B1925 ApS

Troensevej 29
5700 Svendborg
Denmark

CVR-nr. 15 50 20 02

Annual Report 2019

Årsrapporten er fremlagt og godkendt på selskabets ordinære generalforsamling den 14 / 9 2020

Dirigent: ____________________

Content

Statements

Statements

Statement by the Executive and Supervisory Board

The Executive Board have today discussed and approved the annual report of B1925 ApS for the financial year 1 January – 31 December 2019.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In my opinion, the consolidated financial statements and parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2019 and of the results of their operations and consolidated cash flows for the financial year 1 January – 31 December 2019.

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

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

Svendborg, 14 September 2020

Executive Board:

Jette Clausen
Director

Independent auditors' report

To the shareholders of B1925 ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of B1925 ApS for the financial year 1 January – 31 December 2019, which comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2019 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Independence

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

Material uncertainty related to going concern

We draw attention to note 1 to the financial statements, which shows that, due to the Group's current capital resources, support from the Company's ultimate owner is required. We have not modified our conclusion in respect of this matter.

Emphasis of matter in the financial statements

We draw attention to note 2 to the financial statements, which describes the assumptions and uncertainty related to the measurement of the investment properties. We have not modified our conclusion in respect of this matter.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.
Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Odense, 14 September 2020
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Smedegaard Hvid
State Authorised
Public Accountant
mne31450

Management's Review

Company Presentation

B1925 ApS
Troensevej 29
5700 Svendborg
Denmark

Phone:	63212121
CVR-nr.:	15502002
Established:	1. september 1991
Domicile:	Svendborg

Executive Board

Jette Clausen, Director

Auditor

EY Godkendt Revisionspartnerselskab
Englandsgade 25
5000 Odense C
Søren Smedegaard Hvid

Management's Review

Main and Key Figures

Amounts in t.Dkk	2019	2018	2017	2016	2015
Selected financial data					
Gross profit	16,888	12,343	86,417	84,072	59,110
Result of primary operations	-4,245	-11,651	39,949	44,032	18,581
Result of financial items	-1.452	260	624	-72	-1,559
Ordinary result before tax	-8,947	-11,391	40,573	43,960	17,022
The B1925 group´s share of the result for the financial year	**-7,993**	**-12,003**	**22,851**	**32,758**	**12,684**
Fixed assets	36,808	5,524	4,415	15,939	24,921
Current assets	15,985	82,557	82,527	218,785	88,726
Assets	**52,793**	**88,081**	**86,941**	**234,724**	**113,648**
Share capital	500	27,600	27,600	27,600	27,600
Shareholders` equity	**2,899**	**26,617**	**65,903**	**77,854**	**55,458**
Long-term debt	26,482	15	23	0	637
Short-term debt	23,412	61,450	22,257	157,826	59,588
Cash flow from operations	-3,314	6,927	-35,220	101,938	25,374
Net cash flow for investments	3,604	1,174	-41	6,580	2,186
Cash flow from financing	7,421	-29,008	-29,977	-6,637	7,670
Total cash flow	**7,710**	**-20,907**	**-65,239**	**101,881**	**35,230**
Key figures					
Contribution Margin	10.2%	16.4%	17.5%	17.3%	17.7%
Net profit ratio	-25.1%	-15.5%	8.1%	9.1%	5.6%
Return on assets	-6.0%	-13.3%	24.8%	25.3%	14.9%
Return on equity	-54.2%	-25.9%	31.8%	49.1%	28.8%
Equity ratio based on average liabilities	4.1%	30.4%	41.0%	44.7%	44.6%
Average number of employees	**13**	**13**	**21**	**22**	**42**

The key figures are calculated as per the definitions and concepts mentioned in applied accounting principles.

Management's Review

Review

Main activity

The business foundation for B1925 ApS is to hold shares and manage ownership in other enterprises and related activities.

Development in activities and financial matters

Result of the year

The result for the year amounts to DKK -8.0 million vs. DKK -12.0 million in 2018.

The result is affected by disposal of the subsidiaries Bukkehave Inc. and The Olive Lab Inc., thereby realizing a loss of DKK 3.3 million.

Management does not find the result acceptable.

In 2019 there has been a planned merger with the parent company and in this connection the company has changed its name from Bukkehave Corporation ApS to B1925 ApS.

Before the implementation of the merger, a capital reduction was made from DKK 27.6 million to DKK 0.5 million.

Investments

There have been no investments in tangible fixed assets in 2019 except for approaches related to the merger, with the main approach being investment properties totaling DKK 44.9 million.

