policies

Corporate information

Adform A/S is a public limited company with its registered office in Denmark. The consolidated financial statements of Adform A/S for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Board of Directors as of 27th March, 2025, with the aim to have shareholders approval on the annual general meeting scheduled for 27th March, 2025.

Basis of preparation

The consolidated financial statements of Adform A/S (the Company or the parent company) and its subsidiaries have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional Danish requirements applying to entities of reporting class C (large).

The consolidated financial statements are prepared based on the standards and interpretations that are effective as of 31 December 2024.

The consolidated financial statements have been prepared on a historical cost basis.

The accounting policies have been applied consistently in the financial year and for the comparative figures.

The consolidated financial statements are presented in EUR. All values are rounded to the nearest thousand (EUR'000), except when otherwise indicated.

Alternative performance measures

Adform presents financial measures in the annual report that are not defined according to IFRS. Adform believes these non- GAAP measures provide valuable information to Adform's management when evaluating performance. Since other companies may calculate these differently from Adform, they may not be comparable to the measures used by other companies. These financial measures should therefore not be considered to be a replacement for measures defined under IFRS.

For definitions of the performance measures used by Adform, refer to the section of financial definitions.

Consolidated Financial Statements 1 January – 31 December

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29 Accounting policies – continued

Consolidated financial statements

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets, liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Consolidated Financial Statements 1 January – 31 December

Notes

29 Accounting policies – continued

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Foreign currency translation

Items included in the financial statements of each of Adform entities are measured using the currency of the primary economic environment in which the entity operates ('functional currency'). Adform is a Danish group, however the consolidated financial statements are presented in EUR ('presentation currency') representing the predominant currency within the Group.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency translation adjustments resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Group companies

The items of the income statements and balance sheets of foreign subsidiaries with a functional currency other than EUR are translated into the presentation currency as follows:

- i. assets and liabilities are translated at the closing rate at the date of the balance sheet;
- ii. income and expenses are translated at the rate of the transaction date or at an approximate average rate; and
- iii. all resulting foreign currency translation adjustments are recognised as a separate component of equity.

When a foreign operation is disposed or a significant capital reduction in a foreign operation is effected, the Group's share of accumulated foreign exchange adjustments are recycled from other comprehensive income and recognised in the income statement as part of the gain or loss on the sale.

Consolidated Financial Statements 1 January – 31 December

Notes

29 Accounting policies – continued

Income statement

Revenue recognition

Adform is in the business of providing software systems that buyers and sellers of digital display advertising use to automate their advertising processes.

Adform's software platform consists of a number of individual products that each play a role in the digital advertising process. These products are organized into two suites:

- 1) FLOW for buy side customers (i.e. customers buying ad inventory, such as advertisers and agencies), and
- 2) Publisher Suite for sell side customers (i.e. customers selling ad inventory, such as publishers).

The products in FLOW allow buy side customers to engage in bidding for advertising space and to serve the right ads to a user's browser based on available data. Similarly, Publisher Suite allows sell side customers to sell ad inventory via real-time auctioning and to display the buyers' ads in the right placements on the page.

In general, revenue from contracts with customers is recognized when control is transferred to the customer at an amount that reflects the consideration to which Adform expects to be entitled in exchange for those services.

Trading platforms

Under the contracts, Adform provides the software system that, i.e.,

- enables advertiser access to the planning and buying of ad inventory from a broad range of sources and channels that can be transacted via a number of buying and bidding options, or
- enables the publishers to sell their ad inventory in an automated way and offers flexibility around inventory and creative management as well as functionality for audience segmentation, sales channel management, yield optimization and analytics.

The performance obligation is satisfied at the point in time when the actual buying and selling of ad inventory is completed, as this is when the customer (publishers and advertisers) benefits from the automated trading performed by the Group's software platform and the ad is shown.

Payment is generally due within 30-90 days from month end.

The Group has concluded that it, for accounting purposes, acts as an agent in relation to the transaction services (trading platforms), which are processed between an advertiser, media agency or publisher (e.g. the customers). Therefore, Adform's net revenue from transaction services consist of the commission income (the net amount from gross billings and media costs), which is recognized in the income statement, when the services have been delivered. All discounts and rebates granted are recognized in revenue. Revenue (gross billings and media costs) is based on the activity through the platform, and thus no material uncertainty exist regarding the measurement of revenue.

Consolidated Financial Statements 1 January – 31 December

Notes

29 Accounting policies – continued

The following factors indicate that Adform does not control the goods and services before they are being transferred to customers. Therefore, Adform determined that it is an agent in these contracts.

- Adform is not primarily responsible for fulfilling the promise to provide the specified ad.
- Adform does not have ad inventory risk before or after the specified ad inventory has been bought or sold through the Adform Platform and does not hold any ad inventory on its balance sheet.
- Adform has no discretion in establishing the price for the specified ad inventory. The Group's consideration in these contracts are typically charged as a percentage of the total media spend served through the platform.

Due to the activity, the Group is however subject to potential chargeback risk and other types of credit risk from transactions processed between an advertiser, media agency or publisher (e.g. the customers).

The Adform's invoicing of media costs to media agencies and advertisers is recognised as 'Receivables related to trading orders'. The receivable represents the total selling price ('gross billings') for transaction services delivered by the Group on behalf of third party where the Group, as part of its activities, performs the order processing and has the credit risk. The publisher's invoicing of media costs to Adform is recognised as 'Payables related to trading orders' in the primary financial statements until settled by Adform. Adform is responsible for the netting of these items.

Ad serving

Adform's Ad Serving enables customers to centrally host and deliver ads to digital screens and track and monitor their performance, allowing effective control of ads across multiple campaigns and publishers. Furthermore, the ad server has large amounts of features, options and automations that allow Adform's customers to run large global campaigns effectively.

The ad serving products are typically charged on a CPM basis (cost per mille (1,000) ad impressions served), except for few select geographies where third-party ad server services is charged as a percentage of ad spend similar to Trading platforms.

The Group has concluded that it for accounting purposes acts as the principal in relation to Ad Serving as Adform is responsible for making the platform available and deliver the services within to be used by the customers. In addition, no transactions is processed and therefore no direct media costs is involved in these services.

Therefore, Adform's revenue from Ad Serving consist of the total amount invoiced to customers, which is recognised in the income statement, when the services have been delivered.

The performance obligation is satisfied at a point in time in connection with hosting and delivering ads to digital screens as this is when the customer (publishers and advertisers) benefits from the Group's automate digital display software systems.

