Tradedoubler
CONNECT & GROW

Annual Report
2018

Dear reader,

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

The information in the annual report

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

All values are stated in Swedish kronor. Kronor expressed in millions is abbreviated to SEK M and kronor expressed in thousands is abbreviated to SEK '000. Numerical data in brackets refers to 2017 unless otherwise stated. Information about markets and the competitive situation is Tradedoubler's own assessment, unless a specific source is provided. You can subscribe to press releases and financial reports on Tradedoubler's website.

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

Contents

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

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5 year summary

SEK M	2018	2017	2016	2015	2014
Net sales[1]	1,173	1,173	1,339	1,629	1,743
Gross profit[1]	264	260	297	336	379
Gross margin, %[1]	22.5	22.2	22.2	20.7	21.7
Operating costs, excl. depreciation[1]	-222	-239	-286	-348	-339
EBITDA adjusted for change related items	42	22	11	-11	39
Change related items	-3	2	-17	-25	-20
EBITDA incl. change related items	39	23	-6	-36	20

[1] Adjusted for change related items

Financial calendar

Annual General Meeting	15 May 2019
Interim report January-March 2019	15 May 2019
Interim report January-June 2019	18 July 2019
Interim report January-September 2019	7 November 2019
Year-end report 2019	6 February 2020

Overall financial comments

The financial information disclosed in the first three paragraphs below are adjusted for change related items. For more information regarding change related items, see page 6.

Net sales during 2018 amounted to SEK 1,173 M (1,173). This was a change of 0 per cent or a decrease of 5 per cent adjusted for changes in exchange rates.

Gross profit amounted to SEK 264 M (260), which was an increase of 1 per cent or a decrease of 4 per cent adjusted for changes in exchange rates.

EBITDA amounted to SEK 42 M (22).

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

Operating profit (EBIT) amounted to SEK 17 M (-4).

The sum of cash and interest-bearing financial assets at the end of 2018 amounted to SEK 44 M (69). Net cash was SEK -65 M (-64).

Earnings per share, before and after dilution, amounted to SEK 0.34 (-0.23).

The Board proposes that no dividend should be declared for 2018 (SEK 0 per share).

Board of directors' report

The board of directors and the chief executive officer of TradeDoubler AB (publ), corporate registration number 556575-7423, hereby submit the annual accounts for the operations in the parent company and the group for the financial year 2018.

TRADEDOUBLERS OPERATIONS

Tradedoubler is an international leader in performance-based digital marketing and technology powering a unique network of connections. The company works with over 2,000 advertisers through its network of 180,000 publishers in over 80 countries. In 2018 Tradedoubler generated SEK 13bn incremental revenue for its clients through e-commerce and m-commerce.

Tradedoubler's business strategy

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

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

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

Building and growing relations is our lifeblood and our key expertise for 20 years. 260 employees based in 15 offices connect advertisers and publishers in more than 80 countries around the globe to grow their business.

SIGNIFICANT EVENTS DURING THE YEAR

In March Tradedoubler announced a tender offer and a written procedure of its outstanding bonds due in 2018. The result of the tender offer and written procedure was announced in April where the request received acceptance by 100 per cent. Approx. 96 per cent of the adjusted nominal amount participated in the written procedure and approx. 95 per cent of the adjusted nominal amount did also tender their bonds. Payment to the bondholders was made on 16 May 2018. On 12 November Tradedoubler announced that the company intended to redeem all outstanding bonds in accordance with the terms of the bonds. The redemption took place on 6 December 2018.

In May Tradedoubler signed a new financing agreement with a Swedish credit institution of SEK 71 M. In addition, the company entered into a loan agreement with its principal owner Reworld Media S.A of SEK 40 M. Both agreements contain a clause that the loan fall due for payment upon change of ownership control.

On 8 November 2018, Reworld Media announced a public cash offer of 3.17 SEK per share to the shareholders of Tradedoubler AB. The acceptance period ran out on 11 December and Reworld decided not to extend it. After the offer Reworld Media holds approx. 40.21 per cent of the shares in Tradedoubler.

TRADEDOUBLER'S CURRENT POSITION

Tradedoubler made significant progress during 2018. The company has implemented important changes in working methods and has gone back to focusing on affiliate marketing fully, which has led to a significantly more efficient organisation and that the result has improved. Furthermore, Tradedoubler has been refinanced during the year and repaid its bond loan at a discount.

GROUP RESULTS

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

Consolidated net sales during 2018 were SEK 1,173 M (1,173). Adjusted for change related items net sales amounted to SEK 1,173 M (1,173), which was a change of 0 per cent or a decrease of 5 per cent adjusted for changes in exchange rates.

Gross profit during 2018 was SEK 264 M (260). Adjusted for change related items, gross profit amounted to SEK 264 M (260). This was an increase of 1 per cent or a decrease of 4 per cent adjusted for changes in exchange rates.

Gross margin, adjusted for change related items, was 22.5 per cent (22.2) during 2018.

Operating costs, excluding depreciation, amounted to SEK 225 M (237) in 2018. Change related costs were SEK -3 M (2). For more information, see Note C25. Excluding change related items and depreciation, operating costs were SEK 222 M (239), which was a decrease of 7 per cent or 11 per cent adjusted for changes in exchange rates. The reduced cost is a result of the reduction in the number of employees and the effect of various efficiency projects that have been finalised in the first part of 2018.

Operating profit before depreciation and amortisation (EBITDA) during 2018 was SEK 39 M (23). Adjusted for change related items, EBITDA was SEK 42 M (22).

Depreciation and amortisation were SEK 22 M (28) during 2018. For further information, see paragraph Risks and uncertainty factors, Note C2 and Note C13.

Operating profit (EBIT) amounted to SEK 17 M (-4) during 2018. Net financial items were SEK 0.9 M (1.2). Financial income and expenses amounted to SEK 2.5 M (4). Financial income and expenses were mainly affected by interest income, interest expenses and profit on repurchase of own bonds below nominal value. During 2018 Tradedoubler repurchased own bonds with a nominal value totalling SEK 134 M which increased the finance net with SEK 18 M. Exchange rate effects in 2018 were SEK -1.6 M (-2.4). Corporate income tax amounted to SEK -3 M (-7). Profit after tax was SEK 15 M (-10).

CASH FLOW AND FINANCIAL POSITION

Cash flow from operating activities before changes in working capital was SEK 0.5 M (-11) in 2018 and related to EBITDA reduced with paid taxes, paid interest and non-cash items.

Changes in working capital were SEK -4 M (-63). Working capital at year-end 2018 was SEK -84 M (-93). Cash flow from operating activities was SEK -3 M (-74).

Net investments in non-financial assets during 2018 amounted to SEK -18 M (-18) and were mainly related to product development.

Paid dividends during 2018 were SEK 0 M (0) and cash flow amounted to SEK -26 M (-100).

In November 2018 Tradedoubler announced an early redemption of all outstanding bonds. The redemption amount was paid in December, which affected the cash flow with SEK -5 M.

Cash at the end of 2018 amounted to SEK 44 M (69) and were affected by translation differences of SEK 1.4 M (-0.7). Interest-bearing liabilities amounted to SEK 109 M (133) and related to the loan agreements signed in May. SEK 71 M (of which book value amounts to SEK 69 M at the end of 2018) refers to the loan with a Swedish credit institution, the loan has a contractual term of three years at marked fixed interest rate where customary financial covenants exist. SEK 40 M is related to the loan with the principal owner Reworld Media, which has been signed on similar terms as the loan with the credit institution, with the exception of covenants.

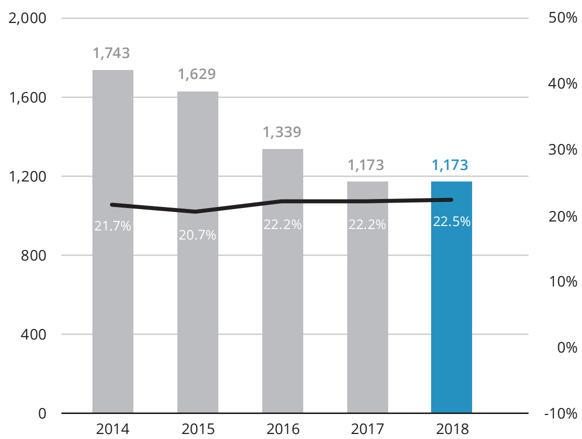
Net cash hence amounted to SEK -65 M (-64) at the end of 2018.

Consolidated shareholders' equity amounted to SEK 236 M (206) at the end of 2018. The return on equity during 2018 was 6.8 per cent (neg.) and the equity/asset ratio was 31.7 per cent (28.7).

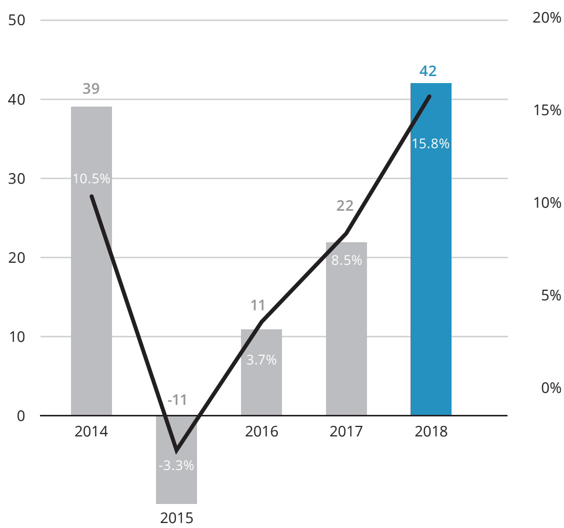
EMPLOYEES

At year-end 2018, Tradedoubler's staff corresponded to 250 (284) full-time equivalents and included permanent and temporary employees as well as consultants.

Net sales (SEK M)
Gross margin (%),
Excluding change related items



EBITDA (SEK M)
EBITDA/Gross profit (%),
Excluding change related items



CHANGE RELATED ITEMS

For comparability reasons and to indicate the underlying performance, Tradedoubler adjusts for change related items.

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

During 2017 change related items amounted to SEK 1.5 M which related to costs for the long-term incentive programme of SEK -0.7 M (Group management), cost for renovation of old office of SEK -0.5 M (France & Benelux), severance payments of SEK -2 M (UK & Ireland), SEK -2.5 M (France & Benelux), SEK -1.5 M (DACH) and SEK -0.5 M (Group management) and a revaluation of contingent additional purchase price regarding R-Advertising acquisition of SEK 9.2 M.

For more information, see Note C25.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred after the balance sheet date.

THE PARENT COMPANY

The parent company's net sales amounted to SEK 69 M (68) during 2018. Revenue primarily consisted of licensing revenue and remuneration from subsidiaries for centrally performed services. Licensing revenues are based on the underlying profitability of the subsidiary, in accordance with the group's agreement to transfer pricing.

Operating profit (EBIT) amounted to SEK -13 M (-29) during 2018 and net financial items amounted to SEK 11 M (13). Dividends from group companies were SEK 9 M (10) and changes in exchange rates have impacted pre-tax profit in 2018 with SEK -3 M (-0.9). Profit after tax amounted to SEK -2,3 M (-16) during 2018.

The parent company's receivables from group companies amounted to SEK 106 M (78) at end of 2018, of which none (0) were non-current. The parent company's liabilities to group companies were SEK 67 M (58), of which none (0) were non- current. Cash and cash equivalents amounted to SEK 13 M (34) at the end of 2018.

In November 2018 Tradedoubler announced an early redemption of all outstanding bonds. The redemption amount was paid in December, which affected the cash flow with SEK -5 M.

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

THE SHARE AND OWNERSHIP

Tradedoubler's share is listed on NASDAQ Stockholm since 2005 and is traded on the list for Small Cap companies. The share is classified as Information Technology. The share capital on 31 December 2018 amounted to SEK 18.4 M (18.4) distributed among 45,927,449 (45,927,449) shares, each with a quota value of SEK 0.40. All shares carry equal rights to share in the company's assets and profits. Each share carries one vote. At the general meeting, each shareholder is entitled to vote for all shares he/she holds and represents without restriction as to the number of votes cast. Tradedoubler has 1,060,473 (2,010,473) shares in its own custody after use of own shares in the third quarter 2018 for the final contingent additional purchase price in the acquisition of R-Advertising.

Tradedoubler's share price increased during 2018 by 0.95 per cent from SEK 3.15 to SEK 3.18 on 31 December 2018. The highest price recorded during 2018 was SEK 4.66 and the lowest price was SEK 1.86. The market capitalisation on 31 December 2018 amounted to SEK 143 M.

At year-end 2018 Tradedoubler had 1,590 (1,910) shareholders. The company's largest shareholder was Reworld Media S.A with 40.21 (29.95) per cent of the capital and votes. The five largest shareholders jointly owned 63.9 (48.9) per cent of the shares.