Cash resources and capital position

The balance sheets total decreased from DKK 88.1 million in 2018 to DKK 52.8 million in 2019. This is explained by disposals of subsidiaries during 2019.

As of 31 December 2019, the company has shareholder's equity of DKK 2.9 million and equity represents 4.1% of the balance sheet total. The equity ratio is affected by receivables and debts from the sale of subsidiaries.

The cashflow from operating activities was DKK -3.3 million. The change in net cash fund was DKK 7.7 million.

For additional comments regarding cash resources and capital position, please refer to Note 1.

Events after the termination of the financial year

No events have occurred, which in our opinion will change the evaluation of the Annual Report and the company's financial position.

Management's Review

Expectations to the future

The group is only slightly effected by COVID-19 and is expecting a much improved result for 2020.

The balance sheet is expected to decrease with approximately DKK 10 million, when a planned merger of two companies in the USA has taken place.

Special risks

General risks

Until the end of 2019 the group has been subject to the political risks that are involved when operating in parts of the world, which are prone to unrest.

Financial statements 1 January – 31 December

Accounting practices applied

The annual report of B1925 ApS for 2019 has been prepared in accordance with the provisions applying to a class C enterprise (medium) under the Danish Financial Statements Act.

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

Recognition and measurement

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the Group and the value of the asset can be reliably measured.

Liabilities are recognized in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

In recognizing and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognized in the income statement as earned. Equally, costs incurred to generate the year's earnings are recognized, including depreciation, amortization, impairment and provisions, as well as reversals as a result of changes in accounting estimates previously recognized in the income statement.

Consolidated financial statements

The consolidated financial statements comprise the parent company B1925 ApS and subsidiaries in which B1925 ApS directly or indirectly holds more than 50% of the voting rights or which it, in some other way, controls.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Business combinations

Enterprises acquired or formed during the year are recognized in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognized in the consolidated income statement until the date of disposal. The comparative figures are not adjusted for acquisitions or disposals.

Financial statements 1 January – 31 December

Accounting practices applied

Acquisitions of enterprises are accounted for using the acquisition method, according to which the identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted and announced plans to restructure the acquired enterprise in connection with the acquisition. The tax effect of the restatement of assets and liabilities is taken into account.

In connection with successive investments in companies assets and liabilities are measured at fair value at the time of the latest investment. Any excess value related to earlier investments is booked directly in equity.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, is recognized as intangible assets and amortized on a systematic basis in the income statement based on an individual assessment of the useful life of the asset, not exceeding 20 years. The useful life is longest for strategic acquisitions with a strong market position and long-term earnings profile, which has been the case with company acquisitions.

Gains or losses on disposal of enterprises are stated as the difference between the sales amount and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated disposal costs.

Minority interests

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

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of equity investments, mergers, demergers, additions of assets and share conversions, etc., in which entities controlled by the Parent Company are involved, provided that the combination is considered completed at the acquisition date without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired entity are recognised directly in equity.

Financial statements 1 January – 31 December

Accounting practices applied

Income Statement

Turnover

Net turnover from the sale and financial lease of products and services is recognized in the income statement provided that delivery and transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and expected to be received. Net turnover is measured ex VAT, taxes and discounts in relation to the sale.

Gross profit

The items revenue, direct costs and other income have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Direct costs

Direct costs comprise the costs related to the turnover, e.g. depreciations, fees and regulations of the exchange rate.

Sales and distribution costs

Sales and distribution costs comprise the costs incurred in distributing goods sold during the year, including expenses for the sales and logistic staff, advertising and marketing expenses, etc. as well as depreciations.

Administration costs

Administration costs comprise the costs incurred during the year for management and administration, including expenses for the administrative staff, office equipment, rent of buildings etc. as well as depreciations.

Other operating income and costs

Other operating incomes and costs comprise items secondary to the principal activities of the enterprises, including gains and losses on disposal and replacement of fixed assets and management fees.

Profit/Losses from Investments in Subsidiaries

The proportionate share of the results after tax of the individual subsidiaries is recognized in the income statement of the parent company after full elimination of intra-group profit/losses.

Financial statements 1 January – 31 December

Accounting practices applied

Depreciation/Amortization

Goodwill is amortized on a straight-line basis over the amortization period, which is 20 years.

Depreciations on tangible fixed assets and other intangible assets with a limited period of usage are provided on a straight-line basis over the expected economic and technical useful lives of the assets.

