

dnp denmark a/s

Skruegangen 2
2690 Karlslunde
Central Business Registration
No 12759444

Annual report 01.04.2019 - 31.03.2020

The Annual General Meeting adopted the annual report on 24.06.2020

Chairman of the General Meeting

Name: Niels Hermansen

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Entity details

Entity

dnp denmark a/s
Skruegangen 2
2690 Karlslunde

Central Business Registration No (CVR): 12759444

Registered in: Greve

Financial year: 01.04.2019 - 31.03.2020

Board of Directors

Mitsuru Tsuchiya
Niels Hermansen
Hajime Miyashita
Tomohiro Seyama
Bo Jesper Nielsen
Malene Sølvsten Millard

Executive Board

Hajime Miyashita, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 København S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of dnp denmark a/s for the financial year 01.04.2019 - 31.03.2020.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.03.2020 and of the results of its operations and cash flows for the financial year 01.04.2019 - 31.03.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Karlsunde, 24.06.2020

Executive Board

Hajime Miyashita
CEO

Board of Directors



Mitsuru Tsuchiya

Niels Hermansen

Hajime Miyashita

Tomohiro Seyama

Bo Jesper Nielsen

Malene Sølvsten Millard

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Karlsunde, 24.06.2020

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CEO

Board of Directors

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Niels Hermansen

Hajime Miyashita


Tomohiro Seyama

Bo Jesper Nielsen

Malene Sølvsten Millard

Independent auditor's report

To the shareholders of dnp denmark a/s

Opinion

We have audited the consolidated financial statements and the parent financial statements of dnp denmark a/s for the financial year 01.04.2019 - 31.03.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.03.2020, and of the results of their operations and the consolidated cash flows for the financial year 01.04.2019 - 31.03.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the consolidated financial statements and the parent financial statements

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

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements

Independent auditor's report

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 consolidated financial statements and these parent financial statements.

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

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

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

Independent auditor's report

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.


Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 24.06.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556



Jens Jørgensen Baes
State Authorised Public Accountant
Identification No (MNE) mne14956

Management commentary

	2019/20 DKK'000	2018/19 DKK'000	2017/18 DKK'000	2016/17 DKK'000	2015/16 DKK'000
Financial highlights					
Key figures					
Gross profit	17.024	24.216	33.993	50.878	54.952
Operating profit/loss	(19.603)	(5.577)	(2.725)	10.304	11.684
Net financials	(726)	(25)	169	(1.087)	(1.606)
Profit/loss for the year	(19.215)	(4.238)	(1.994)	7.299	7.671
Profit/loss excl minority interests	(19.215)	(4.238)	(1.994)	7.299	7.671
Total assets	298.095	273.147	283.174	295.903	295.376
Investments in property, plant and equipment	5.357	1.314	2.240	2.024	2.150
Equity	213.018	232.089	236.327	238.319	231.021
Equity excl minority interests	213.018	232.089	236.327	238.319	231.021

Ratios

Return on equity (%)	(8,6)	(1,8)	(0,8)	3,1	3,3
Equity ratio (%)	71,5	85,0	83,5	80,5	78,2

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Calculation formula reflects
Return on equity (%)	$\frac{\text{Profit/loss excl minority interests}}{\text{Average equity excl minority interests}} \times 100$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity excl minority interests}}{\text{Total assets}} \times 100$	The financial strength of the entity.

Management commentary

Primary activities

The Company's primary activities consist of production and sale of optical screens, display solutions and marketing and sale of components for the solar cell industry and other market segments. More than 99% of the Company's sales are exported.

Development in activities and finances

Performance for the year

Gross profit for the year amounts to DKK 17.0 million compared to DKK 24,2 million last year. Loss from ordinary activities after tax amounts to DKK 19,2 million compared to DKK 4,2 million last year.

The revenue realised is higher than last year. The increase in revenue is due to increase in sales of special foils to the solar industry with low margin whereas the revenue realised for the control room segment continues to decline more than expected. The declining trend in the control room segment is the result of increasing competition from other technologies and a slowdown in the number of projects and by end of the year the Covid-19 did also have an impact on the realized revenue.