Swedish financial and institutional players owned 15.6 per cent (11.7) of the shares and Swedish private individuals owned 18.6 per cent (18.5) of the shares. Other and non-categorised legal entities have decreased to 7.2 per cent from 9.7 per cent last year. Foreign ownership amounted to 58.7 per cent (60.2). The board of directors and group management jointly owned approximately 0.3 per cent (1.5) of the votes and capital at the end of 2018.

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

GUIDELINES FOR REMUNERATION TO COMPANY MANAGEMENT

The guidelines for remuneration to the company management is provided on page 10 in the Corporate governance report. The Board will propose to AGM to adopt these guidelines in 2019.

LONG TERM FINANCIAL TARGETS

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

PROPOSED DISTRIBUTION OF EARNINGS

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

	SEK
Share premium reserve	352,540,285
Retained earnings	-315,871,183
Net profit for the year	-2,285,157
Total non-restricted equity to be carried forward	**34,383,945**

In addition to the non-restricted equity, the Parent company had SEK 48,331,155 in restricted equity as per end of 31 December 2018.

The Board of Directors proposes to declare no dividend for 2018. No dividend was declared for 2017. Tradedoubler has a policy of distributing at least 50 per cent of its profit after tax provided that a suitable capital structure is maintained. The distribution may occur through share dividends, share redemption and share buybacks.

Sustainability report

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

ENVIRONMENT

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

SOCIAL CONDITIONS AND PERSONNEL

Tradedoubler's employees are the key to Tradedoubler's success. Tradedoubler strives to attract, develop and retain qualified and motivated people in a professional, safe and healthy work environment. Tradedoubler complies with all local laws relating to working hours, vacation laws and occupational health laws including the psychosocial work environment. Regular team activities as well as physical activity are encouraged. Own initiatives and ideas are encouraged, among other things through access to a special e-mail address to share ideas and improvements, as well as the opportunity for recruitment prize for employee tips for employment. Tradedoubler also performs an annual employee survey to gain insight into and measurability in the employees' experienced work and social conditions. Key figures used are work and development, organisation and information, corporate culture, psychosocial work environment and leadership.

HUMAN RIGHTS

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

Tradedoubler has a history of success as a result of fair and ethical business practices. We interact with a variety of stakeholders; advertisers, publishers, suppliers, colleagues, shareholders and regulatory bodies. Our relationships and communication shall be honest, fact-based and transparent within the bounds of commercial confidentiality. We value interaction and therefore encourages a constructive dialogue with all our stakeholders. In our business relations, we expect our partners to adhere to business principles consistent with our own. Tradedoubler's Ethics and Conduct Code contains guidelines for how to act in different situations when representing Tradedoubler in a business context, towards colleagues, in conflict of interests as well as compliance and whistle-blowing.

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

No cases of discrimination have been found.

ANTI-CORRUPTION

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

Risks and uncertainty factors

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

Risks are continuously reported to the board by management. Through clear processes and routines, the company aim to take advantage of the opportunities presented in a dynamic market, while minimising the risk for damage and losses. Tradedoubler distinguishes between market-related risks, operational risks, financial risks and legal risks.

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

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

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

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

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

In connection with the impairment testing of goodwill for 2018 no impairment was deemed to exist and at the end of 2018 goodwill amounted to SEK 292 M (280). It cannot be ruled out that a future impairment test would lead to further write-downs of immaterial assets in the consolidated results and/or the parent company. For further information, see Note C13.

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

Corporate governance

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

The governance of Tradedoubler is divided among the shareholders at the annual general meeting (AGM), the board of directors, the CEO and the group management in accordance with the Swedish Companies Act, the articles of association and the Swedish Code of Corporate Governance (the Code). The board of directors has chosen to jointly handle the duties pertaining to the audit committee according to the Code and the Swedish Companies Act, but which also may be handled by the board as a whole – see more information under "Audit Committee". In other respects, Tradedoubler has applied the Code without deviation during 2018.

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

GENERAL MEETING OF SHAREHOLDERS

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

Minutes from the annual general meeting 2018 and previous general meetings of shareholders are available on Tradedoubler's website: www.tradedoubler.com/en/investors/financial-calendar-and-events/

Annual General Meeting 2018

The AGM was held on 3 May 2018 in Stockholm. 31.1 per cent of the shares were represented at the AGM. The AGM passed resolutions on election of board members.

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

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

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

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

The annual general meeting resolved in accordance with the Nomination Committee's proposal for a decision on election committee for the 2019 annual general meeting.

Nomination Committee

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

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

The composition of the nomination committee consists of the following members; Gautier Normand, appointed by Reworld Media S.A (chairman), Richard Hellekant, Yi Shi and Pascal Chevalier, chairman of the Board. The nomination committee's proposals to the AGM 2019 regarding board members, fees and other remuneration etc. are planned to be presented in the notice convening for the AGM 2019 and will also be available on the company's website.

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

THE BOARD OF DIRECTORS AND ITS COMMITTEES

According to Tradedoubler's articles of association, the board shall be composed of between five and nine members. The CEO is not a member of the board, but attends board meetings. Other employees in Tradedoubler participate in board meetings when required, for instance to present reports. The company's chief financial officer has during 2018 served as the secretary to the board.

During 2018, Tradedoubler's board of directors was composed until the annual general meeting on 3 May 2018 of Pascal Chevalier (chairman), Gautier Normand, Jérémy Parola, Erik Siekmann and Nils Carlsson.

At the AGM on 3 May 2018 all board members were re-elected. The current board is presented on page 49.

The nomination committee for AGM 2018 considered Pascal Chevalier and Gautier Normand in their capacity as founder and senior executives of Reworld Media S.A dependent in relation to the company's major owners, but independent in relation to the company and the company management. It also considered Jérémy Parola dependent in relation to the company's major shareholders, but independent in relation to the company and the executive management. Other board members who held positions during 2018 were independent during their term of office in relation to the company and the company management and in relation to the company's major owners. The composition of board members during 2018 has therefore met the requirements imposed in relation to independence.

Under the Code, the board, having regard to the company's operations, development stage and circumstances, must have an appropriate composition characterised by versatility and breadth regarding the competence, experience and background of the members, and that an even distribution of gender in the board should be pursued. Tradedoubler's board of directors during 2018 was entirely composed of men. The nomination committee aims for a uniform gender distribution and had this balance in consideration in its work on a proposal for a new board of directors.

RULES OF PROCEDURE

The work of the board is guided by Rules of procedure for the board that is adopted each year, usually at the statutory board meeting. These rules set out the responsibilities of the board and CEO and regulates the board, its committees and its members' internal division of work, the decision-making order within the board, notifications of board meetings, agendas and minutes, and the board's work on internal control, risk management and the financial reporting. The current rules of procedure were approved by the board of directors on 3 May 2018.

CHAIRMAN OF THE BOARD

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

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

WORK DURING THE YEAR

The board held 15 recorded board meetings during 2018, of which 12 took place by telephone. The individual members' attendance at board and committee meetings is shown in the table on page 12.

During the year, the board's work mainly focused on the execution of the strategy balancing expenditures towards necessary investments, budget and business plan for 2018-2019 and other analysis of the business and trends in the industry. In addition, the board, together with management, has evaluated options in the financial market to ensure long-term financing.

COMMITTEES

Audit Committee

The Code and the Swedish Companies Act (2005:551) contain provisions regarding the establishment of an audit committee. The entire board of directors may fulfil the committee's duties in accordance with what is prescribed in Chapter 8 Sections 49 a-b second paragraph of the Companies Act. Since autumn 2013 the duties of the audit committee have been handled by the entire board. In 2018, the auditor in charge have, at two separate meetings, informed the board about planned audit, estimated costs for audit and the results from completed audit.

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

Remuneration Committee

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

During 2018 the remuneration committee was composed of Pascal Chevalier and Erik Siekmann.

The remuneration committee has not had any recorded meetings during 2018. The board has delegated certain terms of remuneration to the chairman of the board, including approvals of changes in remuneration to company management in addition to the CEO.

REMUNERATION TO THE BOARD OF DIRECTORS

The AGM 2018 approved annual remuneration to the board of directors amounting to SEK 763,000 to the chairman of the board and Gautier Normand, and SEK 180,000 to each of the other board members elected by the AGM who are not employed by Tradedoubler. The AGM resolved on no remuneration for committee work. No board member was employed by any company in the group during 2018.

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

CEO AND COMPANY MANAGEMENT

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

The company management during 2018 was composed of:

Matthias Stadelmeyer	CEO
Viktor Wågström	CFO
François Pacot	CTO

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

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

The annual general meeting 2018 resolved on the following guidelines for remuneration to company management.

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

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

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

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

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

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

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

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

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

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

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

REMUNERATION TO THE CEO AND COMPANY MANAGEMENT

As chief executive officer Matthias Stadelmeyer received remuneration for 2018, amounting to SEK 3,320,000 including other benefits and SEK 74,000 as remuneration for payment into private pension insurance.

Company management apart from the chief executive officer received a total of SEK 2,330,000 in remuneration including other benefits and SEK 340,000 as remuneration for payment into private pension insurance.

AUDITORS

EY was elected as auditor at the AGM 2018 for the period until the AGM 2019, with the authorised public accountant Erik Sandström as auditor-in-charge.

During 2018, the auditor reviewed the annual accounts, the consolidated accounts and accounting records as well as the administration of the board of directors and the CEO. In addition, the auditor reviewed the corporate governance report and the sustainability report. The auditor has also reviewed the interim report for the period January-June 2018 and has been retained for certain advice, most of which pertained to audit-related consultations regarding accounting and tax matters.

Total remuneration of SEK 4,445,000 was paid during 2018, of which SEK 4,133,000 was paid to EY and SEK 312,000 to other auditing companies.

LONG-TERM INCENTIVE PROGRAMMES AND BONUS PROGRAMME

The AGM 2015 resolved to adopt a share-price-related incentive programme for senior executive and other key employees within the Tradedoubler group.

Allocation in the programme was contingent upon that the share price, including dividends, in Tradedoubler increased with more than 100 per cent during the performance period starting on 1 June 2015 and ending 31 May 2018. This requirement was not met and thus no allocation was granted in the programme.

More details regarding the incentive programme can be found at www.tradedoubler.com/en/investors/financial-calendar-and-events/ under the heading Annual general meeting and in Note C6.

The group also operates an annual performance- and results-based variable remuneration programme for all other employees within the group. In the 2018 programme, various quantitative and qualitative performance- and earnings targets were set for different occupational categories, based on company-wide, and regional targets for employees.

INTERNAL CONTROL

The board's responsibility for internal control and risk management is governed by the Companies Act and by the Code. Internal control and risk management in respect of the financial reporting constitute a part of the total internal control and risk management within Tradedoubler, which is based on the COSO framework[1] and represents an essential part of Tradedoubler's corporate governance.

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

Risk assessment

The area of internal control and risk management in respect of the financial reporting is part of the board's and group management's overall work on identifying and managing risks. This work aims to identify and evaluate the most critical risks affecting the internal control and the financial reporting in the group's companies, as a basis for how to handle risks through different control structures. The most significant risks for the group are described under "Risks and uncertainty factors" on page 7. See also Note C2 and C21 in Notes to the consolidated accounts.

Control environment

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

In addition, the CEO and company management control the day-to-day work through a variety of policies and internal control documents. The most important of these include the company's Authorisation manual, Payment policy and IT Security policy. The CEO in conjunction with the rest of the group management is responsible for ensuring that the above-mentioned internal control instruments are complied with and updated if necessary.

Control activities

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

Information and communication

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

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

Monitoring

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

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

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

Internal audit

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

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

COMPOSITION, INDEPENDENCE AND REMUNERATION OF THE BOARD 2018

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

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

** The annual general meeting 2018 approved the nomination committee's proposal for the compensation to the Chairman of the board and Gautier Normand corresponding to SEK 763,000 and to the other Board members corresponding to SEK 180,000. No compensation is payable for committee work. Compensation relates to the annual payable amount.