For tangible fixed assets, the expected useful lives and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

The expected useful lives are as follows:

Other intangible assets	5 years
Leasehold improvements	5 - 10 years
Company cars	4 - 7 years
Technical equipment and fixtures	2 - 5 years
Rental vehicles	1 - 3 years

Depreciations/Amortizations are recognized in the income statement as direct cost, sales and distribution costs and administration costs.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortization of financial assets and liabilities as well as surcharges and refunds under the account tax scheme etc.

Corporation Taxes

The annual tax, which comprises the current tax and deferred tax noncurrent, is included in the profit and loss statement with the part that can be attributed to the annual result, and directly in the shareholder's equity with the part, that can be attributed to movements direct in the shareholder's equity. The part of the tax included in the profit and loss statement, that relates to the annual, extraordinary result, is attributed to it accordingly, whereas the remaining part is attributed to the annual result from ordinary operation.

Financial statements 1 January – 31 December

Accounting practices applied

Balance sheet

Tangible Fixed Assets

Investment properties and land are measured at market value. Changes in market value are recognized in the income statement.

Investment properties that are rented out, are generally measured based on the below model:

Yearly rental income
+/- any adjustment of existing rent to assessed market rent
- operating costs (taxes and duties, insurance, maintenance and repairs, etc.)
- exterior maintenance and repairs
- administrative expenses
Net profit

Market value = net profit/loss / (yield requirement)

The yield requirement is computed based on current market conditions.

The market value of properties put up for sale is estimated based on expected sales price, including opportunities in connection with project development, etc.

As valuation is made at market value, investment properties are not depreciated.

Acquisition costs and costs of restructuring of mortgages are expensed when incurred, and therefore, they are not included in the market value.

All other intangible and tangible fixed assets are measured at cost less accumulated depreciations and amortizations. The basis of depreciation is cost price less a possible residual value at the end of useful life.

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

Depreciations/amortizations are provided on a straight-line basis over the expected economic and technical useful lives of the assets. Please refer to above section for accounting practices for depreciations/amortizations.

The carrying value of intangible as well as tangible fixed assets is evaluated annually for indications of impairment loss aside from what is expressed through the depreciation/amortization. When there are indications that assets may be impaired, impairment test of each asset or groups of assets is carried out. Impairment loss to the recoverable amount is made, if this is lower than the carrying value. The recoverable amount is the higher value of net selling price and value in use. Value in use is calculated as the fair value of the expected net income from the use of the asset or the asset group.

Financial statements 1 January – 31 December

Accounting practices applied

Investments in Subsidiaries

Investments in subsidiaries are measured under the equity method.

Investments in subsidiaries are measured at the proportionate share of the companies' net asset value, calculated in agreement with the consolidated accounting principles with deduction or addition of unrealized group internal revenues and losses with deduction or addition of remaining value of positive or negative goodwill calculated in agreement with the method of acquisition.

Investments in subsidiaries with negative net asset value are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrevocable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognized under provisions.

Net revaluation of investments in subsidiaries is recognized in the reserve for net revaluation in equity under the equity method to the extent that the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be adopted before the approval of the annual report of B1925 ApS are not recognised in the reserve for net revaluation.

On acquisition of subsidiaries, the acquisition method is applied; see Consolidated financial statements above.

Other investments

Other investments comprise unlisted shares which Management considers a long-term investment. Unlisted shares are measured at cost.

Inventories

Inventories contains goods for resale. Inventories are measured at average cost, which include the basic purchase price of the goods with the addition of cost directly connected with the purchase. Where the net realization value is lower than average cost price it is written down to this lower value.

Receivables from affiliated companies

Receivables from affiliated companies are measured after an individual assessment of the values at which they are expected to be debited.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Financial statements 1 January – 31 December

Accounting practices applied

Receivables

Receivables are measured at amortised cost.

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

Equity

Reserve for net revaluation according to the equity method

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

The reserve may be eliminated in case of losses, realization of investments or a change in accounting estimates.

Dividends

Proposed dividends are recognized as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable are recognized in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

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

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

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to realize as current tax. The change in deferred tax as a result of changes in tax rates is recognized in the income statement.

Financial statements 1 January – 31 December

Accounting practices applied

Debts

Financial liabilities comprising amounts owed to financial institutions, debt to suppliers and payables to affiliated companies are recognized at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Cash flow statement

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

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

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group´s share of profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flow from investing activities

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

Cash flows from financing activities

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

Net Cash funds

Net cash funds comprise cash and short term debt to financial institutions.

Foreign Currency Translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognized in the income statement as direct cost.

Financial statements 1 January – 31 December

Accounting practices applied

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

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

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

On recognition of foreign subsidiaries which are integral entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are translated at the historical exchange rates applying to the non-monetary items.