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Notes

29 Accounting policies – continued

Data (Branded data marketplace and Enterprise DMP)

Under the contracts, the software system allows customers to capture, organise and activate their data assets as well as to merge and enhance them with third-party data sets.

In general, Adform charges customers on a revenue share model (branded data marketplace) or for pure data management (enterprise DMP), i.e. as a monthly fee based on the need for data storage, data updates etc.

Branded data marketplace

When third-party data is purchased by the customer through the Adform platform, the Group has concluded that it for accounting purposes acts as an agent, mainly as Adform is not primarily responsible for fulfilling the promise to provide the specified third party data, Adform does not independently buy and hold any third party data and Adform does not have the full discretion in establishing the price for the specified third party data. The consideration in these contracts are typically a revenue share model, which is based on the customers total data spend.

Due to the activity, the Group is however subject to potential chargeback risk and other types of credit risk as described previously.

Enterprise DMP

For enterprise DMP, the Group has concluded that it for accounting purposes acts as the principal in relation to the Data services. The services mainly relates to the customer's use of Adform's platform services for data storage, data updates etc.

Other services

Other services mainly comprise of creative production or consultancy services. These service accounts for a small part of total revenue.

The Group has concluded that it for accounting purposes acts as the principal in relation to these services because no direct media costs is involved in these services and Adform carries the risk for these services.

Cost of sales

Cost of sales mainly includes expenses for hosting of own and external data centres which are used when processing transactions, between an advertiser, media agency or publisher.

Research and development costs

Research and development expenses include costs associated with the development of new products, enhancements of existing products for which technological feasibility has not been achieved and quality assurance activities. This includes compensation and benefits, share-based compensation costs, consulting costs, depreciation and amortisation costs, the cost of software development equipment, and allocated overhead.

Sales and marketing expenses

Sales and marketing expenses include costs associated with sales, marketing and product marketing personnel and consist of compensation and benefits, commissions and bonuses, share-based compensation costs, depreciation and amortisation, promotional and advertising expenses, travel and entertainment expenses related to these personnel.

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29 Accounting policies – continued

Administrative expenses

Administrative expenses include costs for executive, finance, human resources, information technology, legal and administrative support functions. This includes compensation and benefits, share-based compensation, professional services, depreciation and amortisation costs.

Other operating income

Other operating income comprise items of a secondary nature relative to the Group's core activities, including sublease income and insurance compensation.

Financial income and expenses

Financial income and expenses comprise interest income and expense, interest charges in respect of leases, realised and unrealised gains and losses on payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Corporation tax and deferred tax

The tax for the year consists of current tax and changes in deferred tax for the year. The tax for the year is recognised in the income statement, other comprehensive income or equity. Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- in respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry-forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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29 Accounting policies – continued

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI (other comprehensive income) or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Statement of comprehensive income

Other comprehensive income consists of income and costs not recognised in the income statement, including exchange rate adjustment arising from the translation from functional currency to presentation currency.

In the event of the disposal of an entity, the accumulated exchange rate adjustment relating to the relevant entity is reclassified to the income statement.

Balance sheet

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Adform's useful lives of intangible assets are all finite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation

Consolidated Financial Statements 1 January – 31 December

Notes

29 Accounting policies – continued

period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in Research and development cost. During the period of development, the asset is tested for impairment annually. The amortisation period is 5-7 years.

Licences

Licences with a definite useful life are measured at cost less accumulated amortisation and impairment losses. Amortisation is provided on a straight-line basis over the estimated useful lives of the assets. The amortisation period is 3-5 years.

Tangible assets

IT equipment, leasehold improvements and other fixtures and fittings are measured at cost less accumulated depreciation and impairment losses.

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

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

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are 3-5 years.

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Notes

29 Accounting policies – continued

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

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

Depreciation is recognised in the income statement in the financial caption items “Research and development costs”, “Sales and marketing expenses” and “Administrative expenses”.

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

Leases

Right-of-use assets are recognised at the commencement date of the lease when the asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis. At each reporting date it is assessed whether there is any indication that a right-of-use asset may be impaired. If any such indication exists an impairment tests is conducted.

Lease liabilities is recognised at the commencement date of the lease, measured at the present value of lease payments to be made over the lease term. Lease payments include fixed payments less any lease incentives receivable. Some leases are exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. Payments relating to services are not included in lease liabilities.

In calculating the present value of lease payments, an incremental borrowing rate at the lease commencement date is used. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments.

The short-term lease recognition exemption is applied to any short-term leases. Payments related to short-term leases and leases of low-value assets continue to be recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less.

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Notes

29 Accounting policies – continued

Other non-current assets

Other non-current assets comprise deposits, which are measured at cost.

Trade receivables

Trade receivables are recognised at the trade date, initially measured at fair value.

Adform holds trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Adform applies the simplified approach to measure the expected credit loss and a lifetime expected loss allowance for all trade receivables.

Adform has established a provision matrix which is based on the historical credit loss experience, geographical location of the debtor, adjusted for forward-looking factors specific to the debtors and the economic environment.

Trade receivables related to trading orders

Receivables related to trading orders represent receivables from agencies and advertisers where Adform has processed transactions (gross billings) on behalf of media agencies and advertisers. The receivable represents the total selling price for processing of transactions on behalf of third party where the Group, as part of its activities, performs the order processing and has the credit risk.

Other receivables

Other Receivables consist of indirect tax receivables, which are measured at amortised cost.

Prepayments

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

Shareholders’ equity

Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group’s own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

Foreign currency translation reserve

The exchange adjustment reserve in the consolidated financial statements comprises exchange differences arising on the translation of the financial statements of foreign enterprises from their functional currencies into EUR. On realisation, accumulated value adjustments are taken from equity to financial items in the income statement.

Liabilities

Provisions are recognised when Adform has a legal or constructive obligation as a result of past events and it is more probable than not that there will be an outflow of resources embodying economic benefits to settle the obligation. The amount recognised as a provision is Management’s best estimate of the present value of the amount at which the liability is expected to be settled.

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Notes

29 Accounting policies – continued

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value (typically the amount of the proceeds received) and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. The Group has not designated any financial liability as at fair value through profit or loss.

After initial recognition, trade and other payables, loans and borrowings including bank overdrafts are subsequently measured at amortised cost. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Payables related to trading orders

Payables related to trading orders represent payable amount (media costs) to publishers where Adform has processed transactions on behalf of media agencies and advertiser. Payables related to trading orders represents the total costs invoiced by the publisher to Adform in connection with the order processing of transactions delivered by the Group on behalf of third party where the Group, as part of its activities, performs the order processing and has the credit risk. As Adform is responsible for the netting of these items (Receivables related to trading orders and Payables related to trading orders), the individual working capital components increases to a level that does not directly relate to Adform's recognised net revenue.