As per 1. January 2020 dnp denmark as acquired 100% of VisioSign A/S including the subsidiary VisioSign Sverige AB. VisioSign A/S is specialized in providing screen-based solutions for modern digital buildings and has for the last 20 years been a frontrunner in digital screen-based solutions for internal communication, wayfinding, meeting rooms, digital receptions and visual digital solutions. VisioSign's and dnp denmark's product range is seen as complement to each other and as such will have a positive impact on both companies revenue.

Earnings are significantly lower than last year because of much lower sales to the control room segment and write-down of obsolete products.

Management considers the performance unsatisfactory.

New products

During the year, dnp denmark introduced new upgrades and line-extensions to the Supernova and Sessions product lines specially developed for the new short throw projectors. The new products are expected to strengthen the Company's market position further.

Investments

The Company invested in intangible assets during the financial year. Investments in property, plant and equipment mainly comprise current updating and replacement of buildings and production equipment.

Capital resources

dnp denmark as is well-consolidated. The equity ratio is 71,5% (2018/19: 85,0%), corresponding to equity at 31.03.2020 of DKK 213,0 million (2018/19: DKK 232,1 million).

At year-end, the Company's financial resources amount to DKK 193,8 million (2018/19: DKK 177,6 million), consisting solely of cash.

Management commentary

Outlook

The outlook for the coming year is very uncertain due to the Covid-19 pandemic. However, Management expects that total revenue will be slightly higher, and earnings will increase a little, but a loss is still expected in the coming year. The control room segment will stay stable, whereas increasing sales of the products to other segments and the positive effect of the acquisition of VisioSign is expected. Sales of special foils to the European solar industry with a relatively lower margin will continue in the coming year.

It is expected that the competition from new technologies will continue, thus maintaining a pressure on the contribution margin.

The enhanced focus on efficiency and internal processes will continue to keep costs down.

The increased focus on sales channels, including working with the right partners, will continue in the coming year and is expected to influence sales positively. In the coming year, the Company will focus on developing and expanding the Sessions and Supernova solutions, which will be further developed in the year ahead, just as new market segments will be explored.

A precondition is, however, that the US dollar exchange rate will not be subject to significant changes compared to the level of late March 2020.

Material assumptions and uncertainties

The annual report does not include material assumptions or uncertainties other than the branch usual. In the year of 2019/20 dnp denmark as acquired the Visiosign group which resulted in a goodwill which naturally has a degree of assumption.

Particular risks

The Company must be at the cutting edge of the technological development for optical screens.

Financial exposure

Due to the Company's solvency and capital resources, the Company is only exposed to changes in the level of interest rates to a very limited extent.

Currency risks

The Company is exposed to currency risks in respect of current operations. The Company invoices in EUR, JPY and USD, whereas parts of its purchases are invoiced in JPY and USD. Depending on Management's expectations for the movements in foreign exchange rates, forward exchange contracts are concluded to hedge expected net income/expenses.

Credit risks

The Company is not exposed to any significant risks relating to one single customer or partner, as the Company has credit insured its receivables considerably.

Environmental performance

The Company's production conditions are environmentally approved. This approval sets limits for the impact on the external environment, and the observance of the approval helps to ensure that production takes place

Management commentary

without significant pollution on the surroundings. In 2019/20, the Company complied with the terms of the environmental approval.

Research and development activities

In the financial year, expenses incurred for development activities in connection with the new Supernova screen models and the new Sessions product line, as well as the improvement of the existing models.

Events after the balance sheet date

No events have occurred after the balance sheet date which affect the annual report. However, the latest month's development in the spread of the coronavirus disease (COVID-19) and the lock down of large parts of society will affect the Company's results for 2020.

Due to the uncertainty about the length of the coronavirus crisis both nationally and internationally and the size of the government's aid packages, the financial impact cannot be determined at this point in time

Consolidated income statement for 2019/20

	<u>Notes</u>	<u>2019/20 DKK</u>	<u>2018/19 DKK'000</u>
Gross profit	1, 2	17.023.647	24.216
Distribution costs		(12.322.180)	(11.491)
Administrative expenses	1	(24.304.580)	(18.302)
Operating profit/loss		(19.603.113)	(5.577)
Other financial income		267.283	724
Other financial expenses		(993.021)	(749)
Profit/loss before tax		(20.328.851)	(5.602)
Tax on profit/loss for the year	3	1.113.805	1.364
Profit/loss for the year	4	(19.215.046)	(4.238)