Derivative Financial Instruments

Derivative financial instruments are initially recognized in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognized asset or liability are recognized in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognized in other receivables or other payables and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognized in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects profit or loss.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement on a regular basis.

Changes in the fair value of derivative financial instruments used to hedge net investments in independent foreign subsidiaries or associates are recognized directly in equity.

Financial statements 1 January – 31 December

Accounting practices applied

Key figures

The ratios stated in the financial highlights have been calculated as follows:

Contribution Ratio	$\frac{\text{Gross profit x 100}}{\text{Net turnover}}$
Net Profit ratio	$\frac{\text{Result of primary operations x 100}}{\text{Net turnover}}$
Return on assets	$\frac{\text{Result of primary operations}}{\text{Average assets}}$
Return on equity	$\frac{\text{The Bukkehave group´s share of result for the year x 100}}{\text{Average equity}}$
Equity ratio	$\frac{\text{Equity at year end x 100}}{\text{Average liabilities year-end}}$

Income statement

For the period January 1st. - December 31st.

Notes		Group 2019	Group 2018	Parent Company 2019	Parent Company 2018
	Gross profit	**16.887.565**	**12.342.760**	**2.040.076**	**1.778.755**
	Sales- and distribution costs	8.809.548	9.958.264	0	739.833
	Administration costs	12.322.569	14.035.474	4.846.189	4.036.369
	Result of primary operations	**-4.244.553**	**-11.650.978**	**-2.806.113**	**-2.997.447**
3	Income from subsidairies	-3.319.719	0	-5.491.843	-6.381.346
	Incom from other investments	69.000	0	69.000	0
6	Financial income	1.266.550	2.203.608	1.509.394	2.148.329
6	Financial costs	2.718.708	1.943.812	1.273.504	1.972.109
	Result before tax	**-8.947.429**	**-11.391.182**	**-7.993.065**	**-9.202.573**
7	Tax on the result of the year	954.364	-611.391	0	-2.800.000
	Result for the financial year	**-7.993.065**	**-12.002.573**	**-7.993.065**	**-12.002.573**

Balance sheet

as per December 31st.

Notes	ASSETS	Group 2019	Group 2018	Parent Company 2019	Parent Company 2018
	Fixed assets				
4	**Intangible fixed assets:**				
	Goodwill	0	2.362.686	0	0
5	**Tangible fixed assets:**				
	Investment properties	36.745.000	0	0	0
	Leasehold improvements	0	9.063	0	9.063
	Technical equipment and fixtures	20.899	628.476	20.899	47.356
	Company cars	0	160.169	0	0
		36.765.899	797.708	20.899	56.420
	Financial fixed assets				
3	Investments in subsidiaries	0	0	7.412.850	17.435.764
	Other investments	41.842	0	41.842	0
7	Deferred tax asset	0	2.363.667	0	0
		41.842	2.363.667	7.454.692	17.435.764
	Total fixed assets	**36.807.741**	**5.524.061**	**7.475.591**	**17.492.184**
	Current assets				
	Inventory	0	2.354.009	0	370.892
	Receivables:				
	Prepayments to suppliers	255.253	16.043.657	255.253	0
	Receivables from affiliated companies	0	20.681.509	0	20.681.509
	Trade accounts receivable	0	16.170.994	0	0
8	Other receivables	15.687.368	1.140.099	15.657.261	344.106
7	Deferred tax asset	0	0	0	0
	Accruals	13.684	432.438	6.684	93.403
		15.956.305	54.468.695	15.919.198	21.119.018
	Cash funds	28.941	25.734.418	28.940	124.284
	Total current assets	**15.985.246**	**82.557.122**	**15.948.138**	**21.614.194**
	TOTAL ASSETS	**52.792.987**	**88.081.183**	**23.423.729**	**39.106.378**

Balance sheet

as per December 31st.

Notes	LIABILITIES	Group 2019	Group 2018	Parent Company 2019	Parent Company 2018
	Shareholder's equity				
	Share capital	500.000	27.600.000	500.000	27.600.000
	Reserve for net revaluation under the equity method	0	0	0	0
	Retained earnings	2.398.830	-983.015	2.398.830	-983.015
	Proposed dividend	0	0	0	0
	Total equity	**2.898.830**	**26.616.985**	**2.898.830**	**26.616.985**
	Debt				
	Long-term debt:				
	Debt to financial institutions	24.834.077	0	0	0
	Other debt	1.641.411	0	0	0
	Leasing commitment	6.347	14.639	6.347	14.639
12	Total Long-term debt	26.481.835	14.639	6.347	14.639
	Short-term debt:				
	Prepayments from customers	175.362	11.349.855	175.362	175.362
	Debt to financial institutions	2.191.793	35.607.483	146.617	0
	Debt to suppliers	318.068	12.265.811	318.068	121.290
	Debt to affiliated companies	0	0	0	11.324.613
7	Corporation tax payable	0	0	0	0
	Leasing commitment	8.292	8.088	8.292	8.088
13	Other debt	20.718.808	2.218.323	19.870.214	845.401
	Total short-term debt	23.412.322	61.449.559	20.518.552	12.474.754
	Total debt	**49.894.157**	**61.464.198**	**20.524.899**	**12.489.392**
	TOTAL LIABILITIES	**52.792.987**	**88.081.183**	**23.423.729**	**39.106.378**