Prepayments from customers

Prepayments recognised under "Current liabilities" comprise payments received from customers for services which are not yet delivered and are measured at amortised cost.

Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants ("exit price"). The fair value is a market-based and not an entity specific measurement. Adform uses the assumptions that the market participants would use for the pricing of the asset or liability based on the current market conditions, including risk assumptions. Adform's purpose of holding the asset or settling the liability is thus not taken into account when the fair value is determined. The fair value measurement is based on the principal market. If a principal market does not exist, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or minimise the liability less transaction and transport costs.

Consolidated Financial Statements 1 January – 31 December

Notes

29 Accounting policies – continued

All assets and liabilities measured at fair value, or in respect of which the fair value is disclosed, are classified based on the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level of input significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable.

Share-based payments

Adform operates an equity-settled, share-based compensation plan. The value of services received in exchange for options granted is measured to the fair value at the grant date of the options granted using an appropriate valuation method. The fair value is recognised as costs in the income statement with a corresponding entry in equity, over the period in which the service conditions are fulfilled (the vesting period). At the initial recognition of the share options the number of options expected to vest are estimated. Subsequently, the amount is adjusted for changes in the estimate of the number of options ultimately vested.

Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Adform has not received grants related to capitalised assets.

Statement of cash flow

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

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

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, financial costs, net, payment of lease interests, changes in working capital and income taxes paid.

Cash flows from investing activities

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

Consolidated Financial Statements 1 January – 31 December

Notes

29 Accounting policies – continued

Cash flows from financing activities

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

Cash flows from assets held under leases are recognized as payment of the lease principal.

Cash and cash equivalents

Cash and cash equivalents comprise cash in the bank and in hand.

Segments

Executive Management monitors and operates the Group as one segment in respect of earnings, covering business activities with customers on both the buy side (advertisers and agencies) and the sell side (publishers).

Adform markets two product suites: Adform FLOW for buy side customers and Publisher Suite for the sell side customers. The products within each suite are fully competitive as stand-alone solutions.

Adform's products are delivered as a web service with online login and access to the product platform. Products are delivered with limited customization to each customer, but offered with a wide range of potential for individual configuration..

In order to support customer adoption of Adform's products, the Group offers a number of paid value-added services. This includes consulting on matters, such as data strategy and roll-out strategy. In addition, Adform offers a number of paid operational services including campaign management, creative solutions, team training and on-boarding. These services are typically used early in the customer lifecycle in order to facilitate platform self-serve adoption.

Product segmentation

Buy Side revenue represents the fees paid by agencies and advertisers. Sell Side revenue comprises the fees collected from publishers.

Consolidated Financial Statements 1 January – 31 December

Notes

29 Accounting policies – continued

Financial definitions

Key figures and financial ratios stated in the consolidated financial statements have been calculated as follows:

Total revenue growth, %:	$\frac{\text{Revenue (last year)} - \text{Revenue (this year)}}{\text{Revenue (last year)}}$
Gross margin, %:	Gross margin / revenue
EBITDAC margin, %:	EBITDAC / revenue
EBITDA margin, %:	EBITDA / revenue
EBIT margin, %:	EBIT / revenue
Equity ratio, %:	Equity / total assets
NIBD/EBITDA:	NIBD / EBITDA
EPS basic:	Net profit / average numbers of shares outstanding
EPS diluted:	Net profit / average numbers of shares outstanding, including the dilutive effect of share options

Adform presents the following alternative performance measures not defined according to IFRS (non-GAAP measures) in the annual report:

Gross Billings:	Gross billings include the value of clients' purchase of media through Adform's platform plus platform and other fees. The value of media purchased, not attributable to Adform, is recognised as media costs and netted out from gross billing to revenue.
EBITDAC :	Operating profit/loss (EBIT) before depreciation, amortisation, capitalization, deduction of office lease payments and special items
EBITDA:	Operating profit/loss (EBIT) before depreciation and amortisation
EBITDA before special items:	EBITDA excluding special items such IPO related costs, shared-based payments, restructuring costs and impairment
NIBD:	Cash less interest-bearing loans and borrowings (current and non-current)

Consolidated Financial Statements 1 January – 31 December

Notes

30 Significant accounting estimates and judgements

In connection with the preparation of the consolidated financial statements, Management has made accounting estimates and judgements affecting the assets and liabilities reported at the balance sheet date as well as the income and expenses reported for the financial period.

Management continuously reassess these estimates and judgements based on a number of factors in the given circumstances. The following accounting estimates are considered significant for the financial reporting.

Revenue and related balance sheet accounts

Adform has several revenue streams that are based on different pricing models, including volume-based revenue, percent of budget, revenue sharing and other fees. Adform has concluded that it for accounting purposes acts as an agent in relation to the transaction services, which is processed between an advertiser, media agency or publisher (i.e. the customers). Therefore, Adform's revenue from transaction services consist of the commission income, which is recognised in the income statement, when the services have been delivered.

Due to the activity, the Group is, however, subject to potential chargeback risk and other types of credit risk from transactions processed between an advertiser, media agency or publisher (i.e. the customers).

In the event that Adform is not able to collect a receivable related to the processed transactions, or if the third party refuses or is unable, due to closure, bankruptcy or any other reason, to reimburse Adform, Adform may in some situations bear the loss.

The invoicing to the media agencies is recognised as 'Receivables related to trading orders' in the primary financial statements until settled by payment. The receivable represents the total selling price for transaction services delivered by the Group on behalf of third party where the Group, as part of its activities, performs the order processing and has the credit risk. The invoicing from the Publisher is recognised as 'Payables related to trading orders' in the primary financial statements until settled by Adform. As Adform is responsible for the netting of these items, the individual working capital components come to a level that does not directly relate to Adform's recognised revenue. When seen as net working capital then the payables element has balanced the receivables.

Although Adform has put in place policies to manage this credit risk, it may experience losses in the future. Any increase in chargebacks not paid by Adforms' customers default on any other obligations to Adform could have a material adverse effect on the Group's business, financial condition and results of operation. Credit risk and ageing analysis is further described in note 23.