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

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS 2018

Name	Board of directors	Attendance, board meetings	The remuneration committee	Attendance Remuneration committee
Pascal Chevalier	Chairman	15/15	Chairman	–
Gautier Normand	Member	15/15	–	–
Jérémy Parola	Member	15/15	–	–
Nils Carlsson	Member	14/15	–	–
Erik Siekmann	Member	14/15	Member	–

Tradedoubler

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Financial Statements

FINANCIAL INFORMATION

Consolidated income statement

SEK ´000	Note	2018	2017
Net sales	C3, C4	1,173,105	1,173,025
Cost of goods sold	C8	-909,265	-912,738
Gross profit		**263,840**	**260,287**
Selling expenses		-161,132	-180,923
Administrative expenses		-57,187	-59,813
Research & development expenses		-27,658	-33,466
Other income and expenses		-556	9,481
Operating profit	C4, C5, C6, C7, C8, C9	**17,307**	**-4,434**
Financial income		19,021	15,362
Financial expenses		-18,108	-14,193
Net financial items	C10	**913**	**1,169**
Profit before tax		**18,221**	**-3,265**
Tax	C11	-3,118	-6,571
Net profit for the year		**15,102**	**-9,836**

Statement of comprehensive income

SEK ´000	Note	2018	2017
Profit for the year		15,102	-9,836
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Translation differences, net after tax		12,747	4,117
Total other comprehensive income to be reclassified to profit or loss in subsequent periods		**12,747**	**4,117**
Total comprehensive income for the year		**27,849**	**-5,719**
Total comprehensive income for the year attributable to:			
The parent company's shareholders		15,102	-9,836
Comprehensive income attributable to:			
The parent company's shareholders		27,849	-5,719
Earnings per share	C17		
Earnings per share before and after dilution		0.34	-0.23

Consolidated statement of financial position

SEK ´000	Note	2018-12-31	2017-12-31
ASSETS			
Non-current assets			
Goodwill	C13	292,460	280,388
Other intangible assets	C13	43,242	45,805
Equipment, tools, fixtures and fittings	C14	2,062	3,184
Other non-current receivables		4,886	4,693
Shares and participation in other companies	C26	11,128	11,128
Deferred tax receivables	C11	32,020	18,177
Total non-current assets		**385,797**	**363,375**
Current assets	C12		
Trade receivables	C21	276,557	250,703
Tax receivables		9,260	7,821
Other receivables		13,864	10,763
Prepaid expenses and accrued income	C15	13,968	16,747
Cash and cash equivalents	C21	44,171	68,662
Total current assets		**357,819**	**354,695**
Total assets		**743,616**	**718,070**
EQUITY AND LIABILITIES			
Shareholders' equity	C16		
Share capital		18,371	18,371
Share premium		441,600	441,600
Translation reserve		47,512	34,765
Retained earnings including net profit for the year		-271,498	-289,215
Total equity		**235,986**	**205,521**
Non-current liabilities	C12, C21		
Deferred tax liabilities	C11	1,476	1,383
Provisions: non-current		490	1,290
Contingent additional purchase price long term		-	1,600
Other interest-bearing liabilities	C18	109,337	-
Total non-current liabilities		**111,303**	**4,272**
Current liabilities	C12, C21		
Trade payables		18,735	12,696
Current liabilities to publishers	C12	280,168	257,942
Bond loan		-	132,946
Tax liabilities		6,580	2,581
Other liabilities	C19	56,630	66,843
Contingent additional purchase price short term		1,565	2,033
Accrued expenses and deferred income	C20	32,649	33,236
Total current liabilities		**396,327**	**508,277**
Total equity and liabilities		**743,616**	**718,070**

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

Consolidated statement of changes in equity

SEK ´000	Share capital	Share premium	Translation reserve	Retained earnings incl. Net profit for the year	Total equity
Opening balance at January 1, 2017	**18,371**	**441,600**	**30,648**	**-284,090**	**206,529**
Comprehensive income					
Net profit for the year				-9,836	-9,836
Other comprehensive income					
Translation differences, net after tax	-	-	4,117	-	4,117
Total other comprehensive income	-	-	4,117	-	4,117
Total comprehensive income	**-**	**-**	**4,117**	**-9,836**	**-5,719**
Transactions with shareholders					
Use of own shares for conditional additional purchase price related to the acquisition of R-Advertising	-	-	-	4,147	4,147
Equity-settled share-based payments	-	-	-	564	564
Total transactions with shareholders	**-**	**-**	**-**	**4,711**	**4,711**
Closing balance at December 31, 2017	**18,371**	**441,600**	**34,765**	**-289,215**	**205,521**
Opening balance at January 1, 2018	**18,371**	**441,600**	**34,765**	**-289,215**	**205,521**
Comprehensive income					
Net profit for the year				15,102	15,102
Other comprehensive income					
Translation differences, net after tax	-	-	12,747	-	12,747
Total other comprehensive income	-	-	12,747	-	12,747
Total comprehensive income	**-**	**-**	**12,747**	**15,102**	**27,849**
Transactions with shareholders					
Use of own shares for conditional additional purchase price related to the acquisition of R-Advertising	-	-	-	2,556	2,556
Equity-settled share-based payments	-	-	-	60	60
Total transactions with shareholders	**-**	**-**	**-**	**2,616**	**2,616**
Closing balance at December 31, 2018	**18,371**	**441,600**	**47,512**	**-271,497**	**235,986**

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

Consolidated cash flow statement

SEK ´000	Note	2018	2017
Operating activities	C24		
Profit before tax		18,220	-3,265
Adjustment for items not included in the cash flow		-3,592	-1,097
Taxes paid		-14,099	-6,696
Cash flow from operating activities before changes in working capital		**529**	**-11,058**
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables		-7,119	20,772
Increase (-)/Decrease (+) in operating liabilities		3,341	-83,391
Cash flow from operating activities		**-3,249**	**-73,677**
Investing activities			
Investments in intangible assets		-17,144	-17,632
Investments in property, plant and equipment		-665	-729
Investments in financial assets		-46	248
Investments in stocks and subsidiaries		-	-1,423
Sale of short-term investments		-	40,468
Cash flow from investing activities		**-17,855**	**20,932**
Financing activities			
Newly raised loans		111,000	-
Repurchase of own bond		-115,740	-47,098
Payment of contingent additional purchase price		-68	-
Cash flow from financing activities		**-4,808**	**-47,098**
Cash flow for the year		**-25,910**	**-99,844**
Cash flow for the year		-25,910	-99,844
Cash and cash equivalents at the beginning of the year		68,662	169,198
Exchange difference in cash and cash equivalents		1,420	-692
Cash and cash equivalents at the end of the year		**44,171**	**68,662**

C1. Accounting policies

GENERAL INFORMATION

Tradedoubler AB (the parent company) and its subsidiaries together make up the Tradedoubler group.

TradeDoubler AB (publ), corporate registration number 556575-7423, is a Swedish registered limited liability company with its registered office in Stockholm. The address of the head office is Birger Jarlsgatan 57A, 113 56 Stockholm. The parent company's shares are listed on NASDAQ Stockholm. The board of directors approved these annual accounts for publication on 12 April 2019. The annual accounts will be considered for adoption by the annual general meeting.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

Assessments and estimates in the financial statements.

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

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

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

Amended accounting policies and disclosure requirements 2018

The Group and parent company applies in this Annual report for the first time the new and amended standards and interpretations applicable for fiscal years beginning 1 January 2018 or later. None of the amended policies and disclosure requirements to existing standards that are applicable from the financial year that began on January 2018 has any material impact on the Group or parent company's financial statements. No new or amended policies have been applied in advance.

IFRS 9 Financial instruments

IFRS 9 comprises accounting for financial assets and liabilities and replaces IAS 39 Financial Instruments: Recognition and Measurement. Like IAS 39, financial assets are classified into different categories, some of which are valued at amortised cost and others at fair value. IFRS 9 introduces categories other than those contained in IAS 39. In order to assess how financial instruments are to be reported in accordance with IFRS 9, a company must consider the contractual cash flows and the business model under which the instrument is held. IFRS 9 also introduces a new model for impairment of financial assets. The purpose of the new model is, among other things, for credit losses to be reported earlier than under IAS 39. For financial liabilities, IFRS 9 generally corresponds to IAS 39. However, for liabilities recognised at fair value, the part of the fair value change that is attributable to its own the credit risk is recognized in other comprehensive income instead of in the profit and loss, unless this causes inconsistency in the report. Changed criteria for hedge accounting may result in more financial hedging strategies meeting the requirements for hedge accounting according to IFRS 9 than according to IAS 39. IFRS 9 Financial Instruments enters into force on January 1, 2018. As IFRS 9 Financial Instruments comes into force on January 1, 2018, Tradedoubler has changed the principles for provision and write-down of credit losses in connection with the implementation. The new principle means that a provision will already be made at the first accounting date for expected loan losses and not as before, in IAS 39, only when a loss had occurred. The method is based partly on forward-looking information and historical data corresponding to the development of the country's forecasted BNP and its effect on credit losses in relation to historical credit losses within each customer category and interval. The standard has been applied retroactively with the cumulative effect of initial application of the standard on the first application date, January 1, 2018, no recalculation of ingoing balances has been made. The application has not had any significant impact on the Group's financial position.

IFRS 15 Revenue from contracts with customers

IFRS 15 Revenue from contracts with customers has replaced previous standards for revenue recognition and is applied as of 1 January 2018. The standard is based on the principle that revenue should be reported when a promised service is transferred to the customer, which can happen over time or at a certain point in time. Revenue shall consist of the amount that the company expects to be reimbursed for the services delivered. The standard has been applied retroactively by the Group and the parent company with the cumulative effect of initial application of the standard on the first application date, 1 January 2018. The standard has not entailed any change in how the company reports revenues.

NEW ACCOUNTING STANDARDS IN 2019 AND ONWARDS

A number of new and revised IFRS has not yet entered into force and have not been applied in preparing the consolidated and parent company financial statements. Described below are the IFRS that may affect the Group's or parent company's financial statements. Other new or amended standards or interpretations the IASB has published is not expected to have any impact on the Group's or parent company's financial statements. No new or amended IFRS has been applied in advance.

IFRS 16 Leases

IFRS 16 Leases has replaced IAS 17 as of January 1, 2019. Under the new standard, lessees must report the obligation to pay the leasing fees as a leasing liability in the balance sheet. The right to use the underlying asset during the leasing period is reported as an asset. Depreciation of the asset is recognized in profit or loss as well as an interest on the lease debt. Leasing fees paid are reported partly as interest payment and partly as amortization of the lease debt, which affects financial position and key figures. The standard excludes leases with a lease term of less than 12 months or with an underlying asset of low value. The company applies this standard for the lease agreements retroactively with the cumulative effect of initial application of the standard on the first application date, January 1, 2019. A marginal loan interest has been set per country and maturity for discounting identified leases. The right of use has been assessed on the basis of knowledge of the length of underlying agreements as well as termination and extension clauses. The leasing agreements covered by the new standard are operational leasing agreements for the rental of office premises. The implementation effects for IFRS 16 are shown in the table below:

Impact of IFRS 16 as of January 1, 2019:

SEK '000	IFRS 16 adjustment
Right-of-use assets	46,014
Prepaid expenses	-3,085
Leasing liabilities	42,929

Classification

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

Segment reporting

Identification of segments is made based on the internal reporting to the chief operating decision-maker, which as far as Tradedoubler is concerned is deemed to be the CEO.

From January 1, 2017 Tradedoubler reports the geographical segments DACH (Germany, Switzerland and Austria), France & Benelux (France, Belgium and Netherlands), Nordics (Sweden, Norway, Denmark, Finland and Poland), South (Italy, Brazil and Spain) and UK & Ireland (UK and Ireland).

CONSOLIDATION

Basis of consolidation

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

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

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

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

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

FOREIGN CURRENCY

Transactions in foreign currencies

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

Financial statements of foreign operations

The group's presentation currency is the Swedish krona (SEK). Assets and liabilities in foreign operations, including goodwill and other goodwill/negative goodwill arising on consolidation, are translated from the foreign operation's functional currency to the group's presentation currency, Swedish krona, at the exchange rate prevailing at the end of the reporting period. Income and expenses in a foreign operation are translated to Swedish kronor at an average rate that represents an approximation of the prevailing exchange rates on the date of each transaction. Translation differences arising on such translation are recognised in other comprehensive income.

The exchange rates used in translation of the financial statements for consolidation purposes are as follows:

	Closing day rate		Average rate	
	2018	2017	**2018**	2017
EUR	10.28	9.85	10.26	9.63
GBP	11.35	11.10	11.59	10.99
NOK	1.02	1.00	1.07	1.03
DKK	1.38	1.32	1.38	1.29
PLN	2.39	2.36	2.41	2.26
CHF	9.10	8.43	8.88	8.67
BRL	2.32	2.49	2.39	2.68
SGD	6.56	6.16	6.44	6.18

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

REVENUE FROM CONTRACTS WITH CUSTOMERS

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

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

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

Transaction revenue

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

Other revenue

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

OPERATING EXPENSES AND FINANCIAL INCOME AND EXPENSES

Cost of goods sold

Costs of goods sold consist of remuneration to publishers and search engines and are reported in line with reported revenues. Tradedoubler's agreement with publishers contains clauses that mean that disbursement first occurs when certain minimum levels are reached. Furthermore, there are cases where Tradedoubler lacks opportunities to settle the debts incurred. This means that Tradedoubler is forced to make estimates of whether and when the debts will have to be settled on a regular basis and the debt is adjusted regularly to reflect revised future estimated cash flows.