9 Pledges, securities and contingent liabilities
10 Employees
11 Related party disclosures

Cash flow statement

For the period January 1st. - December 31st.

		Group	
		2019	**2018**
	Cash flows from operating activities		
	Result before tax	-8.947.429	-11.391.182
	Depreciations for the year	239.269	1.147.354
	Impairment losses for the year	0	385.337
	Loss due to sale of fixed assets, net	3.250.719	0
	Corporation tax paid a.o.	-33.380	1.741.575
	Cash generated from operations before changes in working capital	**-5.490.820**	**-8.116.916**
	Change in inventory	-7.556.091	7.629.282
	Change in prepayments to suppliers	13.560.189	-15.313.402
	Change in receivables, accruals	-29.129.814	11.253.563
	Change in received prepayments from customers	8.363.773	9.577.497
	Change in debt to suppliers	7.586.300	10.397.351
	Change in other debt, accruals a.o.	9.070.905	-10.138.735
	Currency translation adjustments of investments in subsidiaries etc.	281.181	1.638.575
	Cash flows from operating activities	**-3.314.377**	**6.927.215**
	Investing activities		
	Net value of purchase and sale of tangible fixed assets	-17.791	-66.895
	Disposal of other investments	850.000	0
16	Disposal of subsidaries	15.000.001	0
	Aquisition of minority interest	0	1.241.229
15	Aquisition from merger	-12.228.629	0
	Cash flows from investing activities	**3.603.581**	**1.174.334**
	Financing activity		
	Paid dividend	0	-29.000.000
	Long-term debt	7.421.010	-8.088
	Cash flows from Financing activities	**7.421.010**	**-29.008.088**
	Change in net cash funds for the year	**7.710.214**	**-20.906.540**
	Net cash funds, opening	-9.873.066	11.033.474
	Change in net cash funds during the year	7.710.214	-20.906.540
	Net cash funds year end	**-2.162.852**	**-9.873.066**

The item "net cash funds" represents cash funds plus short-term debt to financial institutions.

The cash flow statement cannot be directly inferred from other components to the Group accounts.

Statement of shareholder´s equity

pr. 31. december/as per December 31st.

	Group				
	Share capital	Proposed dividend	Retained earnings	Minority-interest	Total
Equity as per 31.12.2017	27.600.000	29.000.000	9.303.268	-1.241.229	64.662.038
Aquisition of minority interest	0	0	0	1.241.229	1.241.229
Paid dividend	0	-29.000.000	0	0	-29.000.000
Currency translation adjustments	0	0	1.780.466	0	1.780.466
Revaluation of hedging instruments, net	0	0	-64.176	0	-64.176
Profit distribution on Result of the financial year	0	0	-12.002.573	0	-12.002.573
Equity as per 31.12.2018	**27.600.000**	**0**	**-983.015**	**0**	**26.616.985**
Capital reduction	-27.100.000	0	27.100.000		0
Additions from merger, January 1	0	0	-16.069.403	0	-16.069.403
Currency translation adjustments	0	0	344.313	0	344.313
Profit distribution on Result of the financial year	0	0	-7.993.065	0	-7.993.065
Equity as per 31.12.2019	**500.000**	**0**	**2.398.830**	**0**	**2.898.830**

In 2019, a capital reduction was made to cover deficits. After the capital reduction, the share capital amounts to DKK 500,000.

Statement of shareholder´s equity

as per December 31st.