Development projects

For development projects, Management estimates on an ongoing basis whether this is likely to generate future economic benefits for the Group in order to qualify for recognition. The development projects are evaluated on technical as well as commercial criteria. The useful life of development projects is determined based on periodic assessments of actual useful life and the intended use for those assets. Such assessments are completed or updated when new events occur that have the potential to impact the determination of the useful life of the asset, i.e. when events or circumstances occur that indicate the carrying amount of the asset may not be recoverable and should therefore be tested for impairment. The development projects are disclosed in note 12.

Consolidated Financial Statements 1 January – 31 December

Notes

30 Significant accounting estimates and judgements - continued

Share-based compensation

The calculated fair value and subsequent compensation expenses for Adform's share-based compensation are subject to significant assumptions and estimates. The variables and the pricing model are described in note 3.

Deferred tax asset

Deferred tax assets are recognised to the extent that it is considered likely that tax profits will be realised in the foreseeable future (three to five years) in which tax losses etc. can be offset. The amount that can be recognised as deferred tax assets shall be determined on the basis of an estimate of the likely timing and amount of future taxable profits and taking into account applicable tax legislation. Forecasts of future profits in companies where deficits can be used are updated annually. At the end of the financial year, Management shall assess the extent to which the tax profits under applicable tax legislation could be realised in the foreseeable future and the tax rates in force at the time of application. On this basis, the recognition of deferred tax assets is reassessed.

Non-capitalised tax asset in Adform relate to tax losses that can be carried forward. These can be capitalised when the group shows the necessary positive results. The deferred tax is calculated at the tax rates applicable in the respective countries from which the deferred tax originates. The deferred tax is disclosed in note 15.

Contingent liabilities

The IT security incident constituted a reportable event pursuant to the GDPR, and Adform has complied with all such notifications requirements to the Danish Data Protection Authority or/and the impacted data subjects being the current and previous employees of the Adform group. In this regard, Adform notes that the Danish Data Protection Authority has closed the case without any fines or warnings issued, and also that no data subjects have raised any claims towards Adform. Hence, also in this regard, to the best of Management's knowledge, the incident will not lead to any situations that would in the future will constitute a legal and/or financial liability for Adform. It is judgement of management that contingency occurrence is remote. As a result of that, no contingent liability have to be disclosed in the annual report.

31 New standards, interpretations and amendments adopted by the Group

The Adform Group has adopted relevant new or amended standards and interpretations as adopted by the EU and which are effective for the financial year 1 January – 31 December 2024. Adform Group has assessed that the new or amended standards and interpretations have not had any material impact on Adform Group's Annual Report in 2024.

The new standards that are not yet effective are not expected to have any material impact on Adform, except for IFRS 18 Presentation and Disclosure in Financial Statements, which was issued in April 2024 and will be effective from 2027, impacting presentation and disclosure of the Financial Statements. Adform is currently evaluating the potential impact of this standard.

32 Application of materiality

The consolidated financial statements are a result of processing large numbers of transactions and aggregating those transactions into classes according to their nature or function. When aggregated, the transactions are presented in classes of similar items in the consolidated financial statements. If a line item is not individually material, it is aggregated with other items of a similar nature in the consolidated financial statements or in the notes. The disclosure requirements are substantial in IFRS and the Group provides these specific required disclosures unless the information is considered immaterial to the economic decision-making of the readers of the financial statements or not applicable.

Parent company financial statements

1 January – 31 December

Parent company financial statements 1 January – 31 December

Income statement

Note	EUR'000	2024	2023
1	Revenue	88,046	78,951
	Cost of sales	-1,387	-2,122
	Gross profit/loss	86,659	76,829
2,3,4,7	Research and development costs	-26,140	-25,444
2,3,7	Sales and marketing expenses	-33,366	-31,355
2,3,7	Administrative expenses	-19,892	-18,588
	Other operating income	20	21
	Operating profit/loss (EBIT)	7,281	1,463
	Income from subsidiaries	2,091	2,211
8	Financial income	3,675	5,006
9	Financial expenses	-2,905	-4,830
	Profit/loss before tax	10,141	3,850
10	Tax for the year	-2,036	-327
	Profit/loss for the year	8,105	3,523

Statement of comprehensive income

Note	EUR'000	2024	2023
	Profit/loss for the year	8,105	3,523
	Other comprehensive income		
	<i>Items that may be reclassified to the income statement in subsequent periods:</i>		
	Exchange differences in translation	-3	-77
	Other comprehensive income/loss for the year, net of tax	-3	-77
	Total comprehensive income for the year	8,102	3,446

Parent company financial statements 1 January – 31 December

Balance sheet

Note	EUR'000	2024	2023
	ASSETS		
	Non-current assets		
11	Intangible assets	9,072	8,557
12	Tangible assets	3,454	3,183
13	Right of use assets	1,716	1,612
14	Investment in subsidiaries	151	151
15	Deferred tax assets	2,437	3,822
16	Other non-current assets	120	153
	Total non-current assets	16,950	17,478
	Current assets		
17,18	Trade receivables	56,548	54,958
	Receivables from subsidiaries	8,771	12,357
18	Other receivables	998	870
	Prepayments	2,027	1,964
	Income tax receivable	0	117
18	Cash	45,815	42,790
	Total current assets	114,159	113,056
	TOTAL ASSETS	131,109	130,534

Note	EUR'000	2024	2023
	EQUITY AND LIABILITIES		
	Equity		
19	Share capital	93	94
	Foreign currency translation reserve	-49	-46
	Reserve for development cost	6,494	6,230
19	Treasury shares	0	-9
	Retained earnings	39,245	33,203
	Total equity	45,783	39,472
	Non-current liabilities		
20,25	Lease liabilities	943	351
	Deferred tax liabilities	0	0
	Total non-current liabilities	943	351
	Current liabilities		
20,25	Lease liabilities	674	1,182
21	Trade payables	59,746	62,346
	Income tax payable	15	0
	Payables to subsidiaries	19,137	22,285
	Prepayments from customers	3,390	3,709
22	Other liabilities	1,421	1,189
	Total current liabilities	84,383	90,711
	Total liabilities	85,326	91,062
	TOTAL EQUITY AND LIABILITIES	131,109	130,534