Consolidated balance sheet at 31.03.2020

	<u>Notes</u>	<u>2019/20 DKK</u>	<u>2018/19 DKK'000</u>
Completed development projects		127.587	873
Acquired intangible assets		0	0
Acquired rights		836.009	1.918
Goodwill		13.264.476	0
Development projects in progress		1.935.635	0
Intangible assets	5	16.163.707	2.791
Land and buildings		21.835.263	23.501
Plant and machinery		1.271.084	1.958
Other fixtures and fittings, tools and equipment		3.551.838	1.861
Property, plant and equipment	6	26.658.185	27.320
Other receivables		344.663	2.802
Fixed asset investments	7	344.663	2.802
Fixed assets		43.166.555	32.913
Raw materials and consumables		28.341.454	40.660
Work in progress		376.334	703
Manufactured goods and goods for resale		5.711.237	5.479
Inventories		34.429.025	46.842
Trade receivables		22.074.890	10.773
Other receivables		1.929.320	1.617
Income tax receivable		1.413.000	1.906
Prepayments		1.311.326	1.501
Receivables		26.728.536	15.797
Cash		193.771.095	177.595
Current assets		254.928.656	240.234
Assets		298.095.211	273.147

Consolidated balance sheet at 31.03.2020

	<u>Notes</u>	<u>2019/20 DKK</u>	<u>2018/19 DKK'000</u>
Contributed capital		135.000.000	135.000
Other reserves		0	873
Retained earnings		78.017.712	96.216
Equity		213.017.712	232.089
Deferred tax		0	1.114
Other provisions	8	417.765	981
Provisions		417.765	2.095
Prepayments received from customers		35.820	0
Non-current liabilities other than provisions		35.820	0
Prepayments received from customers		7.257.946	3.527
Trade payables		11.850.228	2.225
Payables to group enterprises		51.435.788	28.210
Other payables	9	8.264.620	5.001
Deferred income	10	5.815.332	0
Current liabilities other than provisions		84.623.914	38.963
Liabilities other than provisions		84.659.734	38.963
Equity and liabilities		298.095.211	273.147
Unrecognised rental and lease commitments	12		
Transactions with related parties	13		
Group relations	14		
Subsidiaries	15		

Consolidated statement of changes in equity for 2019/20

	Contributed capital DKK	Other reserves DKK	Retained earnings DKK	Total DKK
Equity beginning of year	135.000.000	873.092	96.215.639	232.088.731
Exchange rate adjustments	0	0	(35.891)	(35.891)
Other entries on equity	0	0	179.918	179.918
Profit/loss for the year	0	(873.092)	(18.341.954)	(19.215.046)
Equity end of year	135.000.000	0	78.017.712	213.017.712

Consolidated cash flow statement for 2019/20

	<u>Notes</u>	<u>2019/20 DKK</u>	<u>2018/19 DKK'000</u>
Operating profit/loss		(19.603.116)	(5.578)
Amortisation, depreciation and impairment losses		6.154.733	5.290
Writedown of current assets		52.145	0
Other provisions		(562.895)	271
Working capital changes	11	42.787.032	11.863
Cash flow from ordinary operating activities		28.827.899	11.846
Financial income received		284.364	724
Financial expenses paid		(1.006.056)	(749)
Income taxes refunded/(paid)		493.000	3.248
Cash flows from operating activities		28.599.207	15.069
Acquisition etc of intangible assets		(586.220)	(379)
Acquisition etc of property, plant and equipment		(2.801.872)	(1.314)
Sale of property, plant and equipment		440.000	108
Acquisition of fixed asset investments		0	(1.809)
Acquisition of enterprises		(11.931.646)	0
Repayments received		2.456.921	0
Cash flows from investing activities		(12.422.817)	(3.394)
Increase/decrease in cash and cash equivalents		16.176.390	11.675
Cash and cash equivalents beginning of year		177.594.705	165.920
Cash and cash equivalents end of year		193.771.095	177.595

Notes to consolidated financial statements

	2019/20 DKK	2018/19 DKK'000
1. Staff costs		
Wages and salaries	24.827.063	23.036
Pension costs	2.203.010	2.177
Other social security costs	606.522	602
Other staff costs	1.380.594	1.091
	29.017.189	26.906
 Average number of employees	 50	 49

The Board of Directors did not receive any remuneration in the financial year.