	Parent company				
	Share capital	Reserve for net revaluation under the equity method	Proposed dividend	Retained earnings	Total
Equity as per 31.12.2017	27.600.000	8.988.180	29.000.000	315.088	65.903.268
Currency translation adjustments	0	0	0	1.780.466	1.780.466
Paid dividend	0	0	-29.000.000	0	-29.000.000
Revaluation of hedging instruments, net	0	0	0	-64.176	-64.176
Profit distribution on Result of the financial year	0	-8.988.180	0	-3.014.393	-12.002.573
Equity as per 31.12.2018	**27.600.000**	**0**	**0**	**-983.015**	**26.616.985**
Capital reduction	-27.100.000	0	0	27.100.000	0
Additions from merger, January 1	0	0	0	-16.069.403	-16.069.403
Currency translation adjustments	0	0	0	344.313	344.313
Profit distribution on Result of the financial year	0	0	0	-7.993.065	-7.993.065
Equity as per 31.12.2019	**500.000**	**0**	**0**	**2.398.830**	**2.898.830**
Sharecapital - 2018-2014	2019	2018	2017	2016	2015
Balance 01 January	27.600.000	27.600.000	27.600.000	27.600.000	22.600.000
Capital reduction / capital increase	-27.100.000	0	0		5.000.000
Balance 31 December	**500.000**	**27.600.000**	**27.600.000**	**27.600.000**	**27.600.000**
500.000 shares of DKK 1 each	**500.000**				

In 2019, a capital reduction was made to cover deficits. After the capital reduction, the share capital amounts to DKK 500,000.

Notes to the accounts of 2019

Notes

1 Material uncertainty related to going concern

Considering the Group's current capital resources, support from the Parent Company's ultimate owner is necessary.
The ultimate owner has issued letters of support to the Parent Company and the subsidiary applicable until 31 May 2021.
In these letters of support, the ultimate owner commits to support the Company financially, providing the liquidity necessary to enable the companies to continue as going concerns.

2 Material uncertainty related to recognition and measurement

The measurement of the Group's investment properties is based on estimated expectations of market values. Measurement of investment properties rented out is based on a return-based valuation model based on expected rental income, expected operating expenses and a weighted average return of 7.5%. If the required rate of return increases by 1%, the value of the investment properties will decrease by approx. DKK 0.2 million, and if the required rate of return decreases by 1%, the value of the investment properties will increase by approx. DKK 1.6 million.

The Group has two investment properties, which are luxury homes and put up for sale. The market value of these is estimated based on expected sales prices, including opportunities in connection with project development, etc.

Investment properties are included in the Group's assets at a value of DKK 36.7 million at 31 December 2019, and based on the above-mentioned facts, the measurement is subject to material uncertainty.

Notes to the accounts of 2019

Notes

3 Investment in Subsidiaries

as per December 31st.

	Parent company 2019	Parent company 2018
Cost price as per January 1	51.055.055	51.055.055
Additions from merger, January 1	5.293.815	0
Additions during the year	7.452.607	0
Disposals during the year	-51.055.055	0
Cost price as per December 31	**12.746.422**	**51.055.055**
Revaluations as per January 1	-38.552.903	8.988.180
Additions from merger, January 1	-14.832.901	0
Paid dividend	0	-26.340.200
Currency translation adjustments	344.313	1.780.463
Annual result after tax	-3.390.125	-6.974.571
Elimination of intra-group gains	1.218.001	-15.534.237
Disposals	49.880.043	0
Amortization of goodwill	0	-472.538
Revaluations as per December 31	**-5.333.572**	**-38.552.903**
Book value as per December 31	7.412.850	12.502.152
Receivables from subsidiaries to be set-off	0	4.933.612
Investments in subsidaries as per December 31	**7.412.850**	**17.435.764**

Investments in subsidiaries are specified as follows:

	Domicile	Share of ownership	Share capital	Share of Equity capital December 31	Share of Annual result
Bukkehave Inc. Disposed at the end of 2019	Ft. Lauderdale USA		USD	0	-3.082.391
Pippo Ejendomme ApS	Svendborg Denmark	100,0%	5.150.000 DKK	7.412.850	-307.734
Elimination of amortization of intra-group gains					1.218.001
Accounting value as per December 31, 2019				7.412.850	-2.172.124
Loss from disposals					-3.319.719
Book value as per December 31				**7.412.850**	**-5.491.843**

Notes to the accounts of 2019

Notes

4 INTANGIBLE FIXED ASSETS

	Group
	Goodwill
Cost price as per 01.01.19	9.450.752
Disposal, cost price	-9.450.752
Increase	0
Cost price as per 31.12.19	**0**
Amortization as per 01.01.19	7.088.066
Amortization on the year´s disposals	-7.088.066
Amortization for the year	0
Amortization as per 31.12.19	**0**
Book value as per 31.12.19	**0**