Parent company financial statements 1 January – 31 December

Statement of changes in equity

2024						
EUR'000	Share capital	Treasury shares	Foreign currency translation reserve	Reserve for development cost	Retained earnings	Total equity
Equity 1 January 2024	94	-9	-46	6,230	33,203	39,472
Profit for the year	0	0	0	264	7,841	8,105
Other comprehensive income						
Foreign currency translation	0	0	-3	0	0	-3
Total other comprehensive income	0	0	-3	0	0	-3
Total comprehensive income for the year	0	0	-3	264	7,841	8,102
Transactions with owners						
Share-based payments	0	0	0	0	270	270
Purchase of treasury shares	0	-2,033	0	0	0	-2,033
Settlement of warrants	0	0	0	0	-28	-28
Cancellation of treasury shares	-1	2,042	0	0	-2,041	0
Total transactions with owners	-1	9	0	0	-1,799	-1,791
Equity 31 December 2024	93	0	-49	6,494	39,245	45,783
2023						
EUR'000	Share capital	Treasury shares	Foreign currency translation reserve	Reserve for development cost	Retained earnings	Total equity
Equity 1 January 2023	94	-2	31	7,709	28,700	35,902
Profit for the year	0	0	0	-849	4,372	3,523
Other comprehensive income						
Foreign currency translation	0	0	-77	0	0	-77
Total other comprehensive income	0	0	-77	0	0	-77
Total comprehensive income for the year	0	0	-77	-849	4,372	3,446
Transactions with owners						
Share-based payments	0	0	0	0	273	273
Purchase of treasury shares	0	-7	0	0	0	-7
Settlement of warrants	0	0	0	0	-142	-142
Total transactions with owners	0	-7	0	0	131	124
Equity 31 December 2023	94	-9	46	6,230	33,203	39,472

Parent company financial statements 1 January – 31 December

Cash flow statement

Note	EUR'000	2024	2023
	Profit/loss before tax	10,141	3,850
7	<i>Adjustment for:</i>		
	Amortisation, depreciation and impairment	6,911	7,363
	Dividends from subsidiaries	-2,091	-2,211
8,9	Financial items, net (financial income and expenses)	-770	-176
	Other non-cash items	270	446
	Cash flow from operating activities before changes in working capital	14,462	9,272
	Changes in working capital	-4,030	4,729
	Cash flow from operations	10,432	14,001
	Financial costs, net	839	256
9	Payment of lease interest	-69	-117
10	Income taxes paid	-519	-618
	Cash flow from operating activities	10,682	13,522
11	Investments in intangible assets	-4,162	-4,183
12	Investments in tangible assets	-2,429	-1,752
14	Investments in subsidiaries	0	0
16	Change in other non-current assets	33	-19
	Dividends from subsidiaries	2,091	2,211
	Cash flow from investing activities	-4,467	-3,743
25	Payment of lease commitments	-1,138	-1,561
	Purchase of treasury shares	-2,033	-7
3	Cash settlement of warrants	-28	-316
	Cash flow from financing activities	-3,199	-1,884
	Net cash flow	3,016	7,895
	Currency adjustments	9	0
	Cash, 1 January	42,790	34,895
	Cash¹ 31 December	45,815	42,790

The above cannot be derived directly from the income statement and the balance sheet.

Other non-cash items mainly relate to recognised costs from share-based payments.

¹ Cash comprises cash at bank and in hand

Parent company financial statements 1 January – 31 December

Notes to the parent financial statements

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- 3 Share-based payments
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Parent company financial statements 1 January – 31 December

Notes to the parent financial statements

1 Revenue

Adform's software platform consists of a number of individual products that each plays a role in the digital advertising process.

The Executive Management monitors and operates the Group as one segment in respect of earnings, covering business activities with customers on both the buy side (advertisers and agencies) and the sell side (publishers).

Revenue allocation by region:

Revenue activities are monitored based on the location of respective customers. The revenue is attributed to the geographical market segment Nordic if it is generated by the offices in Denmark, Sweden, Norway and Finland. The revenue generated outside Nordic is reported as International.

EUR'000	2024	2023
Nordic	24,343	23,236
International	63,703	55,715
Total revenue	88,046	78,951

Revenues per customer category:

EUR'000	2024	2023
Revenue from Buy Side (comprises the fees paid by agencies and advertisers)	73,526	65,977
Revenue from Sell Side (comprises the fees paid by publishers)	14,520	12,974
	88,046	78,951

Revenues per product category:

EUR'000	2024	2023
Trading platforms*	61,564	53,287
Ad serving	16,822	15,946
Data*	8,127	7,954
Other Services	1,533	1,764
	88,046	78,951

*For these product categories Adform recognizes revenue as an agent while the rest is recognized as the principal.

In 2024 and in 2023, no customers accounted for more than 10% of total revenue.

Adform has established normal bonus schedules with large customers, where bonuses are released on either a quarterly or an annual basis. Bonus schedules are generally based on total spend through the platform.

Adform does not incur material direct costs in obtaining contracts with customers.

Parent company financial statements 1 January – 31 December

Notes

1 Revenue – continued

Gross billings

Adform has several revenue streams that are based on different pricing models, including activity-based revenue, percent of media spend, revenue share, subscription-based and other fees models. Adform's gross billings includes the value of clients' purchase of media through Adform's platform plus platform and other fees. The value of media purchased, which is not attributable to Adform, is recognised as media costs and netted out from gross billings (non-IFRS) to revenue. Adform's revenue as a percentage of gross billings can fluctuate due to product mix, the types of services and features selected by clients through the Adform platform and certain volume discounts. Adform reviews gross billings for internal management purposes to assess underlying business momentum, market shares and trading scale as well as to adequately plan for working capital needs and monitor collection risk. Management believes that gross billings represents a good guide to the overall activity of the company.

The following table provides a reconciliation of revenue as reported under IFRS to gross billings (non-IFRS):

EUR'000	2024	2023
Gross billings (non-IFRS)	332,934	316,016
Media costs (non-IFRS)	-244,888	-237,065
Reported revenue according to IFRS	88,046	78,951

Set out below is the disaggregation of the Group's revenue from contracts with customers.

Timing of revenue recognition from customers:

EUR'000	2024	2023
Services transferred at a point in time	88,046	78,951
Services transferred over time	0	0
	88,046	78,951

Adform has concluded that it transfers control over its services (i.e. advertisers and agencies buying of ad inventory, publishers selling ad inventory, and serving of the ad actual impression), at a point in time, because this is when the customer (publishers and advertisers) benefits from the automated ad trading and ad serving performed by the Group's software platform.

Parent company financial statements 1 January – 31 December

Notes

2 Staff cost

EUR'000	2024	2023
Wages and salaries	8,126	7,716
Other expenses for social security	409	378
Share-based payments (refer to note 3)	270	273
Other employee expenses	318	43
	9,123	8,409
Average number of full time employees	28	30
<i>Remuneration to the Executive Management</i>	1,007	803
Pension	23	24
Share-based compensation expenses	81	74
	1,111	901
<i>Compensation to the Board of Directors</i>		
Compensation	204	234
Share-based compensation expenses	-12	6
	192	240

Further information about staff cost is disclosed in note 2 in the consolidated financial statements.