Financial income and expenses

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

FINANCIAL INSTRUMENTS

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

Recognition and derecognition in the balance sheet

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

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

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

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

Classification and valuation of financial assets

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

The instruments are classified into:

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

The Group's assets in the form of debt instruments are classified at amortised cost. Financial assets classified at amortised cost are initially measured at fair value with the addition of transaction costs. Accounts receivable are initially recognized at the invoiced value. After the first accounting opportunity, the assets are valued according to the effective interest method. Assets classified at amortised cost are held according to the business model to collect contractual cash flows that are only payments of principal amounts and interest on the outstanding capital amount. The assets are covered by a loss reserve for expected loan losses.

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

Classification and valuation of financial liabilities

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

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

FINANCIAL ASSETS VALUED AT AMORTISED COST

Loan receivables and trade receivables

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

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

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

Financial assets measured at fair value through profit or loss

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

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

Financial liabilities

Financial liabilities are measured at amortised cost. Accrued cost is determined on the basis of the effective interest rate measured when the liability was carried. This means that surplus and deficit values, as well as direct issue expenses, are allocated over the term of the liability. Repurchases of own bonds below nominal value are recognised in other revenue.

Trade payables have short expected maturities and are measured at their nominal value without discounting.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and directly accessible balances at banks and similar institutions as well as short-term highly liquid investments with original maturities of less than three months which are only subject to an insignificant risk of fluctuation in value.

PROPERTY, PLANT AND EQUIPMENT

Owned assets

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

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

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

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

LEASED ASSETS

The leases in the group have been classified as operating leases, which means that the lessor retains the absolute majority of the risks and the benefits of ownership of an asset. Operating leases mean that leasing fees are expensed on a straight-line basis over the term of the lease, which may differ in practice from the amount of leasing fees paid during the year.

DEPRECIATION METHODS

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

Equipment	Three to five years

An assessment is made of an asset's residual value and useful life every year.

INTANGIBLE NON-CURRENT ASSETS

Goodwill

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

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

Development expenses

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

Administration and support

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

Additional expenditure

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

Amortisation methods

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

Development	Three years
Administration and support	Five years

Impairment losses

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

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

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

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

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

Impairment testing of goodwill

Goodwill consists of the amount by which the acquisition cost exceeds the fair value of the net assets acquired by the group in conjunction with a company acquisition or acquisition of assets and liabilities Goodwill arising from the acquisition of an associated company is included in the carrying amount for the associated company. Goodwill is allocated to cash-generating units upon acquisition and is not amortised, but is tested annually to identify any impairment needs. Goodwill is measured at acquisition cost less any accumulated impairment losses. Impairments of goodwill are not reversed. The recognised revenue from the disposal of a group company includes the remaining carrying amount of the goodwill attributable to the divested unit.

Impairment testing of financial instruments

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

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

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

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

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

Reversal of impairment losses

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

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

Earnings per share

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

EMPLOYEE BENEFITS

Defined-contribution plans

The group mainly operates defined contribution pension plans. In defined contribution plans, Tradedoubler pays fixed fees to an insurance company and has no obligation to pay further amounts.

Obligations in respect of charges for defined contribution plans are recognised as an expense in the income statement as they arise.

Compensation on termination of employment

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

Share-based payment

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

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

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

Provisions

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

Taxes

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

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

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

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

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

Contingent liabilities

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

C2. Critical estimates and judgements

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

GOODWILL

Testing of goodwill is based on estimates and assumptions regarding the future. As the company conducts operations in a relatively young industry, which is characterised by development and constant changes, these assumptions are an uncertainty factor. The basis for Tradedoubler's goodwill impairment test was, as previous year's, a 10-year discounted cash flow analysis per cash generating unit (segment), which are DACH, Nordics, South, France & Benelux and UK & Ireland. In order to determine expected future cash flows as the basis for calculations, assumptions are med on important parameters such as sales growth and gross margins for the company's various business flows and future cost levels. The present value calculation is further based on a so-called WACC which is based on specific valuation technical assumptions. Neither 2018 impairment nor 2017 resulted in any write-downs. Further information on the impairment test is provided in Note C13.

ACCOUNTING AND VALUATION OF DEVELOPMENT EXPENSES

Development expenses are capitalised in the balance sheet when certain criteria are met. These criteria include, among other things, to assess the the development is technically and commercially viable and that it is possible to estimate future revenues in a reliable manner. In Note C1 a more detailed description of these criteria can be found. Capitalised development are expensed on a straight-line basis. In order to determine the depreciation period assumptions are made about the activated development market longevity. If the fair value is less than the book value, an impairment test of the values for capitalised development costs is carried out. The impairment is performed in the same way as described for goodwill above, based on the present value of expected future cash flows for each enabled development project. No indication of decline in the value during 2018 har been identified. Impairment test in 2017 resulted in a write-down of SEK 4 M. See Note C13 for more information.

C3. Distribution of revenue

SEK ´000	2018	2017
Transaction revenue	1,139,206	1,129,069
Other revenue	33,899	43,955
Net sales	**1,173,105**	**1,173,025**

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

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

CONTRACT BALANCES

SEK ´000	Dec 31, 2018	Dec 31, 2017
Receivables	285,434	260,977
Liabilities	39,383	46,658
Total	**324,817**	**307,635**

Receivables pertain to accounts receivable of SEK 276,557,000 (250,703,000) and accrued income of SEK 8,877,000 (10,274,000). Both accounts receivable and accrued income relate to receivables from customers where Tradedoubler has fulfilled its performance commitment and has an unconditional right to payment. Contract liabilities relate to advances from customers.

SEK ´000	Jan 1, 2018	Jan 1, 2017
Liabilities	46,658	97,935

All contractual liabilities at the beginning of each financial year relate to performance commitments that have been completed in their entirety during the financial year in question.

C4. Segment reporting

Tradedoubler had five segments during 2018. These segments consisted of DACH, France & Benelux, Nordics, South, and UK & Ireland.

The respective segments consisted of the following markets;
- Germany, Switzerland and Austria (DACH)
- France, Belgium and the Netherlands (France & Benelux)
- Sweden, Norway, Denmark, Finland and Poland (Nordics)
- Italy, Brazil and Spain (South)
- UK and Ireland (UK & Ireland)

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

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

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

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

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

Tradedoubler has no customers which account for revenues of more than 10 per cent of the company's total revenues for the years 2018 or 2017.

	Net Sales		EBITDA*	
SEK ´000	2018	2017	2018	2017
Segment DACH	144,064	165,280	16,273	14,404
Segment France & Benelux	315,107	300,720	28,161	15,588
Segment Nordics	340,060	303,566	22,571	23,408
Segment South	153,569	149,889	20,145	19,140
Segment UK & Ireland	220,305	253,569	14,078	6,108
Total	**1,173,105**	**1,173,025**	**101,229**	**78,648**
Group management and support functions	-	-	-62,323	-55,454
Total	**1,173,105**	**1,173,025**	**38,906**	**23,194**

* EBITDA has been affected by change related items, see Note C25 for further information. The variance between EBITDA above of SEK 38,906,000 (23,194,000) and group EBIT according to the Consolidated financial statements is attributed to depreciation and amortization of SEK 21,599,000 (27,629,000).

GEOGRAPHICAL INFORMATION

	Net sales	
SEK ´000	2018	2017
Sweden	128,648	126,785
Great Britain	219,175	251,770
France	255,831	241,372
Germany	121,057	134,670
Italy	76,228	75,214
Spain	78,394	74,186
Poland	135,027	103,594
Netherlands	60,833	59,238
Other	97,913	106,194
Total	**1,173,105**	**1,173,025**

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

For geographical information regarding goodwill, see Note C13.

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

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

AVERAGE NUMBER OF EMPLOYEES*

	2018		2017	
		men (%)		men (%)
Parent company				
Sweden	46	50	42	56
Subsidiaries				
Denmark	1	0	0	0
France	29	41	31	44
Italy	23	42	22	43
Netherlands	11	74	13	67
Poland	42	52	32	54
Switzerland	4	90	6	80
Spain	25	36	24	46
UK	44	59	70	60
Sweden	25	49	22	44
Germany	18	53	27	49
Singapore	1	100	5	75
Total subsidiaries	**223**	**51**	**252**	**53**
Total group	**269**	**51**	**294**	**53**

* Including permanent and temporary employees.

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

Share women (%)	2018	2017
The board of directors	0.0	0.0
President and other senior executives	0.0	0.0

REMUNERATION TO EMPLOYEES DISTRIBUTED BETWEEN THE PARENT COMPANY AND SUBSIDIARIES

	Salaries and other remuneration	Social fees (of which pension)	Salaries and other remuneration	Social fees (of which pension)
SEK ´000	2018		2017	
Parent company	20,889	8,559	28,210	11,494
		(2,075)		(2,732)
Subsidiaries	99,133	24,591	120,470	26,717
		(1,958)		(3,522)
Total	**120,022**	**33,150**	**148,680**	**38,211**

Activated personell-related development costs in 2018 amounted to SEK 10 M (14).

COST OF REMUNERATION TO EMPLOYEES

SEK ´000	2018	2017
Salaries and remuneration	120,022	148,680
Share-based payments	60	564
	120,082	**149,244**
Pension expenses	4,034	6,254
Social security contributions	29,116	31,957
Social security contributions attributable to share-based payments	-	144
	33,150	**38,354**
Total	**153,232**	**187,598**

REMUNERATION TO THE PRESIDENT, GROUP MANAGEMENT AND BOARD OF DIRECTORS

	2018					2017				
Remuneration and other benefits, (SEK ‘000)	Basic salary, other remuneration, directors' fees[1]	Variable remuneration	Long-term incentive programs	Pension obligations	Total	Basic salary, other remuneration, directors' fees[1]	Variable remuneration	Long-term incentive programs	Pension obligations	Total
The Board of Directors										
Pascal Chevalier	763	-	-	-	763	763	-	-	-	763
Gautier Normand	763	-	-	-	763	763	-	-	-	763
Jérémy Parola	180	-	-	-	180	180	-	-	-	180
Erik Siekmann	180	-	-	-	180	180	-	-	-	180
Nils Carlsson	180	-	-	-	180	180	-	-	-	180
Matthias Stadelmeyer (CEO)	3,320	-	-	74	3,394	3,118	-	312	69	3,499
Other company management	**2,330**	**-**	**-**	**340**	**2,670**	**3,446**	**-**	**129**	**364**	**3,939**
Total	**7,716**	**-**	**-**	**414**	**8,130**	**8,630**	**-**	**441**	**433**	**9,504**

[1] Directors’ fees are periodised based on the calendar year.

REMUNERATION TO THE BOARD AND COMPANY MANAGEMENT

Fees to board members and members of the board’s committees

The annual general meeting 2018 approved the following remuneration to the board of directors:
SEK 763,000 to the chairman of the board and Gautier Normand. SEK 180,000 to each of the other board members elected by the annual general meeting who are not employed in Tradedoubler.

Guidelines for remuneration to company management

The annual general meeting 2018 resolved on the following guidelines for remuneration to company management, which is defined as the managing director and other members of the Senior Leadership Team. The total remuneration shall be competitive in the local market in which the employee is based in order to attract, motivate and retain skilled employees. Individual remuneration should be based on the employee’s experience, skills, responsibilities and performance.

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

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

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

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

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

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

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

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

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

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

REMUNERATION POLICY FOR EMPLOYEES

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

Pension benefits

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

VARIABLE REMUNERATION

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

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

During 2018, SEK 6.4 M (3) including social security contributions was expensed for the performance- and results-based programme for variable remuneration.

REMUNERATION COMPANY MANAGEMENT

For the CEO a mutual period of notice of 6 months shall apply. In the event of termination by the Company, the CEO is entitled to 6 months fixed salary and pension benefits. Pension benefits are based upon German praxis and do not exceed 25 per cent of the base salary. If the employment is terminated by the Company, the CEO does not have to perform any work during the last 3 months of the notice period and the CEO is, in this case, also entitled to severance payment of three months base salary. The latter shall be reduced with other income that the CEO has during this period. The CEO participate in the long-term incentive programme appproved in 2015 by the Annual General Meeting and therefore has no possibility to receive variable remuneration.

During 2018 other company management included CFO and CTO. Within company management there is normally a mutual period of notice of 6 months. If an employee in group management initiates the termination notice period is never shorter than 6 months. If termination is initiated by the Company, the notice period is never shorter than 12 months. Pension benefits does not exceed 25 per cent of the basic salary for someone in the group management.

No member of present company management has a company car or any other material benefits.

C6. Share-based remuneration

LONG-TERM INCENTIVE PROGRAMMES

During 2018 the group had one outstanding long-term incentive programme which ended on 31 May 2018.