5 TANGIBLE FIXED ASSETS

	Group
	Investment properties
Cost price as per 01.01.2019	0
Additions from merger, January 1	44.916.605
Disposal, cost price	0
Cost price as per 31.12.2019	**44.916.605**
Revaluations as per 01.01.2019	0
Additions from merger, January 1	8.171.605
Revaluations for the year	0
Revaluations as per 31.12.2019	**8.171.605**
Book value as per 31.12.19	**36.745.000**

Notes to the accounts of 2019

Notes

5 TANGIBLE FIXED ASSETS
continued

	Group		
	Leasehold improvements	*Technical equipment and fixtures*	*Company cars*
Cost price as per 01.01.2019	5.478.422	6.939.152	362.700
Additions from merger, January 1	0	138.769	0
Exchange rate adjustment	1.333	22.534	6.071
Increase	0	0	0
Disposal, cost price	-144.034	-6.591.226	-368.771
Cost price as per 31.12.2019	**5.335.721**	**509.229**	**0**
Depreciations as per 01.01.2019	5.469.359	6.310.677	202.532
Additions from merger, January 1	0	138.769	0
Exchange rate adjustment	1.333	5.415	1.012
Depreciations on the year's disposals	-144.034	-6.144.939	-255.342
Depreciations of the year	9.063	178.408	51.798
Depreciations as per 31.12.2019	**5.335.721**	**488.330**	**0**
Book value as per 31.12.2019	**0**	**20.899**	**0**
Includes finance leases with a carrying amount totalling		12.548	0

The annual depreciations on the Profit and Loss Account are distributed as follows:

Direct costs	0
Sales- and distribution costs	35.353
Administration cost	203.916
	239.269

Notes to the accounts of 2019

Notes

5 TANGIBLE FIXED ASSETS
continued

	Parent company		
	Leasehold improvements	*Technical equipment and fixtures*	*Total*
Cost price as per 01.01.2019	5.335.721	370.460	5.706.181
Increase	0	0	0
Disposal, cost price	0	0	0
Cost price as per 31.12.2019	**5.335.721**	**370.460**	**5.706.181**
Depreciations as per 01.01.2019	5.326.658	323.103	5.649.761
Depreciations on the year's disposal	0	0	0
Depreciations for the year	9.063	26.458	35.521
Depreciations as per 31.12.2019	**5.335.721**	**349.561**	**5.685.282**
Book value as per 31.12.2019	**0**	**20.899**	**20.899**
Includes finance leases with a carrying amount totalling		12.548	

The annual depreciations on the Profit and Loss Account are distributed as follows:

Direct costs	0
Sales- and distribution costs	0
Administration cost	35.521
	35.521

Notes to the accounts of 2019

Notes		Group		Parent company	
		2019	**2018**	**2019**	**2018**
6	**FINANCIAL INCOME AND COSTS**				
	Financial income				
	Interest from affiliated companies	0	1.812.604	289.324	2.142.680
	Other financial income	1.266.550	391.004	1.220.070	5.649
		1.266.550	**2.203.608**	**1.509.394**	**2.148.329**
	Financial costs				
	Interest to affiliated companies	0	0	646.813	1.020.243
	Other interest	2.718.708	1.348.599	626.691	527.779
	Other financial costs	0	595.213	0	424.087
		2.718.708	**1.943.812**	**1.273.504**	**1.972.109**
7	**COMPANY TAX**				
	Current tax for the year	0	-76.465	0	0
	Adjustment of deferred tax	-954.364	687.856	0	2.800.000
		-954.364	**611.391**	**0**	**2.800.000**
	Company tax paid during the year	33.380	1.741.575	0	0

8 OTHER RECEIVABLES

In 2019, other receivables consist mainly of receivables from the sale of subsidiary.
Other receivables is expected to decrease with approximately DKK 10 million, when a planned merger of two companies in the USA has taken place.

Notes to the accounts of 2019

Notes

9 PLEDGES, SECURITIES AND CONTINGENT LIABILITIES

Parent company and Group:
As a security for the group´s banking agreements, borrowings pursuant to these agreements are collateralized by all the assets of the company, except of shares in subsidiaries, however not exceeding DKK 50.0 million. As of 31 December 2019 total drawings under the said agreements amounted to DKK 0.1 million.

Security was also provided in bank deposits totalling DKK 0.0 million at 31 December 2019.

The parent company have provided guarantee for Bukkehave Inc.'s banking agreements with a maximum credit line of DKK 1.3 million.

On the balance sheet date the future non-cancelable operating lease payments amount to DKK 0.1 million for the Group as a whole. Due for payment within 1 year is DKK 0.1 million and within 5 years DKK 0.0 million.

As a security for the groups long-term debt to financial institutions, senior mortgages in land and properties have been provided.