3 Share-based payments

The share option programmes are issued by the parent company. Information is disclosed in note 3 in the consolidated financial statements.

4 Research and development costs

Adform's research and development activities focuses on the development of the Adform product platform. Research and development costs that are not eligible for capitalisation have been expensed in the period and they are recognised in research and development costs.

EUR'000	2024	2023
This years incurred research and development costs	25,731	23,783
Amortisation of intangible assets	3,358	4,474
Depreciation of tangible assets and right-of-use assets	675	527
Development costs recognised in intangible assets	-3,624	-3,339
Development costs recognised in research and development costs	26,140	25,444

Parent company financial statements 1 January – 31 December

Notes

5 Fees to independent auditors

EUR'000	2024	2023
Fee for statutory audit	98	84
Total audit related services	98	84
Tax and VAT advisory services	18	30
Other services	42	10
Total non-audit services	60	40
Total fees to independent auditors	158	124

Fees for services other than the statutory audit of the financial statements amounted to EUR 60 thousand, which relates to financial, tax and sustainability services.

For 2023, expenses related to other non-audit services were mainly affected by tax consultations.

6 Other operating income

In 2024 other operating income consists mainly of recognised income from re-sale of fixed assets amounting to 20 thousand EUR.

In 2023 other operating income consists mainly of recognised income from re-sale of fixed assets amounting to 21 thousand EUR.

7 Amortisation, depreciation and impairment

EUR'000	2024	2023
Amortisation of intangible assets	3,635	4,563
Depreciation of tangible assets	2,156	1,740
Depreciation of right-of-use assets	1,120	1,060
	6,911	7,363

Amortisation and impairment of intangible assets has been recognised in the income statement as follows:

EUR'000	2024	2023
Research and development costs	3,358	4,474
Sales and marketing expenses	186	59
Administrative expenses	91	31
	3,635	4,563

Further information about the impairment is disclosed in note 6 in the consolidated financial statements.

8 Financial income

EUR'000	2024	2023
Interest income	1,219	844
Foreign exchange gains and adjustments	2,456	4,162
	3,675	5,006

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Notes

9 Financial expense

EUR'000	2024	2023
Foreign exchange losses and adjustments	2,833	4,670
Interest expenses from leases (right-of-use assets)	69	117
Other interest expenses	3	43
	2,905	4,830

Tax reconciliation	2024		2023	
	EUR '000	%	EUR '000	%
Profit/loss before tax	10,141		3,850	
Tax using the Danish corporation tax rate	-2,231	22 %	-847	22 %
Adjustment for tax prior year	-186	2 %	-18	0 %
Non-taxable dividend income	460	-5 %	486	-13 %
Non-capitalised income	70	-1 %	146	-4 %
Non-deductible expenses	-149	1 %	-94	6 %
Effective tax / tax rate for the year	-2,036	19 %	-327	9 %

10 Tax for the year

EUR'000	2024	2023
Current income tax charge for the year	-614	0
Change in deferred tax	-1,236	-309
Adjustment to deferred tax for prior years	-145	-36
Adjustment to tax for prior years	-41	18
Total tax for the year (positive amount = income, negative amount =expense)	-2,036	-327
Deferred tax on other comprehensive income	0	0

Parent company financial statements 1 January – 31 December

Notes

11 Intangible assets

EUR'000	Completed development projects	Licenses	Total
Cost as at 1 January 2024	53,471	4,116	57,587
Foreign currency translation adjustments	-51	-3	-54
Additions	3,624	538	4,162
Cost as at 31 December 2024	57,044	4,651	61,695
Amortisation as at 1 January 2024	45,953	3,077	49,030
Foreign currency translation adjustments	-40	-2	-42
Amortisation	3,282	353	3,635
Amortisation as at 31 December 2024	49,195	3,428	52,623
Carrying amount 31 December 2024	7,849	1,223	9,072

EUR'000	Completed development projects	Licenses	Total
Cost as at 1 January 2023	50,244	3,280	53,524
Foreign currency translation adjustments	-112	-8	-120
Additions	3,339	844	4,183
Cost as at 31 December 2023	53,471	4,116	57,587
Amortisation as at 1 January 2023	41,592	2,974	44,566
Foreign currency translation adjustments	-92	-7	-99
Amortisation	4,453	110	4,563
Amortisation as at 31 December 2023	45,953	3,077	49,030
Carrying amount 31 December 2023	7,518	1,039	8,557

Further information about intangible assets is disclosed in note 12 in the consolidated financial statements.

Parent company financial statements 1 January – 31 December

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12 Tangible assets

Tangible assets consists of IT equipment, leasehold improvements and other fixtures and fittings.

EUR'000	2024	2023
Cost as at 1 January	15,337	13,616
Foreign currency translation adjustments	-14	-31
Additions	2,429	1,752
Cost as at 31 December	17,752	15,337
Depreciation and impairment losses as at 1 January	12,154	10,438
Foreign currency translation adjustments	-12	-24
Depreciation	2,156	1,740
Depreciation and impairment as at 31 December	14,298	12,154
Carrying amount 31 December	3,454	3,183

13 Leases

The main recognized right-of-use asset is property for which the parent company lease office premises and data centers.

Right-of use assets specifies as highlighted in the following:

EUR'000	2024	2023
Carrying amount as of 1 January	1,612	2,426
Foreign currency translation adjustments	-1	-5
Remeasurement	712	251
Additions for the year	513	0
Depreciations for the year	-1,120	-1,060
Carrying amount total right-of-use assets	1,716	1,612

The carrying amount of the total right-of-use assets can be specified in the following lease classes:

EUR'000	2024	2023
Property	1,501	1,042
IT and other fixtures and equipment	215	570
Carrying amount total right-of-use assets	1,716	1,612

Parent company financial statements 1 January – 31 December

Notes

13 Leases – continued

Analysis of lease liabilities, showing the remaining contractual maturities, is provided in the following table:

EUR'000	2024	2023
Less than one year	736	1,246
Between one and five years	999	364
More than five years	0	0
Total contractual cash flows	1,735	1,610
Carrying amount	1,617	1,533
Maturity of carrying amount		
Non-current	943	351
Current	674	1,182
Total lease liabilities	1,617	1,533

The profit or loss impact of leases recognised for the year are specified below:

EUR'000	2024	2023
Depreciations for the year	1,120	1,060
Interest expenses on lease liabilities	69	117
Total effect in the income statement	1,189	1,177

Total cash outflow relating to leases was EUR 1,207 thousand for the period (2023: EUR 1,678 thousand).