Pursuant to section 98b(3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed in the financial statements.

	2019/20 DKK	2018/19 DKK'000
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	2.757.430	2.276
Depreciation on property, plant and equipment	3.578.458	2.872
Profit/loss from sale of intangible assets and property, plant and equipment	(181.154)	142
	6.154.734	5.290

	2019/20 DKK	2018/19 DKK'000
3. Tax on profit/loss for the year		
Current tax	(1.113.805)	0
Change in deferred tax	0	(1.199)
Adjustment concerning previous years	0	(165)
	(1.113.805)	(1.364)

	2019/20 DKK	2018/19 DKK'000
4. Proposed distribution of profit/loss		
Retained earnings	(19.215.046)	(4.238)
	(19.215.046)	(4.238)

Notes to consolidated financial statements

	Completed develop- ment projects DKK	Acquired intangible assets DKK	Acquired rights DKK	Goodwill DKK
5. Intangible assets				
Cost beginning of year	2.089.997	75.043	11.063.121	0
Addition through business combinations etc	7.440.458	0	1.900.000	13.264.476
Additions	0	0	0	0
Cost end of year	9.530.455	75.043	12.963.121	13.264.476
Amortisation and impairment losses beginning of year	(1.216.904)	(75.043)	(9.145.303)	0
Addition through business combinations etc	(7.270.343)	0	(1.140.000)	0
Amortisation for the year	(915.621)	0	(1.841.809)	0
Amortisation and impairment losses end of year	(9.402.868)	(75.043)	(12.127.112)	0
Carrying amount end of year	127.587	0	836.009	13.264.476

	Develop- ment projects in progress DKK
5. Intangible assets	
Cost beginning of year	0
Addition through business combinations etc	1.349.415
Additions	586.220
Cost end of year	1.935.635
Amortisation and impairment losses beginning of year	0
Addition through business combinations etc	0
Amortisation for the year	0
Amortisation and impairment losses end of year	0
Carrying amount end of year	1.935.635

Development projects

Developments projects comprise development of software and IT solutions.

Notes to consolidated financial statements

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK
6. Property, plant and equipment			
Cost beginning of year	86.604.424	58.940.065	8.646.890
Addition through business combinations etc	0	0	2.543.659
Additions	118.250	64.993	2.630.485
Disposals	0	(254.476)	(1.545.306)
Cost end of year	86.722.674	58.750.582	12.275.728
Depreciation and impairment losses beginning of year	(63.104.120)	(56.981.558)	(6.786.027)
Addition through business combinations etc	0	0	(2.181.571)
Depreciation for the year	(1.783.291)	(749.564)	(1.045.603)
Reversal regarding disposals	0	251.624	1.289.311
Depreciation and impairment losses end of year	(64.887.411)	(57.479.498)	(8.723.890)
Carrying amount end of year	21.835.263	1.271.084	3.551.838
			Other receivables DKK
7. Fixed asset investments			
Cost beginning of year			2.801.581
Cost end of year			2.801.581
Impairment losses for the year			(2.456.918)
Impairment losses end of year			(2.456.918)
Carrying amount end of year			344.663

8. Other provisions

Other provisions comprise provision for complaints.

Notes to consolidated financial statements

	2019/20 DKK	2018/19 DKK'000
9. Other short-term payables		
VAT and duties	342.757	0
Wages and salaries, personal income taxes, social security costs, etc payable	61.919	50
Holiday pay obligation	4.704.228	3.120
Other costs payable	3.155.716	1.831
	8.264.620	5.001

10. Short-term deferred income

Deferred income comprise deferred hosting income from annual contracts.

	2019/20 DKK	2018/19 DKK'000
11. Change in working capital		
Increase/decrease in inventories	13.396.995	6.404
Increase/decrease in receivables	(10.466.658)	10.689
Increase/decrease in trade payables etc	39.856.695	(5.230)
	42.787.032	11.863

12. Unrecognised rental and lease commitments

Liabilities under rental or lease agreements until maturity totals to 796,500 DKK as of 31.03.2020.

13. Transactions with related parties

Pursuant to section 98c(7) of the Danish Financial Statements Act, transactions with related parties have not been disclosed in the financial statements as they have been made on an arm's length basis.

14. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group: dnp denmark a/s is included in the consolidated financial statements of Dai Nippon Printing Co. Ltd., Tokyo.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: dnp denmark a/s, Skruegangen 2, 2690 Karlslunde

Notes to consolidated financial statements

	<u>Registered in</u>	<u>Equity inte- rest %</u>
15. Subsidiaries		
Visio Sign A/S	Birkerød	100,0
Calmviso ApS	Birkerød	100,0
Visiosign Digital Signage Limited	United Kingdom	100,0
Visiosign Sverige AB	Sweden	100,0

Parent income statement for 2019/20

	<u>Notes</u>	<u>2019/20 DKK</u>	<u>2018/19 DKK'000</u>
Gross profit	1, 2	19.467.974	24.215
Distribution costs		(12.322.182)	(11.490)
Administrative expenses	1	(25.052.480)	(18.305)
Operating profit/loss		(17.906.688)	(5.580)
Income from investments in group enterprises		(1.714.661)	0
Other financial income		243.239	725
Other financial expenses		(950.741)	(747)
Profit/loss before tax		(20.328.851)	(5.602)
Tax on profit/loss for the year	3	1.113.805	1.364
Profit/loss for the year	4	(19.215.046)	(4.238)

Parent balance sheet at 31.03.2020

	Notes	2019/20 DKK	2018/19 DKK'000
Completed development projects		0	873
Acquired intangible assets		0	0
Acquired rights		171.009	1.918
Intangible assets	5	171.009	2.791
Land and buildings		21.835.263	23.500
Plant and machinery		1.271.084	1.958
Other fixtures and fittings, tools and equipment		2.566.119	1.861
Property, plant and equipment	6	25.672.466	27.319
Investments in group enterprises		10.999.448	0
Other receivables		344.663	2.802
Fixed asset investments	7	11.344.111	2.802
Fixed assets		37.187.586	32.912
Raw materials and consumables		28.341.454	40.659
Work in progress		376.334	703
Manufactured goods and goods for resale		3.644.008	5.479
Inventories		32.361.796	46.841
Trade receivables		20.452.129	10.772
Receivables from group enterprises		2.081.368	0
Other receivables		1.545.045	1.617
Income tax receivable		1.413.000	1.906
Prepayments	8	946.564	1.502
Receivables		26.438.106	15.797
Cash		192.566.595	177.595
Current assets		251.366.497	240.233
Assets		288.554.083	273.145

Parent balance sheet at 31.03.2020

	Notes	2019/20 DKK	2018/19 DKK'000
Contributed capital		135.000.000	135.000
Other reserves		0	873
Retained earnings		77.837.793	96.216
Equity		212.837.793	232.089
Deferred tax		0	1.114
Other provisions	9	417.765	981
Provisions		417.765	2.095
Prepayments received from customers		7.257.946	3.527
Trade payables		10.816.354	2.225
Payables to group enterprises		51.435.788	28.210
Other payables	10	5.788.437	4.999
Current liabilities other than provisions		75.298.525	38.961
Liabilities other than provisions		75.298.525	38.961
Equity and liabilities		288.554.083	273.145
Contingent liabilities	11		
Related parties with controlling interest	12		
Transactions with related parties	13		

Parent statement of changes in equity for 2019/20

	Contributed capital DKK	Other reserves DKK	Retained earnings DKK	Total DKK
Equity beginning of year	135.000.000	873.092	96.215.638	232.088.730
Exchange rate adjustments	0	0	(35.891)	(35.891)
Profit/loss for the year	0	(873.092)	(18.341.954)	(19.215.046)
Equity end of year	135.000.000	0	77.837.793	212.837.793

Notes to parent financial statements

	2019/20 DKK	2018/19 DKK'000
1. Staff costs		
Wages and salaries	22.277.375	23.036
Pension costs	2.063.847	2.177
Other social security costs	570.081	602
Other staff costs	828.155	1.090
	25.739.458	26.905
 Average number of employees	 44	 49
	2019/20 DKK	2018/19 DKK'000
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	2.619.902	2.276
Depreciation on property, plant and equipment	3.511.578	2.871
Profit/loss from sale of intangible assets and property, plant and equipment	(181.154)	142
	5.950.326	5.289
	2019/20 DKK	2018/19 DKK'000
3. Tax on profit/loss for the year		
Change in deferred tax	(1.113.805)	(1.199)
Adjustment concerning previous years	0	(165)
	(1.113.805)	(1.364)
	2019/20 DKK	2018/19 DKK'000
4. Proposed distribution of profit/loss		
Retained earnings	(19.215.046)	(4.238)
	(19.215.046)	(4.238)