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

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

SEK ´000	2018	2017
Personnel expense (including social security contributions) arising from share-based remuneration	-741	707
Total personnel expense arising from share-based remuneration	**-741**	**707**

C7. Remuneration for auditor

SEK ´000	2018	2017
EY		
Audit assignments	3,525	3,441
Tax services	137	312
Auditor activities in addition to the audit assignment	471	438
Other auditors		
Audit assignments	291	86
Tax services	-	-
Auditor activities in addition to the audit assignment	21	25
Total	**4,445**	**4,302**

Audit assignments refers to the examination of the annual accounts, the consolidated accounts and accounting records as well as the administration of the board of directors and the CEO, other duties that the Company´s auditors are obliged to perform as well as advice or other assistance arising from observations during such examination and implementation of such duties. In addition, the auditor reviewed the corporate governance report and the sustainability report. The auditor has also reviewed the interim report for the period January-June 2018 and has been retained for certain advice, most of which pertained to audit-related consultations regarding accounting and tax matters.

C8. Operating costs allocated by type of cost

SEK ´000	2018	2017
Remuneration cost to publishers	909,265	912,738
Employee costs	151,921	166,813
Depreciation and amortisation	21,599	27,629
Other operating costs	73,013	70,280
Total	**1,155,799**	**1,177,459**

C9. Operating leases

LEASING WHERE THE COMPANY IS LESSOR

Non-terminable lease payments amount to:

SEK ´000	2018	2017
Within one year	15,854	15,799
Between one and five years	30,843	38,733
Longer than five years	4,752	8,807
	51,448	**63,338**

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

Costs for operating leases amounted to SEK 16,674,000 (17,398,000) for the group in 2018.

C10. Net financial items

SEK ´000	2018	2017
Interest income on bank balances & short-term investments	298	319
Interest income, other	462	101
Result on sales short-term investments	-	40
Other financial income	18,261	14,902
Financial income	**19,021**	**15,362**
Interest expenses on financial liabilities measured at amortised cost	-14,195	-11,341
Interest expense, other	-97	-329
Unrealised result from short-term investments	-	-131
Changes in foreign exchange rates	-1,595	-2,392
Other financial costs	-2,221	-
Financial expense	**-18,108**	**-14,193**
Net financial items	**913**	**1,169**

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

C11. Taxes

RECOGNISED IN THE INCOME STATEMENT

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

SEK ´000	2018	2017
Current tax expense		
Tax expense for the period	-4,330	-3,387
Tax expense related to previous periods	-145	-1,325
Total current tax expense	**-4,475**	**-4,712**
Deferred tax expense		
Deferred tax in respect of temporary differences	1,438	-1,894
Deferred tax expense due to utilisation of previous capitalised loss carryforwards for tax purposes	-82	35
Total deferred tax expense	**1,357**	**-1,859**
Total	**-3,118**	**-6,571**

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

RECONCILIATION OF EFFECTIVE TAX

	2018		2017	
	%	SEK	%	SEK
Profit before tax		18,220		-3,265
Tax according to applicable tax rate for parent company	22.0	-4,008	22.0	718
Effect of other tax rates for foreign subsidiaries	0.4	-100	-9.8	-320
Adjusted estimates for previous year's loss carryforwards	0.8	-145	-40.6	-1,325
Non-deductible expenses	21.3	-3,875	-73.5	-2,401
Non-taxable income	-20.4	3,722	112.9	3,688
Increase of loss carryforwards for tax purposes without corresponding capitalisation of deferred tax expense	12.1	-2,196	-187.5	-6,123
Utilisation of previously not capitalised loss carryforwards	-13.6	2,485	1.9	62
Other	-5.5	1,000	-26.7	-871
Effective tax/tax rate	**17.1**	**-3,118**	**-201.2**	**-6,571**

DEFERRED TAX ASSETS AND TAX LIABILITIES RECOGNISED IN THE BALANCE SHEET

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

	Deferred tax assets		Deferred tax liabilities		Net	
SEK ´000	2018	2017	2018	2017	2018	2017
Loss carryforwards	466	428			466	428
Other receivables	65	139			65	139
Other liabilities	4,885	3,152	-1,476	-1,383	3,409	1,769
Other non-current assets	284	458			284	458
Other unused tax deductions[1]	26,320	14,000			26,320	14,000
Deferred tax assets and tax liabilities	**32,020**	**18,177**	**-1,476**	**-1,383**	**30,544**	**16,794**

[1] In 2007 Tradedoubler Ltd. completed the acquisition of all shares in IMW with proceeds related to a loan from Tradedoubler AB. HMRC (English tax authority) has retrospectively refused deduction of interest in Tradedoubler Ltd's tax declaration due to UK thin capitalization rules. Tradedoubler AB has at the same time declared interest income and, thus, a double taxation arise. Tradedoubler AB has in an application requested that the Swedish tax authority should initiate proceedings with HMRC in order to eliminate the double taxation that has arisen. The total book value amounts to SEK 14 M, and Tradedoubler estimates that this amount will be collectable. The amount added under this item in 2018 relates to SEK 12 M paid by Tradedoubler during the second quarter 2018 to the Spanish tax authority attributable to an ongoing tax audit in Spain where Tradedoubler in an application requsted that the Swedish tax agency initiate procedure for agreement with the Spanish tax authority in order to undermine double taxation. Tradedoubler estimate that this amount will be collectible.

SEK ´000	Capitalisation of loss carryforwards	Other receivables	Other liabilities	Other non-current assets	Other unused tax deductions	Deferred tax assets and tax liabilities
Balance at Jan 1, 2017	497	389	2,787	759	14,000	18,432
Recognised via income statement	57	-240	-1,364	-312	-	-1,859
Change during the year	-137	-	92	-	-	-45
Translation difference	11	-10	254	11	-	266
Balance at Dec 31, 2017	**428**	**139**	**1,769**	**458**	**14,000**	**16,794**
Balance at Jan 1, 2018	428	139	1,769	458	14,000	16,794
Recognised via income statement	50	-84	1,608	-217	-	1,357
Change during the year	-30	-	-	30	12,298	12,298
Translation difference	18	10	30	13	22	93
Balance at Dec 31, 2018	**466**	**65**	**3,409**	**284**	**26,320**	**30,544**

NON-RECOGNISED DEFERRED TAX ASSETS

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

SEK ´000	2018	2017
Tax on loss carryforwards	63,724	66,352
Total	**63,724**	**66,352**

The value for tax purposes of capital loss carryforwards of SEK 466,000 and non-capital loss carryforwards of SEK 63,724,000 (of which SEK 61,289,000 is related to the parent company), have a perpetual term. Non-capital loss carryforwards relate to the assessment that is it uncertain whether these will be utilised in the near future.

C12. Financial assets and liabilities distributed per category

	2018			2017		
SEK ´000	Valued at amortised cost	At fair value via the Profit & Loss	Total carrying amount	Valued at amortised cost	At fair value via the Profit & Loss	Total carrying amount
Shares and participation in other companies		11,128	11,128		11,128	11,128
Trade receivables	276,557		276,557	250,703		250,703
Cash and bank balances	44,171		44,171	68,662		68,662
Total financial assets	**320,728**	**11,128**	**331,856**	**319,365**	**11,128**	**330,493**
Bond loan			-	132,946		132,946
Other interest-bearing debts	109,337		109,337	-		-
Trade payables	18,735		18,735	12,696		12,696
Contingent additional purchase price	1,565		1,565	3,633		3,633
Liabilities to publishers	280,168		280,168	257,942		257,942
Total financial liabilities	**409,805**		**409,805**	**407,217**		**407,217**

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

Level 1 fair value is determined based on the observed (unadjusted) quoted prices in active markets for identical assets and liabilities.
Level 2 fair value is determined using valuation models based on observable for the asset or liability other than quoted prices included in Level 1.
Level 3 fair value is determined using valuation models where significant inputs are based on unobservable market data.

All Tradedoubler's assets, valued at fair value through profit and loss, are valued at Level 1. Tradedoubler currently has no liabilities valued at fair value through the Profit & Loss. Shares and participation in other companies and contingent additional purchase price is valued according to level 3.

C13. Intangible assets

SEK ´000	Development expenses	Administration & Support	Goodwill	Other	Total
Accumulated acquisition costs					
Opening balance at Jan 1, 2017	132,013	46,548	552,017	341	730,919
Investments for the year	16,929	-	-	703	17,632
Acquisitions	-	-	3,350	-	3,350
Sales/disposals	-	-	-	-	-
Translation difference	-	-	7,063	135	7,198
Closing balance at Dec 31, 2017	**148,942**	**46,548**	**562,430**	**1,179**	**759,099**
Opening balance at Jan 1, 2018	148,942	46,548	562,430	1,179	759,099
Investments for the year	17,089	-	-	55	17,144
Sales/disposals	-	-	-	-	-
Translation difference	-	-	21,213	244	21,457
Closing balance at Dec 31, 2018	**166,031**	**46,548**	**583,644**	**1,477**	**797,700**
Accumulated amortisation and impairment losses					
Opening balance at Jan 1, 2017	-89,063	-37,171	-278,944	-442	-405,621
Amortisation	-17,123	-6,849	-	-77	-24,050
Sales/disposals	-	-	-	-	-
Translation difference	-	-	-3,099	-138	-3,236
Closing balance Dec 31, 2017	**-106,187**	**-44,020**	**-282,042**	**-657**	**-432,905**
Opening balance at Jan 1, 2018	**-106,187**	**-44,020**	**-282,042**	**-657**	**-432,905**
Amortisation	-16,984	-2,528	-	-232	-19,744
Sales/disposals	-	-	-	-	-
Translation difference	-	-	-9,142	-207	-9,349
Closing balance Dec 31, 2018	**-123,171**	**-46,548**	**-291,184**	**-1,096**	**-461,998**
Carrying amounts					
At Jan 1, 2017	42,950	9,377	273,073	-101	325,298
At Dec 31, 2017	42,756	2,528	280,388	522	326,193
At Dec 31, 2018	**42,860**	**-**	**292,460**	**382**	**335,702**

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

Goodwill is tested annually for impairment or as soon as there are indications of a decline in value. The impairment for 2018 has, as previous years, been performed in connection with the preparation of the year-end report and based on a 10-year discounted cash flow analysis per cash generating unit (segment). Impairment in 2018 did not result in any writedown. The future cash flows on which the valuation is based on is based primarily on assumptions of sales growth and gross margin development for the company's various business flows and future cost levels. Estimated cash flows has been discounted with WACC based on a risk-free rate of interest plus a stock market premium. WACC before tax in the estimates for the six cash-generating units on 31 December 2018 was 13.8 (16.4) per cent. WACC after tax was 11.7 (13.5) per cent.

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

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

Tradedoubler's forecast period extends until 2028. The growth rate in the forecast period is in line with the outlook for the increased addressable market the company plans to address in accordance with the new strategy and the adoption of market changes. The growth rate after the forecast period is set at 1.5 (1.5) per cent per year. It is an assessment of the then addressable markets estimated growth. The forecast period exceeds five years since the market for internet marketing is a relatively new market and we expect strong growth over the next ten years.

GOODWILL ALLOCATED PER CASH GENERATING UNIT

SEK ´000	2018	2017
Nordics	77,968	74,497
UK & Ireland	47,669	46,582
France & Benelux	49,090	47,109
DACH	65,760	62,339
South	27,378	26,285
R-Advertising	24,595	23,576
Total	**292,460**	**280,388**

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

C14. Property, plant and equipment

SEK ´000	Equipment, tools, fixtures and fittings
Accumulated cost	
Opening balance Jan 1, 2017	32,245
Investments	729
Acquisitions	-
Sales/Disposals	-1,761
Translation difference	413
Closing balance Dec 31, 2017	**31,627**
Opening balance Jan 1, 2018	31,627
Investments	665
Acquisitions	-
Sales/Disposals	-43
Translation difference	826
Closing balance Dec 31, 2018	**33,075**
Accumulated depreciation	
Opening balance Jan 1, 2017	-26,061
Depreciation	-3,579
Deprecation on acquisitions	-
Sales/Disposals	1,579
Translation difference	-382
Closing balance Dec 31, 2017	**-28,443**
Opening balance Jan 1, 2018	-28,443
Depreciation	-1,855
Depreciation on acquisitions	-
Sales/Disposals	36
Translation difference	-751
Closing balance Dec 31, 2018	**-31,013**
Carrying amounts	
At Jan 1, 2017	6,185
At Dec 31, 2017	3,184
At Dec 31, 2018	**2,062**

C15. Prepaid expenses and accrued income

SEK ´000	2018	2017
Rent of promises	2,246	2,906
Accrued income	8,877	10,274
Other	2,845	3,567
Total	**13,968**	**16,747**

C16. Shareholder's equity

SHARE CAPITAL

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

At December 31, 2018, Tradedoubler AB had a share capital of SEK 18.4 M distributed among 45,927,449 shares, each share with a par value of SEK 0.40.