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14 Investments in subsidiaries

EUR'000	2024	2023
Cost as at 1 January	151	154
Foreign currency translation adjustments	0	-3
Additions	0	0
Cost as at 31 December	151	151
Carrying amount 31 December	151	151

Name	Ownership	Registered office
Adform Lithuania UAB	100 %	Lithuania
Adform London Ltd.	100 %	UK
Adform Sweden AB	100 %	Sweden
Adform Norway AS	100 %	Norway
Adform Italy S.r.l	100 %	Italy
Adform Germany GmbH	100 %	Germany
Adform Software Spain S.L	100 %	Spain
Adform Finland Oy	100 %	inland
Adform B.V.	100 %	Netherland
Adform Inc.	100 %	USA
Adform Sp.zo.o.	100 %	Poland
Adform s.r.o	100 %	Czech republic
Adform Technologies Pte Ltd. (Singapore)	100 %	Singapore
Adfrom (Australia) Pty Ltd.	100 %	Sydney
Adform (Pty) Ltd. (South Africa)	100 %	Johannesburg
Adform Technologies JSC (Turkey)	100 %	Istanbul
Adform Software (Shanghai) Co., Ltd.	100 %	Shanghai
Adform India LLP	99.98 %	Mumbai

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15 Deferred tax

EUR'000	2024	2023
Deferred tax as at 1 January	3,822	4,175
Foreign currency translation adjustments	-4	-8
Adjustment to prior year	-145	-36
Change in deferred tax	-1,236	-309
Deferred tax 31 December	2,437	3,822
<i>Recognised in the balance sheet as follows:</i>		
Deferred tax assets	2,437	3,822
Deferred tax, net	2,437	3,822
<i>Specification of deferred tax:</i>		
Temporary differences on assets and liabilities, net	-1,390	-1,356
Tax loss carry-forwards	3,827	5,178
Deferred tax, net	2,437	3,822

In 2024, a deferred tax asset of total EUR 2,437 thousand mainly relates to tax losses carried forward of EUR 3,827 thousand offset by temporary differences on assets and liabilities EUR -1,390 thousand.

Information about the utilization of the deferred tax asset recognized in 2024 is disclosed in note 15 in the consolidated financial statement.

16 Other non-current assets

Other non-current assets consist of deposits.

EUR'000	2024	2023
Cost as at 1 January	153	134
Foreign currency translation adjustments	1	-1
Additions	51	20
Disposals	-85	0
Cost as at 31 December	120	153
Carrying amount 31 December	120	153

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17 Trade receivables

EUR'000	2024	2023
Trade receivables	14,954	13,730
Receivables related to trading orders	41,594	41,228
	56,548	54,958

Further information about Trade receivables and Receivables related to trading orders is disclosed in note 17 in the consolidated financial statements. Credit risk and ageing analysis is further described in note 23.

18 Financial instruments by category

EUR'000	2024	2023
<i>Financial assets measured at amortised cost</i>		
Trade receivables	14,954	13,730
Receivables related to trading orders	41,594	41,228
Receivables from subsidiaries	8,771	12,357
Other receivables	999	871
Cash	45,815	42,790
	112,133	110,976
<i>Financial liabilities measured at amortised cost</i>		
Lease liabilities, non-current	943	351
Lease liabilities, current	674	1,182
Trade payables	2,195	3,029
Payables related to trading orders	57,551	59,317
Other liabilities ¹	53	41
	61,416	63,920

¹ Excludes non-financial instruments such as public debt and staff payables of EUR 1,368 thousand (2023: EUR 1,148 thousand).

Further information about Financial instruments by category is disclosed in note 18 in the consolidated financial statements.

Parent company financial statements 1 January – 31 December

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19 Share capital

Please refer to note 19 in the consolidated financial statements.

20 Lease liabilities

EUR'000	2024	2023
Non-current borrowings		
Lease liabilities	943	351
	943	351
Current borrowings		
Lease liabilities	674	1,182
	674	1,182
Maturity of current and non-current borrowings		
Less than one year	674	1,182
Between one and five years	943	351
More than five years	0	0
	1,617	1,533

21 Trade payables

The Company's trade payables split to trade payables and payables related to trading orders:

EUR'000	2024	2023
Trade payables	2,195	3,029
Payables related to trading orders	57,551	59,317
	59,746	62,346

Further information about Trade payables and Payables related to trading orders is disclosed in note 21 in the consolidated financial statements.

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22 Other liabilities

EUR'000	2024	2023
Staff payables	1,291	895
Duties to public authorities	89	253
Other accrued expenses	41	41
	1,421	1,189

Further information about Other liabilities is disclosed in note 22 in the consolidated financial statements.

23 Credit risk, liquidity risk and currency risk

Adform A/S' financial risks and the management of these are in all material aspects identical to the disclosures made in note 23, Credit risk, liquidity risk and currency risk, to the consolidated financial statements, unless otherwise stated below.

Credit risk

The Company's credit risk also includes the risk related to receivables from subsidiaries.

As of 31 December, the ageing analysis of Trade receivables and Receivables related to trading orders is as follows:

EUR'000	Past due, but not impaired								
	Total carrying amount	Allowance for expected credit loss	Neither past due nor impaired	<30 days	31-60 days	61-90 days	91-180 days	181-360 days	>360 days
2024	56,548	-1,077	41,074	13,770	1,617	473	471	177	43
2023	54,958	-882	40,058	13,575	1,559	367	202	6	73

Generally, Adform A/S takes out credit insurances to cover a part of its outstanding receivables, however it does not have 100% insurance coverage on all its customers, and consequently Adform A/S is subject to credit risks on its customers. The insurance is waived on a customer balance if the customer has outstanding receivables past due over 90 days. As of 31 December 2024, the outstanding receivables covered by insurance amounted to 48%.

No significant losses were incurred in respect of individual trade receivables in 2023 and 2024 to date.

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23 Credit risk, liquidity risk and currency risk – continued

Analysis of movements in allowance for expected credit losses regarding Trade receivables and Receivables related to trading orders:

EUR'000	2024	2023
Allowance for expected credit losses as at 1 January	-882	-1,367
Additions	-1,077	-882
Utilised	175	453
Unused amounts reversed	706	914
Allowance for expected credit losses 31 December	-1,078	-882

Further information is disclosed in note 23 in the consolidated financial statements.