Notes to parent financial statements

	Completed develop- ment projects DKK	Acquired intangible assets DKK	Acquired rights DKK
5. Intangible assets			
Cost beginning of year	2.089.997	75.043	11.063.121
Cost end of year	2.089.997	75.043	11.063.121
Amortisation and impairment losses beginning of year	(1.216.904)	(75.043)	(9.145.303)
Amortisation for the year	(873.093)	0	(1.746.809)
Amortisation and impairment losses end of year	(2.089.997)	(75.043)	(10.892.112)
Carrying amount end of year	0	0	171.009
			Other fixtures and fittings, tools and equipment DKK
	Land and buildings DKK	Plant and machinery DKK	
6. Property, plant and equipment			
Cost beginning of year	86.604.424	58.940.065	8.646.889
Additions	118.250	64.993	1.939.975
Disposals	0	(254.476)	(1.545.306)
Cost end of year	86.722.674	58.750.582	9.041.558
Depreciation and impairment losses beginning of year	(63.104.120)	(56.981.558)	(6.786.027)
Depreciation for the year	(1.783.291)	(749.564)	(978.723)
Reversal regarding disposals	0	251.624	1.289.311
Depreciation and impairment losses end of year	(64.887.411)	(57.479.498)	(6.475.439)
Carrying amount end of year	21.835.263	1.271.084	2.566.119

Notes to parent financial statements

	Invest- ments in group enterprises DKK	Other receivables DKK
7. Fixed asset investments		
Cost beginning of year	0	2.801.581
Addition through business combinations etc	12.750.000	0
Cost end of year	12.750.000	2.801.581
Exchange rate adjustments	(35.891)	0
Share of profit/loss for the year	(1.714.661)	0
Impairment losses for the year	0	(2.456.918)
Impairment losses end of year	(1.750.552)	(2.456.918)
Carrying amount end of year	10.999.448	344.663

Investments in group enterprises comprise goodwill of DKK 12.752 thousand.

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

8. Prepayments

Prepayments consist of prepaid expenses.

9. Other provisions

Other provisions comprise provision for complaints.

	2019/20 DKK	2018/19 DKK'000
10. Other payables		
Wages and salaries, personal income taxes, social security costs, etc payable	42.270	50
Holiday pay obligation	3.078.031	3.121
Other costs payable	2.668.136	1.828
	5.788.437	4.999

11. Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

Notes to parent financial statements

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12. Related parties with controlling interest

Dai Nippon Printing Co. Ltd., Tokyo

13. Transactions with related parties

Pursuant to section 98c(7) of the Danish Financial Statements Act, transactions with related parties have not been disclosed in the financial statements as they have been made on an arm's length basis.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Pursuant to section 32 of the Danish Financial Statements Act, Management has decided not to disclose the Company's revenue and cost of goods sold.

The Company has made reclassifications to the comparative figures in the balance sheet. These reclassifications have not caused any changes in results or equity.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Accounting policies

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries which are considered part of the total investment in the subsidiary in question are classified directly as equity.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and production costs.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary writedown of inventories.

Also, provisions for loss on contract work in progress are recognised under production costs.

Distribution costs

Distribution costs comprise costs incurred for distribution of goods sold and also for sales campaigns, including costs for sales and distribution staff, advertising costs as well as depreciation and amortisation.

Accounting policies

Administrative expenses

Administrative costs comprise expenses incurred for the Entity's administrative functions, including expenses for the administrative staff and Management, stationery and office supplies as well as depreciation and amortisation.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in

Accounting policies

question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using the estimated useful lives of the assets. The amortisation period is usually three to five years, but may in some cases be up to 20 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-manufactured assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	10-50 years
Plant and machinery	3-5 years
Other fixtures and fittings, tools and equipment	3-5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

In the parent financial statements, investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits and losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises

Accounting policies

are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost of goods for resale, raw materials and consumables consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Accounting policies

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments and returns.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

If goods are sold on approval, a provision is made for the mark-up on the goods estimated to be returned as well as any expenses related to the returns.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Accounting policies

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.