Reconciliation of number of shares	Number of shares issued	Issued share capital
Number of shares issued January 1, 2018*	45,927,449	18,370,978
Number of shares issued December 31, 2018**	45,927,449	18,370,978

* of which 2,010,473 shares are in own custody
** of which 1,060,473 shares are in own custody

TRANSLATION RESERVE

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

RETAINED EARNINGS INCLUDING NET PROFIT FOR THE YEAR

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

DIVIDEND

The board and CEO will propose to Tradedoubler's Annual General Meeting 2019 that no dividend should be declared for 2018 in accordance with Tradedoubler's guidelines.

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

GROUP CAPITAL MANAGEMENT

Group capital under management is composed of shareholders' equity, which at the end of 2018 amounted to SEK 236 M (205.5) in total and loan capital, which at the end of 2018 amounted to SEK 111 (134). The measures of the company's capital structure used for control purposes are the interest coverage ratio, defined as profit before tax, plus interest expense, divided by interest expense; and the debt/equity ratio, defined as the total of interest-bearing liabilities and pension provisions less cash and cash equivalents and interest-bearing receivables, divided by shareholders' equity. The Group's goal in managing capital is to safeguard its survival and freedom of action and to ensure that shareholders receive a return on their investment. The distribution between shareholders' equity and loan capital should be such that a good balance is achieved between risk and return. If necessary, the capital structure is adapted to changing economic conditions and other markets factors. To maintain and adapt its capital structure, the Group can distribute funds, raise shareholder's equity by issuing new shares or capital contributions, or reduce or increase liabilities.

SHARES IN OWN CUSTODY

Total holdings of own shares at the end of 2018 amounted to 1,060,473 ordinary shares.

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

C17. Earnings per share

EARNINGS PER SHARE

	2018	2017
Profit for the year attributable to the parent company's shareholders (SEK '000)	15,102	-9,836
Weighted average number of outstanding ordinary shares before and after dilution (thousands)	44,173	43,565
Earnings per share, before and after dilution	**0.34**	**-0.23**

POTENTIAL FUTURE DILUSION

Performance-related share programme adopted at the annual general meeting 2015 ended in May 2018 without any allotment. There is no new programme that may give rise to a future dilution. For further informations see Note C6 Share-based remuneration.

C18. Loan

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

In May 2018 Tradedoubler signed an agreement with a Swedish credit institution for financing of SEK 71 M. The loan runs on a contract period of 3 years without any amortisation required at fixed market interest rate where customary financial covenants exist. Tradedoubler AB's pledged assets consist of company mortgages of SEK 100 M and shares in subsidiary R-Advertising SAS. The carrying amount in R-Advertising SAS amounted to SEK 35.8 M in 2018. Tradedoubler fulfilled the conditions according to the covenants as of 31 December 2018 and expect to fulfill these also in 2019. In addition, around the same time, Tradedoubler entered into a loan agreement with its principal owner Reworld Media S.A of SEK 40 M on similar terms as the loan with the credit institution with the exception of covenants. Both agreements contain a clause that the loan fall due for payment upon change of ownership control.

C19. Other liabilities

SEK ´000	2018	2017
Prepayments from clients	39,383	46,658
VAT	8,707	9,128
Withholding tax and social security contributions	7,419	10,364
Other	1,122	692
Total	**56,630**	**66,843**

C20. Accrued expenses and deferred income

SEK ´000	2018	2017
Accrued personnel-related costs	10,323	8,477
Costs of premises	1,531	2,050
Provision for restruct	-	802
Provision for consulting costs	6,254	7,732
Provision for closing of legal entities	327	339
Accrued interest	3,272	171
Other	10,942	13,665
Total	**32,649**	**33,236**

C21. Financial risks

FINANCE POLICY

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

CREDIT RISKS

Financial investments

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

Cash and cash equivalents

SEK ´000	Total
Cash and cash equivalents	44,171
Sum	**44,171**

Customer credit risk

The group and the company are exposed to credit risk, which arises primarily in connection with trade receivables. Trade receivables at year-end amounted to SEK 295 M (277). New clients are subjected to credit rating reports, which provides the basis for setting credit and payment terms and conditions for each client. The credit controls provide an assessment of clients' financial position based on information obtained from various credit information companies.

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

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

Incurred bad debt losses during the year amounted to SEK 7,186,000 (6,906,000) in the group, net after reversal of liabilities to publishers.

Provision for anticipated bad debt losses in the balance sheet amounted to SEK 18,033,000 (26,106,000).

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

Maturity analysis, trade receivables

SEK ´000	2018 Carrying amount	2017 Carrying amount
Trade receivables not due	159,080	163,097
Trade receivables, due 0-30 days	65,213	64,833
Trade receivables, due 31-90 days	50,236	17,402
Trade receivables, due >90+ days	20,061	31,477
	294,589	**276,810**

Provision, doubtful trade receivables

SEK ´000	2018 Carrying amount	2017 Carrying amount
Trade receivables, due 0-30 days	-	-830
Trade receivables, due 31-90 days	-	-1,982
Trade receivables, due >90+ days	-18,033	-23,194
	-18,033	**-26,106**

FOREIGN EXCHANGE RISK

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

In 2018, approximately 52 (51) per cent of group sales were made in EUR and approximately 19 (22) per cent in GBP. In 2018, approximately 42 (42) per cent of the group's costs were in EUR and approximately 13 (16) per cent in GBP.

TRANSACTION RISK

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

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

Intra-group lending and deposits are currently not hedged.

In the event of a change of the group's underlying currencies of 1 per cent, this would affect the company's net sales by approx. SEK 10 M, of which SEK 6 M relates to subsidiaries in euro zone countries, SEK 2 M relates to the UK subsidiary and SEK 2 M to other foreign companies in the group.

TRANSLATION RISK

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

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

In the event of a weakening of the group's underlying currencies of 10 per cent, this would affect the company's profit before tax negatively by approx. SEK 3 M, of which SEK 2 M relates to subsidiaries in euro zone countries, SEK 0.3 M relates to the UK subsidiary and SEK 0.7 to other foreign companies in the group. If the company's underlying currencies weakened by 10 per cent at the end of the reporting period, it would weaken consolidated equity by approx. SEK 3 M, of which SEK 2 M relates to the subsidiaries in euro zone countries, SEK 0.5 M relates to the UK subsidiary and SEK 0.5 M to other foreign companies in the group.

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

INTEREST RISK

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

On 31 December 2018, interest-bearing assets in the form of bank balances amounted to SEK 44 M. Bank balances run according to variable rates of interest, mainly linked to market rates for each currency that the asset relates to. A change in the variable interest rate of + / - 1 percent on the closing date affect the Group's net financial items by SEK 0 M.

In 2018, Tradedoubler signed new financing with a Swedish credit institution and also with its principal owner Reworld Media. Both loans are signed on similar terms with a fixed interest rate, with the difference that the loan with the Swedish credit institution also has financial covenants assigned.

LIQUIDITY RISK

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

Tradedoubler also has counterparty risk related to liquidity risks, which are principally related to banks in existing markets.

At the balance sheet date, the company has external interest-bearing borrowing of SEK 111 M.

Tradedoubler's outstanding bond loan matured in December 2018 and the remaining amount, after repurchases, of SEK 5 M was redeemed in early December. The bond loan has been replaced by a loan of SEK 71 M from a Swedish credit institution and a loan of SEK 40 M from the company's priincipal owner Reworld Media. The loan with the credit institution is signed with a contract period of 3 years at a fixed market interest rate and with customary financial covenants. The loan with the principal owner is in similar terms, with the exception of covenants.

Duration analysis, financial liabilities

2018

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

2017

SEK ´000	Total	Within 1 month	Within 1-3 months	Over 4 months
Bond loan	134,000	-	-	134,000
Interest bond loan	7,279	-	2,261	5,018
Trade payables	12,696	10,264	1,708	724
Short-term liabilities to publishers	257,942	111,470	131,582	14,890
Total	**411,917**	**121,734**	**135,551**	**154,632**

C22. Pledged assets and contingent liabilities

SEK ´000	2018	2017
Pledged assets		
Rental deposits	4,874	4,692
Company mortgage	100,000	-
Reported value of net assets	35,300	-
Total pledged assets	**140,174**	**4,692**
Contingent liabilities	**None**	**11,810**

The contingent liability reported in the previous year regarding an ongoing tax audit in Spain was deposited with the Spanish tax authority during the year. For more information, see note C11 Taxes in notes to the consolidated accounts.

C23. Transactions with related parties and companies

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

TRANSACTIONS WITH KEY PEOPLE IN EXECUTIVE POSITIONS

Aside from transactions in the normal course of business, to board and senior executives specified in Notes to the Consolidated Financial Statements, Note C5 Remuneration to employees, group management and board of directors and Note C6 Share-based remuneration, the following third party transactions have occurred. During 2018 Reworld Media has, as a publisher in France, been paid a total of EUR 43 K. Since January 2016, Reworld Media is providing HR-support to the French subsidiary at the current cost of EUR 4 K per month. Reworld Media has during 2018 been invoiced for purchased services from Tradedoubler France of EUR 50 K in total and from R-Advertising of EUR 373 K in total. Since mid-September 2017 the French Tradedoubler subsidiary is based in the Reworld Media office, total cost during 2018 amounted to EUR 177 K. In May 2018 Tradedoubler entered into a loan agreement with Reworld Media of SEK 40 M on market terms, interest expense during 2018 amounted to SEK 3 M. The arm's lengths principle has been applied in all of these transactions.

C24. Cash flow statement, supplementary information

CASH AND CASH EQUIVALENTS

SEK ´000	2018	2017
Cash and bank balances	44,171	68,662
Total according to the balance sheet	**44,171**	**68,662**
Total according to the cash flow statement	**44,171**	**68,662**

SEK ´000	2018	2017
Interest received	759	559
Interest paid	-11,191	-11,746

ADJUSTMENT FOR ITEMS NOT INCLUDED IN THE CASH FLOW

SEK ´000	2018	2017
Depreciation and amortisation	21,599	27,629
Provisions for severance payments	585	3,718
Unrealised exchange rate differences	1,159	1,240
Write-down accounts receivables	-10,333	-11,418
Other	-16,602	-20,071
	-3,592	**-1,097**

C25. Change related items

Change related items refer to items of non-recurring nature and the purpose of disclosing these separately is to make it easier for the reader to understand the underlying year-on-year developments. In the table below the items adjusted for in 2018 and 2017 are listed.

SEK ´000	2018	2017
Costs		
Severance	-3,497	-6,512
Office moving costs	-	-452
Restruct costs	-79	-
Long-term incentive programme	741	-707
Revaluation contingent additional purchase price	-556	9,204
Other	620	-
Sum change related costs	**-2,771**	**1,533**
Sum change related items	**-2,771**	**1,533**

TOTAL AMOUNT EFFECTING EBITDA PER SEGMENT

SEK ´000	2018	2017
Nordics	-866	-
UK & Ireland	-160	-1,983
France & Benelux	-1,743	-2,873
DACH	888	-1,499
South	-194	-115
Group Management & support functions	-697	8,003
Sum	**-2,771**	**1,533**

C26. Shares and participation in other companies

The item refers to 7 per cent of the shares in DynAdmic. The shares are classified as financial assets valued at fair value via profit and loss.

SEK ´000	2018	2017
Opening balance 1 January 2018	11,128	11,128
Acquisitions during the year	-	-
Change in value	0	0
Closing balance 31 December 2018	**11,128**	**11,128**

C27. Events after the balance sheet date

No significant events have occurred after the balance sheet date.