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23 Credit risk, liquidity risk and currency risk - continued

Liquidity risk

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

EUR'000	Carrying amount	Contractual maturity incl. interest (cash flow)				EUR'000	Carrying amount	Contractual maturity incl. interest (cash flow)			
		Total	Within one year	1 to 5 years	> 5 years			Total	Within one year	1 to 5 years	> 5 years
31 December 2024						31 December 2023					
Lease liabilities, non-current	943	999	0	999	0	Lease liabilities, non-current	351	364	0	364	0
Lease liabilities, current	674	736	736	0	0	Lease liabilities, current	1,182	1,246	1,246	0	0
Trade payables	2,195	2,195	2,195	0	0	Trade payables	3,029	3,029	3,029	0	0
Payables related to trading orders	57,551	57,551	57,551	0	0	Payables related to trading orders	59,317	59,317	59,317	0	0
Payables to subsidiaries	19,137	19,137	19,137	0	0	Payables to subsidiaries	22,285	22,285	22,285	0	0
Other liabilities ¹	41	41	41	0	0	Other liabilities ¹	41	41	41	0	0
	80,541	80,659	79,660	999	0		86,206	86,282	85,918	364	0

¹ Excluding non-financial instruments such as public debt and staff payables of EUR 1,380 thousand (2023: EUR 1,148 thousand).

24 Capital management

Please refer to note 24 in the consolidated financial statements.

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25 Changes in liabilities arising from financing activities

EUR'000	1 January 2024	Cash flows	New leases	Other	31 December 2024
Lease liabilities, non-current	351	0	415	177	943
Lease liabilities, current	1,182	-1,138	99	531	674
Total liabilities from financing activities	1,533	-1,138	514	708	1,617

EUR'000	1 January 2023	Cash flows	New leases	Other	31 December 2023
Lease liabilities, non-current	1,333	0	0	-982	351
Lease liabilities, current	1,516	-1,561	0	1,227	1,182
Total liabilities from financing activities	2,849	-1,561	0	245	1,533

26 Commitments, contingencies, commitments and pledges etc.

Litigation and claims

Please refer to note 26 in the consolidated financial statements.

Pledges and securities

Please refer to note 26 in the consolidated financial statements.

Guarantees

A guarantee have been provided as security for the account with Danske Bank relating to Adform Germany GmbH. For further description, please refer to note 26 in the consolidated financial statements.

Adform has provided guarantee of payments related to office rent of EUR 80 thousands.

Other relates to rolled-up and accrued interest, reclassification of maturity of liabilities and foreign currency translation adjustments.

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27 Related parties

Shareholders

Adform A/S has registered the following shareholders who hold 5% or more of the share capital:

- GCM Holding ApS, Copenhagen K, Denmark, 38.20%
- GRO Holding VIII ApS, Copenhagen K, Denmark, 27.30%
- VIA Equity Fund A K/S, Hellerup, Denmark, 22.73%

As a result of the shareholder agreement, share of voting rights do not necessarily in all instances correspond to share of ownership.

Other related parties

Other related parties of Adform with significant influence include the Board of Directors, Executive Management and their close family members. Related parties also include companies in which the aforementioned persons have control or significant interests.

Transactions with related parties and Management

Please refer to note 27 in the consolidated financial statements.

In addition to the description in note 27 to the consolidated financial statements of related parties and transactions with these, related parties of Adform A/S comprise its subsidiaries, reference is made to group structure in note 14. In 2024, Adform A/S had the following transactions with other related parties, which were all made on market terms:

- Internal revenue EUR 143 thousand (2023: EUR 60 thousand)
- Costs from subsidiaries for sales, back office, development, management and distribution services of EUR 74,095 thousand (2023: EUR 75,023 thousand)
- Dividends received from subsidiaries of EUR 2,091 thousand (2023: EUR 2,211 thousand)
- Receivables from subsidiaries of EUR 8,771 thousand (2023: EUR 12,357 thousand)
- Payables to subsidiaries of EUR 19,137 thousand (2023: EUR 22,285 thousand)

28 Events after reporting period

Please refer to note 28 in the consolidated financial statements.

Parent company financial statements 1 January – 31 December

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29 Accounting policies

The parent company financial statements of Adform A/S have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional Danish requirements applying to entities of reporting class C (large).

The parent company financial statements are prepared based on the standards and interpretations that are effective as of 31 December 2024.

The parent company financial statements have been prepared on a historical cost basis.

The parent company financial statements are presented in EUR. All values are rounded to the nearest thousand (EUR'000), except when otherwise indicated.

The parent company has the same accounting policies for recognition and measurement as Group. The parent company's accounting policies deviate from the Group's accounting policies as described below. For detailed description of the group's accounting policies please refer to the consolidated financial statements, note 29.

Supplementary accounting policies for the Parent Company

Income statement

Income from investment in subsidiaries

Dividend from investments in subsidiaries is recognised in the income statement in the year of declaration. Distributions of dividend where the dividend exceeds the profit for the year or where the carrying amount of the Company's investments in the subsidiary exceeds the carrying amount of the subsidiary's net asset value will be evidence of impairment, meaning that an impairment test must be conducted.

Balance sheet

Investment in subsidiaries

Investments in subsidiaries are measured at cost. Cost includes the consideration measured at fair value plus direct purchase costs. In case of evidence of impairment, an impairment test must be conducted. Investments are written down to the lower of the carrying amount and the recoverable amount.

Impairment of assets

The carrying amount of investments in subsidiaries and associates are tested annually for impairment.

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

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Notes

29 Accounting policies - continued

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

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Equity

Reserve for development costs

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

30 Significant accounting estimates and judgements

In connection with the preparation of the parent company financial statements, Management has made accounting estimates and judgements that affect the assets and liabilities reported at the balance sheet date as well as the income and expenses reported for the financial period. Management continuously reassesses these estimates and judgements based on a number of other factors in the given circumstances.

Management assesses that, in respect of the financial reporting for the parent company, no accounting estimates or judgements are made when applying the parent company's accounting policies, which are significant to the financial reporting apart from those disclosed in note 30 to the consolidated financial statements.

31 New standards, interpretations and amendments adopted by the company

The description in note 31 for the group regarding new standards issued but not yet effective, fully cover the parent company as well.

32 Application of materiality

Reference is made to note 32 in the consolidated financial statement for description of applying materiality to the financial statements.