The parent company is jointly taxed with the Danish subsidiary. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interests and royalties. At 31 December 2019, the net taxes payable to the Danish Central Tax Administration by the companies included in the joint taxation amounted to DKK 0.0 thousand. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail that the companies´ liability will increase. The Group as a whole is not liable to others.

	Group		Parent company	
10 EMPLOYEES	**2019**	**2018**	**2019**	**2018**
Wages, salaries and director´s fees	10.210.724	12.082.432	685.739	1.581.850
Pension plan contributions	584.554	587.352	172.198	90.324
Other social costs	2.086.186	1.905.970	34.893	80.774
	12.881.464	**14.575.754**	**892.830**	**1.752.948**
From the above, following constitutes:				
Salaries and pensions, executive board.		745.601		
Director´s fees		100.000		
		845.601		

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed in 2019.

The average number of employees in the financial year	**13**	**13**	**4**	**3**

Notes to the accounts of 2019

Notes

11 RELATED PARTY DISCLOSURES

The related parties of Bukkehave Corporation ApS are:

Party exercising control
Christian Haar being majority shareholder in B1925 ApS.

Related parties exercising significant influence
Related parties exercising significant influence comprise subsidiary companies, as mentioned in note 2, the Group´s Supervisory and Executive Boards, executive employees and their family members. Further, related parties comprise affiliated companies and other companies in which the above persons have substantial interests.

Transactions with related parties
Transactions with related parties have been done on basis the Arm`s lenght principles, so Section 98c(7) of the Danish Financial Statements Act is applied regarding related party.

12 LONG TERM DEBT

	Group	
	2019	**2018**
Due between 1 and 5 years	5.948.768	0
Due in more than 5 years	20.533.067	0
	26.481.835	**0**

13 OTHER DEBT

In 2019, a substantial part of other debt consists of debts to a company owned by B1925 ApS's ultimate owner.
In addition, other debts include a loan of DKK 5 million which, by agreement, is subordinated to other debt obligations
Other debt is expected to decrease with approximately DKK 10 million, when a planned merger of two companies in the USA has taken place.

14 APPROPRIATION OF PROFIT/LOSS

	Parent	
	2019	**2018**
Recommended appropriation of profit/loss		
Dividend proposed for the year	0	0
Transferred to reserves under equity	-7.993.065	-12.002.573
	-7.993.065	**-12.002.573**

Notes to the accounts of 2019

Notes

15 **AQUISITION OF ACTIVITIES FROM MERGER**

	Group 2019	2018
Tangible fixed assets	36.745.000	0
Other investments	822.842	0
Other receivables and accruals	199.304	0
Cash funds	130.820	0
Long term debt to financial institutions etc.	-27.746.186	0
Short term debt to financial institutions	-3.971.595	0
Debt to affiliated companies	-20.681.509	0
Other short term debt	-1.568.080	0
Cost price	**-16.069.404**	**0**
Of this cash funds and short-term debt to financial institutions amount to	3.840.775	0
Cash cost price	**-12.228.629**	**0**

16 **DISPOSALS OF SUBSIDIARIES AND ACTIVITIES**

Intangible fixed assets	2.362.686	0
Tangible fixed assets	555.328	0
Inventory	9.910.100	0
Prepayments to suppliers	2.228.215	0
Trade accounts receivable	18.087.670	0
Prepaid income tax	33.380	0
Other receivables and accruals	13.283.926	0
Deffered tax asset	3.383.740	0
Cash funds	9.929.750	0
Prepayments from customers	-19.791.266	0
Short term debt to financial institutions	-3.616.822	0
Debt to suppliers	-19.534.044	0
Debt to affiliated companies	-9.879.244	0
Other short term debt	-844.797	0
Credited debt in connection with sales	12.132.234	0
Loss from disposals	-3.240.855	0
Cash sales price	**15.000.001**	**0**

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registereret, og informationerne er listet herunder.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Jette Clausen
Direktion
Serienummer: PID:9208-2002-2-828261425445
IP: 185.56.xxx.xxx
2020-09-14 14:22:35Z
NEM ID

Jette Clausen
Dirigent
Serienummer: PID:9208-2002-2-828261425445
IP: 185.56.xxx.xxx
2020-09-14 14:22:35Z
NEM ID

Søren Smedegaard Hvid
Statsautoriseret revisor
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: CVR:30700228-RID:1256831000710
IP: 145.62.xxx.xxx
2020-09-14 14:25:34Z
NEM ID

Penneo dokumentnøgle: EEWI6-X2ZX6-FY5GE-KB6Y7-UO7UW-CGF61