Parent company income statement

SEK ´000	Note	2018	2017
Net sales	P3	69,416	67,568
Cost of goods sold		-6,442	-8,709
Gross profit		**62,974**	**58,859**
Selling expenses		-534	-283
Administrative expenses		-54,180	-60,170
Research & development expenses		-21,233	-27,322
Operating profit	P4, P5, P6, P7, P8	**-12,974**	**-28,918**
Profit from financial items			
Profit from participations in group companies		12,145	10,063
Other interest income and similar income statement items		18,498	15,334
Interest expenses and similar income statement items		-20,029	-12,578
Net financial items	P9	**10,613**	**12,818**
Profit before tax		**-2,360**	**-16,099**
Tax	P10	75	-29
Net profit for the year		**-2,285**	**-16,129**

Statement of comprehensive income

SEK ´000	Note	2018	2017
Profit for the year		-2,285	-16,129
Total comprehensive income for the year		**-2,285**	**-16,129**

Parent company balance sheet

SEK ´000	Note	2018-12-31	2017-12-31
ASSETS	P11		
Non-current assets			
Intangible assets	P12	42,860	45,283
Equipments, tools, fixtures and fittings	P13	554	1,398
Financial assets			
Participations in group companies	P14, P15	174,996	172,011
Shares and participations in other companies	P14, P15, P25	11,128	11,128
Deferred tax asset	P10	14,079	14,004
Other financial assets		-	25
Total non-current assets		**243,618**	**243,848**
Current assets			
Trade receivables		100	498
Receivables from group companies		106,091	78,342
Tax receivables		1,014	1,014
Other receivables		1,861	1,256
Prepaid expenses and accrued income	P16	3,105	3,346
Cash and cash equivalents		12,559	34,381
Total current assets		**124,729**	**118,838**
Total assets		**368,347**	**362,686**
EQUITY AND LIABILITIES			
Shareholders' equity	P17		
Restricted equity			
Share capital		18,371	18,371
Fund for development expenses		29,960	29,338
Total restricted equity		**48,331**	**47,709**
Non-restricted equity			
Share premium reserve		352,540	352,540
Retained earnings		-315,871	-301,738
Net profit for the year		-2,285	-16,129
Total non-restricted equity		**34,384**	**34,674**
Total equity		**82,714**	**82,383**
Long-term liabilities	P11		
Contingent additional purchase price long term		-	1,600
Other interest-bearing liabilities	P18	109,337	-
Total long-term liabilities		**109,337**	**1,600**
Current liabilities	P11		
Trade payables		7,992	3,687
Liabilities to group companies		67,233	57,620
Bond loan		-	132,946
Contingent additional purchase price short term		1,565	2,033
Other liabilities	P19	87,796	72,453
Accrued expenses and deferred income	P20	11,711	9,963
Total current liabilities		**176,297**	**278,702**
Total equity and liabilities		**368,347**	**362,686**

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

Parent company changes in equity

SEK ´000	Restricted Share capital	Restricted Statutory reserve	Restricted Fund development expenses	Non-restricted Share premium reserve	Non-restricted Retained earnings incl. net profit for the year	Total equity
Opening balance at January 1, 2017	**18,371**	**89,022**	**24,477**	**352,540**	**-390,608**	**93,802**
Comprehensive income						
Net profit for the year					-16,129	-16,129
Fund development expenses			4,861		-4,861	-
Decrease statutory reserve		-89,022			89,022	-
Transactions with shareholders						
Use of shares in own custody					4,147	4,147
Equity-settled share-based payments					564	564
Closing balance at December 31, 2017	**18,371**	**-**	**29,338**	**352,540**	**-317,865**	**82,383**
Opening balance at January 1, 2018	**18,371**	**-**	**29,338**	**352,540**	**-317,865**	**82,383**
Comprehensive income						
Net profit for the year					-2,285	-2,285
Fund development expenses			622		-622	-
Transactions with shareholders						
Use of shares in own custody					2,556	2,556
Equity-settled share-based payments					60	60
Closing balance at December 31, 2018	**18,371**	**-**	**29,960**	**352,540**	**-318,156**	**82,714**

Parent company cash flow statement

SEK ´000	Note	2018	2017
Operating activities	P24		
Profit before tax		-2,360	-16,099
Adjustment for items not included in the cash flow		2,882	11,123
Cash flow from operating activities before changes in working capital		**522**	**-4,976**
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables		9,381	-50,401
Increase (-)/Decrease (+) in operating liabilities		-9,853	-8,911
Cash flow from operating activities		**50**	**-64,288**
Investing activities			
Investments in intangible assets		-17,089	-16,929
Investments in financial assets		25	-25
Acquisitions and divestment of subsidiaries		-	-1,423
Sale of short-term investments		-	40,468
Cash flow from investing activities		**-17,064**	**22,091**
Financing activities			
Newly raised loans		111,000	-
Payment of contingent additional purchase price		-68	-
Repurchase of own bonds		-115,740	-47,098
Cash flow from financing activities		**-4,808**	**-47,098**
Cash flow for the year		**-21,822**	**-89,295**
Cash and cash equivalents at the beginning of the year		34,381	123,676
Cash and cash equivalents at the end of the year		**12,559**	**34,381**

P1. Accounting policies

The parent company has prepared its annual accounts and consolidated accounts according to the Swedish Annual Accounts Act (1995:1554) and RFR2.

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

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

CLASSIFICATION AND FORMAT

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

SUBSIDIARIES

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

GROUP CONTRIBUTIONS AND SHAREHOLDERS' CONTRIBUTIONS FOR LEGAL ENTITIES

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

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

FUND DEVELOPMENT EXPENSES

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

FINANCIAL INSTRUMENTS

In the parent company financial fixed assets are valued at cost less any impairment losses and financial current assets according to the lowest value principle.

IFRS 16 LEASES

In the parent company the exception in RFR2 regarding leasing agreements will be applied. This means that the parent company's principles for reporting of leases will remain unchanged.

P2. Critical estimates and judgements

VALUATION OF SHARES IN SUBSIDIARIES

Shares in subsidiaries are recognised in the parent company at cost less any impairment losses. When an indication of impairment occurs, an impairment test is performed, using the same method as described for goodwill in Note C2. Impairment test has been carried out in 2018 in conjunction with the impairment testing of the group's goodwill. The impairment did not result in any write-down. Important assumptions and estimates in connection with this are shown in the section about the goodwill impairment testing in Note C1 in notes to the consolidated statements.

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

P3. Distribution of revenue

SEK ´000	2018	2017
Other revenue	7,064	11,480
License fees	62,351	56,088
Total revenue	**69,416**	**67,568**

P4. Remuneration to employees

AVERAGE NUMBER OF EMPLOYEES

	2018		2017	
		men (%)		men (%)
Sweden	46	50	42	56

REMUNERATIONS AND SOCIAL SECURITY CONTRIBUTIONS

	Salaries and other remuneration	
SEK ´000	2018	2017
Salaries and remuneration	20,889	28,210
of which share-based payments	(60)	(564)
Social security contributions	8,559	11,494
of which pensions	(2,075)	(2,732)
Total	**29,448**	**39,704**

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

P5. Share-based remuneration

PERFORMANCE-BASED SHARE PROGRAMME 2015

The parent company has in 2018 reported a reduced cost of SEK -741,000 (707,000) for the long-term incentive programme that was decided at the Annual general meeting 2015, which ended on 31 May 2018 without any allotment. For more information regarding the share-based remunerations in the group, see notes to the consolidated statements, Note C6 Share-based remuneration.

P6. Remuneration for auditor

SEK ´000	2018	2017
EY		
Audit assignments	2,750	2,407
Auditor activities in addition to the audit assignment	300	253
Total	**3,050**	**2,660**

Audit assignments refers to the examination of the annual accounts, the consolidated accounts and accounting records as well as the administration of the board of directors and the CEO, other duties that the Company´s auditors are obliged to perform as well as advice or other assistance arising from observations during such examination and implementation of such duties. In addition, the auditor reviewed the corporate governance report. The auditor has also reviewed the interim report for the period January-June 2018 and has been retained for certain advice, most of which pertained to audit-related consultations regarding accounting.

P7. Operating costs allocated by type of cost

SEK ´000	2018	2017
Remuneration cost to publishers	6,442	8,709
Employee costs	20,367	26,637
Depreciation and amortisation	20,355	24,826
Other operating costs	35,225	36,314
Total	**82,389**	**96,485**

P8. Operating leases

LEASING WHERE THE COMPANY IS LESSOR

Non-terminable lease payments amount to:

SEK ´000	2018	2017
Within one year	4,815	4,649
Between one and five years	9,049	13,082
Longer than five years	-	-
	13,864	**17,731**

The operating lease costs in the company are mainly related to rent for office premises.

Costs for operating leases 2018 amounted to SEK 4,675,000 (4,771,000).

P9. Net financial items

SEK ´000	2018	2017
Dividends from group companies	8,622	10,172
Group contributions received	4,803	872
Result from sales of shares in subsidiaries	-1,280	231
Write-down of investments in subsidiary	-	-1,211
Profit from participations in group companies	**12,145**	**10,063**
Interest income, group companies	67	154
Interest income, other	171	237
Result on sales short term investments	-	40
Other financial income	18,260	14,902
Financial income	**18,498**	**15,334**
Interest expense, group companies	-974	-123
Interest expense, other	-14,204	-11,367
Unrealised result at fair valuation of short term investments	-	-131
Change in foreign exchange rates	-2,840	-895
Other financial expenses	-2,011	-62
Financial expenses	**-20,029**	**-12,578**
Net financial items	**10,613**	**12,818**

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

P10. Taxes

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

SEK ´000	2018	2017
Current tax expense		
Tax expense for the period	-	-
Total current tax expense	**-**	**-**
Deferred tax		
Deferred tax related to temporary differences	75	-29
Total deferred tax	**75**	**-29**
Total	**75**	**-29**

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

RECONCILIATION OF EFFECTIVE TAX

	2018		2017	
	%	SEK ´000	%	SEK ´000
Profit before tax		-2,360		-16,099
Tax according to applicable tax rate	22.0	519	22.0	3,542
Non-deductible expenses	-3.6	-85	-0.2	-326
Non-taxable income	70.4	1,661	14.2	2,289
Increase of loss carryforwards without corresponding capitalisation of deferred tax expense	-85.6	-2,020	-34.4	-5,534
Effective tax/tax rate	**3.2**	**75**	**1.6**	**-29**

NON-RECOGNISED DEFERRED TAX ASSETS

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

SEK ´000	2018	2017
Tax on loss carryforwards	61,289	59,269
Total	**61,289**	**59,269**

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

DEFERRED TAX ASSETS RECOGNISED IN THE BALANCE SHEET

Deferred tax assets are attributable to the following:

SEK ´000	Capitalisation of loss carryforwards	Other receivables	Other liabilities	Other non-current assets	Other unused tax deductions	Deferred tax assets and tax liabilities
Balance at Jan 1, 2017	-	-82	-	115	14,000	14,033
Recognised via income statement	-	29	-	-58	-	-29
Reclassification	-	-	-	-	-	-
Balance at Dec 31, 2017	**-**	**-53**	**-**	**57**	**14,000**	**14,004**
Balance at Jan 1, 2018	-	-53	-	57	14,000	14,004
Recognised via income statement	-	53	-	22	-	75
Reclassification	-	-	-	-	-	-
Balance at Dec 31, 2018	**-**	**-**	**-**	**79**	**14,000**	**14,079**

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

P11. Financial assets and liabilities

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

P12. Intangible assets

SEK ´000	Development expenses	Administration and support
Accumulated acquisition costs		
Opening balance at Jan 1, 2017	132,013	46,548
Investments for the year	16,929	-
Sales/disposals	-	-
Closing balance at Dec 31, 2017	**148,942**	**46,548**
Opening balance at Jan 1, 2018	148,942	46,548
Investments for the year	17,089	-
Sales/disposals	-	-
Closing balance at Dec 31, 2018	**166,031**	**46,548**
Accumulated amortisation		
Opening balance at Jan 1, 2017	-89,063	-37,170
Amortisation for the year	-17,123	-6,849
Sales/disposals	-	-
Closing balance Dec 31, 2017	**-106,187**	**-44,020**
Opening balance at Jan 1, 2018	-106,187	-44,020
Amortisation for the year	-16,984	-2,528
Sales/disposals	-	-
Closing balance Dec 31, 2018	**-123,171**	**-46,547**
Carrying amounts		
At Jan 1, 2017	42,950	9,377
At Dec 31, 2017	42,755	2,528
At Dec 31, 2018	**42,860**	**0**

P13. Property, plant and equipment

SEK ´000	Equipment, tools, fixtures and fittings
Accumulated acquisition	
Opening balance Jan 1, 2017	11,259
Investments	-
Sales/Disposals	-
Closing balance Dec 31, 2017	**11,259**
Opening balance Jan 1, 2018	11,259
Investments	-
Sales/Disposals	-
Closing balance Dec 31, 2018	**11,259**
Accumulated depreciation	
Opening balance Jan 1, 2017	-9,008
Depreciation for the year	-853
Sales/Disposals	-
Closing balance Dec 31, 2017	**-9,861**
Opening balance Jan 1, 2018	-9,861
Depreciation for the year	-844
Sales/Disposals	-
Closing balance Dec 31, 2018	**-10,705**
Carrying amounts	
At Jan 1, 2017	2,251
At Dec 31, 2017	1,398
At Dec 31, 2018	**554**

P14. Financial assets

SEK ´000	2018	2017
Accumulated acquisition costs		
Opening balance	183,138	189,263
Acquisitions and stock issues in subsidiaries	-	3,410
Divestment group companies	-497	-53
Shareholder's contribution	2,927	-
Revaluation of contingent additional purchase price	556	-9,481
Closing balance Dec 31, 2018	**186,124**	**183,138**

P15. Investments

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

					Book value	
Subsidiary	Corporate identity number	Registered office	Number of shares	Participation as %	Dec 31, 2018	Dec 31, 2017
TradeDoubler Ireland Ltd	442593	Dublin	-	-	-	0
TradeDoubler OY	777468	Helsinki	100	100	70	70
TradeDoubler A/S	25137884	Copenhagen	125	100	5,772	5,772
TradeDoubler LDA	507810007	Lisbon	-	-	-	0
TradeDoubler Ltd	3921985	London	5,000	100	140,000	140,000
TradeDoubler Espana SL	B82666892	Madrid	100	100	62	62
TradeDoubler BVBA	874694629	Mechelen	-	-	-	172
TradeDoubler Srl	210954 (rep)/26762 (Rac)	Milan	1	100	2,683	2,683
TradeDoubler GmbH	76167/URNo R181/2001	Münich	1	100	250	250
TradeDoubler AS	982006635	Oslo	1,000	100	6,011	6,011
TradeDoubler SARL	B431573716 (2000B08629)	Paris	500	100	119	119
TradeDoubler BV	20100140	Rotterdam	40	100	188	188
TradeDoubler International AB	556833-1200	Stockholm	500	100	3,195	268
TradeDoubler Sweden AB	556592-4007	Stockholm	1,000	100	2,003	2,003
TradeDoubler Sp zoo	015792506	Warszaw	1,000	100	115	115
TradeDoubler Austria Gmbh	FN296915	Wien	-	-	-	324
TradeDoubler AG	CH020.3.3.028.851-0	Zürich	997	100	609	609
TradeDoubler Performance Marketing LTDA	14.273.556/0001-66	Sao Paolo	297,923	100	0	0
Adnologies GmbH	HRB200226	Hamburg	107,912	100	0	0
Tradedoubler Singapore PTE LTD	201615663C	Singapore	1,000	100	6	6
R-Advertising	B502207079	Mougins	1,375,953	100	10,780	10,224
Metapic Sweden AB	556965-7868	Stockholm	10,000	100	3,133	3,133
DynAdmic SAS	753502582	Mougins	346,180	7	11,128	11,128
					186,124	**183,138**

P16. Prepaid expenses and accrued income

SEK ´000	2018	2017
Rent of premises	1,082	1,062
Other	2,022	2,284
Total	**3,105**	**3,346**

P17. Shareholders' equity

SHARE CAPITAL

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

At December 31, 2018, Tradedoubler AB had a share capital of SEK 18.4 M distributed among 45,927,449 shares, each share with a par value of SEK 0.40.

Reconciliation of number of shares	Number of shares issued	Issued share capital
Number of shares issued January 1, 2018*	45,927,449	18,370,978
Number of shares issued December 31, 2018**	45,927,449	18,370,978

* of which 2,010,473 shares are in own custody
** of which 1,060,473 shares are in own custody

P18. Loan

In December 2018 the five-year bond loan issued by the parent company in December 2013 matured. The company repurchased parts of the bond loan during the years 2016-2018 and the remaining part of the bond loan after repurchase was redeemed in an early redemption in early December 2018.

In May 2018, the parent company signed an agreement with a Swedish credit institution for financing of SEK 71 M. The loan runs on a contract period of 3 years without any amortisation required at fixed market interest rates where customary covenants exist. Tradedoubler AB's pledged assets consist of company mortgages of SEK 100 M and shares in subsidiary R-Advertising SAS. The carrying amount in R-Advertising SAS amounted to SEK 35.3 M in 2018. All covenants have been fulfilled on 31 December 2018 and are expected to be fulfilled in 2019. In addition, around the same time, the company entered into a loan agreement with its principal owner Reworld Media S.A of SEK 40 M on similar terms as the loan with the credit institution with the exception of covenants. Both agreements contain a clause that the loan fall due for payment upon change of ownership control.

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

P19. Other liabilities

SEK ´000	2018	2017
Current liabilities to publishers	86,108	69,422
Withholding tax and social security contributions	1,680	3,032
Other	8	-
Total	**87,796**	**72,453**

P20. Accrued expenses and deferred income

SEK ´000	2018	2017
Holiday pay	1,192	1,285
Other payroll expenses	326	392
Consulting costs	480	1,400
Audit costs	2,120	1,906
Closing of legal entities	327	339
Accrued interest	3,272	171
Other	3,994	4,470
Total	**11,711**	**9,963**

P21. Financial risks

FINANCIAL RISKS AND RISK MANAGEMENT

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

P22. Pledged assets and contingent liabilities

SEK ´000	2018	2017
Pledged assets		
Rental deposits	-	25
Company mortgage	100,000	-
Shares in R-Advertising	10,780	-
Total pledged assets	**110,780**	**25**
Contingent liabilities	**893**	**4,449**

Contingent liabilities consists of performance guarantees to subsidiaries.

P23. Transactions with related parties

Transactions with related parties are priced on commercial terms.

Transactions with related parties for Tradedoubler AB mainly consists of licensing fees corresponding to SEK 62 (56), invoiced by the parent company to subsidiaries and other revenue of SEK 7 M (11.5). The parent company's receivables from subsidiaries amounted to SEK 106 M (78). The parent company´s liabilities to subsidiaries amount to SEK 67 M (58). Receivables and liabilities from subsidiaries have been netted off in the balance sheet.

TRANSACTIONS WITH KEY PEOPLE IN EXECUTIVE POSITIONS

In May 2018, Tradedoubler AB entered into a loan agreement with Reworld Media S.A of SEK 40 M on market terms, where interest expense during 2018 amounted to SEK 3 M. No other transactions with key people in executive positions have taken place during the year except the ones specified in the notes to the Consolidated statements, Note C5 Remuneration to employees, group management and board of directors, Note C6 Share-based remuneration and Note C23 Transactions with related parties.

P24. Cash flow statement, supplementary information

CASH AND CASH EQUIVALENTS

SEK ´000	2018	2017
Cash and bank balances	12,559	34,381
Total according to the balance sheet	**12,559**	**34,381**
Total according to the cash flow statement	**12,559**	**34,381**

SEK ´000	2018	2017
Interest received	171	376
Interest paid	-12,077	-11,629

ADJUSTMENT FOR ITEMS NOT INCLUDED IN THE CASH FLOW

SEK ´000	2018	2017
Depreciation and amortisation	20,355	24,826
Other provisions	-609	1,090
Unrealised exchange rate differences	665	-431
Other	-17,529	-14,362
	2,882	**11,123**

P25. Shares and participation in other companies

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

SEK ´000	2018	2017
Opening balance 1 January 2018	11,128	11,128
Acquisitions during the year	-	-
Closing balance 31 December 2018	**11,128**	**11,128**

P26. Events after the balance sheet date

No significant events have occurred after the end of the balance sheet date.

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

The undersigned assure that the consolidated accounts and annual report have been prepared in accordance with international accounting standards, IFRS, as adopted by the EU, and pursuant to generally accepted accounting standards and provide a true and fair view of the group's and parent company's operations, financial position and results of operations and describe significant risks and uncertainties facing the group. The consolidated income statement and statement of financial position and the parent company's income statement and balance sheet are subject to approval by the annual general meeting to be held on 15 May 2019.

Stockholm, 12 April 2019

Pascal Chevalier
Chairman

Gautier Normand
Board member

Jérémy Parola
Board member

Erik Siekmann
Board member

Nils Carlsson
Board member

Matthias Stadelmeyer
President and CEO

Our Audit report was submitted on 12 April 2019
Ernst & Young AB

Erik Sandström
Authorised Public Accountant

Auditor´s report

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

Report on the annual accounts and consolidated accounts

OPINIONS

We have audited the annual accounts and consolidated accounts of Tradedoubler AB (publ) except for the corporate governance statement on pages 8-12 and the statutory sustainability report on page 7 for the year 2018. The annual accounts and consolidated accounts of the company are included on pages 1-44 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2018 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2018 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 8-12 and the statutory sustainability report on page 7. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

BASIS FOR OPINIONS

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

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

KEY AUDIT MATTERS

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

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

ACCOUNTING AND VALUATION OF CAPITALIZED DEVELOPMENT EXPENDITURE

Description

Capitalized development expenditure is recognized in the statement of financial position of the group and the parent company at December 31, 2018 to 43 MSEK. The company's accounting policies for development expenditure is described in note C1. Capitalized development expenditures are amortized over the estimated useful live in accordance with the amortization periods described in note C1. Note C2 describes that significant estimates and judgments are required by the company to assess the conditions for capitalization of development expenditures. Furthermore, the company needs to make assumptions about the useful life of capitalized development expenditures in order to determine the amortization period. The company continuously evaluates whether there are indications of impairment for capitalized development expenditures. As described in note C2, there has not been any cases of impairment triggers based in the group and the parent company during the year.

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

How our audit addressed this key audit matter

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

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

We have also reviewed the disclosures in the annual report.

VALUATION OF GOODWILL AND SHARES IN SUBSIDIARIES

Description

Goodwill is recorded in the consolidated statement of financial position as of 31 December 2018 to 292 MSEK. Shares in subsidiaries are recorded in the statement of financial position for the parent company as of December 31, 2018 to 175 MSEK. Goodwill in the group is defined as an asset with indefinite useful live for which no amortization is recorded. Shares in subsidiaries are recognized at cost less any impairment write-offs. The company's accounting principles for goodwill and shares in subsidiaries are described in note C1 and note P1.

The company performs an impairment test at least annually and when an indication of impairment is identified to make sure that the carrying value of goodwill does not exceed the recoverable amount. For shares in subsidiaries, such a test is performed when there are indications that the carrying value exceeds the recoverable value. The impairment test performed during the year for goodwill has also included the parent company's carrying value of shares in subsidiaries. Principles for the impairment test are described in note C1. Significant judgments and estimates of the valuation and other significant information about the performed impairment test are described in Note C2 and C13. The impairment test that the company performed during 2018 has not resulted in any impairment write-off.

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

How our audit addressed this key audit matter

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

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

We have also reviewed the disclosures in the annual report.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-3. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

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

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

AUDITOR'S RESPONSIBILITY

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

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

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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

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

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

Report on other legal and regulatory requirements

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Tradedoubler AB (publ) for the year 2018 and the proposed appropriations of the company's profit or loss.

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

BASIS FOR OPINIONS

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

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

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

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

AUDITOR'S RESPONSIBILITY

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

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

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

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

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

THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for that the corporate governance statement on pages 8-12 has been prepared in accordance with the Annual Accounts Act.

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

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

THE AUDITOR´S OPINION REGARDING THE STATUTORY SUSTAINABILITY REPORT

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

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

A statutory sustainability report has been prepared.

Ernst & Young AB, and Erik Sandström as auditor in charge, Box 7850, 103 99 Stockholm were appointed auditors of Tradedoubler AB (publ) by the general meeting of the shareholders on 3 May 2018 and has been the company's auditors since the financial year 2009.

Stockholm, 12 april 2019
Ernst & Young AB

Erik Sandström
AUTHORIZED PUBLIC ACCOUNTANT

Board of Directors

Pascal Chevalier

Member and Chairman of the Board of Directors since 2015.

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

Born: 1967

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

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

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

Shareholding: 0 shares.

Gautier Normand

Member of the Board of Directors since 2015.

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

Born: 1978

Education: Business school in Paris.

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

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

Shareholding: 0 shares.

Jérémy Parola

Member of the Board of Directors since 2016.

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

Born: 1987

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

Other assignments: Web marketing director at Reworld Media S.A.

Former assignments: Business Development Manager at La Tribune (financial Newspaper).

Shareholding: 0 shares.

Erik Siekmann

Member of the Board of Directors since 2016.

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

Born: 1971

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

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

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

Shareholding: 0 shares.

Nils Carlsson

Member of the Board of Directors since 2016.

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

Born: 1969

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

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

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

Shareholding: 0 shares.

Company Management

Matthias Stadelmeyer

Chief Executive Officer (CEO) since April 2014.

Born: 1976

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

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

Based: Munich.

Holdings: 100,000 shares.

Viktor Wågström

Chief Financial Officer (CFO) since October 2016.

Born: 1983

Education: Degree in Finance from Stockholm University.

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

Based: Stockholm.

Holdings: 20,000 shares.

François Pacot

Chief Technical Officer (CTO) since November 2017.

Born: 1985

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

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

Based: Aix-en-Provence, France.

Holdings: 0 shares.

Alternative Performance Measurements

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

Definitions

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

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

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

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

EBITDA-margin
EBITDA as a percentage of revenue.

Equity/assets ratio –
Shareholders' equity as a percentage of total assets.

Net margin
Profit after tax as a percentage of sales.

Operating margin
Operating profit as a percentage of revenue.

Percentage of risk-bearing capital
Total of shareholders' equity, minority interests, shareholder loans and deferred tax liabilities divided by total assets.

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

P/E ratio
Share price divided by revenue for the year per share.

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

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

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

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

Solidity
Total equity as a percentage of total assets.

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

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