Chrispa ApS

Jernbanegade 27, 6000 Kolding

CVR-no. 20 47 23 91

Annual report 2019/20

Approved at the Company's annual general meeting on 4 August 2020

Chairman:

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Mads Pauli Ringkjøbing-Christiansen

Building a better working world

Contents

Statement by Management on the annual report

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Chrispa ApS for the financial year 1 May 2019 – 30 April 2020.

The annual report has been 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 30 April 2020 and of the results of the Group's and the Parent Company's operations and the consolidated cash flows for the financial year 1 May 2019 – 30 April 2020.

Further, in our 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 and the results of the Group's and the Parent Company's operations and financial position.

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

Kolding, 4 August 2020
Executive Board:

Mads Pauli Ringkjøbing-Christiansen
CEO

Board of Directors:

Lars Pauli Christiansen
Chairman

Tine Bøwadt Christiansen

Mads Pauli Ringkjøbing-Christiansen

Jette Bøwadt Christiansen

Independent auditor's report

To the shareholders of Chrispa ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Chrispa ApS for the financial year 1 May 2019 – 30 April 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for both 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 30 April 2020 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 May 2019 – 30 April 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 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 Company 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.

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.

Independent auditor's report

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.

Independent auditor's report

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.

Aabenraa, 4 August 2020
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jon Midtgaard
State Authorised
Public Accountant
mne28657

Management's review

Company details

Name	Chrispa ApS
Address, zip-code, city	Jernbanegade 27, 6000 Kolding, Denmark
CVR no.	20 47 23 91
Established	19 November 1997
Registered office	Kolding
Financial year	1 May – 30 April
Telephone	+45 61 46 16 26
Board of Directors	Lars Pauli Christiansen, Chairman Tine Bøwadt Christiansen Mads Pauli Ringkjøbing-Christiansen Jette Bøwadt Christiansen
Executive Board	Mads Pauli Ringkjøbing-Christiansen
Auditor	EY Godkendt Revisionspartnerselskab Skibbroen 16, 6200 Aabenraa, Denmark

Management's review

Financial highlights

DKK'000	2019/20	2018/19	2017/18	2016/2017	2015/16
Key figures					
Revenue	341,647	327,153	323,999	273,293	258,852
Gross profit	88,741	72,444	77,614	54,883	52,723
Profit from ordinary activities	47,746	30,715	35,288	13,207	10,427
Profit/loss from financial income and expenses, net	-2,940	7,041	-2,360	7,384	-4,108
Profit before tax	43,118	35,763	32,929	15,616	5,319
Profit for the year	**33,462**	**27,693**	**25,695**	**11,300**	**4,373**
Non-current assets	145,413	143,607	156,126	175,363	174,571
Current assets	230,181	226,749	212,491	182,959	187,831
Total assets	375,594	370,356	368,617	358,322	362,402
Share capital	1,000	1,000	1,000	1,000	1,000
Equity	**290,214**	**272,280**	**255,927**	**236,803**	**230,440**
Provisions	13,933	18,299	21,254	23,023	23,828
Non-current liabilities	20,044	17,096	19,023	20,946	22,841
Cash Flow					
Cash flows from operating activities	68,482	50,988	39,258	48,013	18,753
Cash flows from investing activities	-20,025	-36,457	-8,026	-32,075	-34,254
Portion relating to investments in items of property, plant and machinery	-4,377	-5,489	-6,282	-7,534	-9,597
Cash flows from financing activities	-17,459	-12,552	-8,669	-7,350	-7,161
Total cash flows	30,998	1,979	22,563	8,588	-22,663
Development costs for the year	35,260	32,607	35,437	28,255	39,853
Development costs for the year recognised in the income statement	40,742	44,682	35,359	30,181	28,595
Financial ratios					
Growth	4.4%	1.0%	18.6%	5.6%	10.5%
Operating margin	14.0%	9.4%	10.9%	4.8%	4.0%
PBT ratio	12.6%	10.9%	10.2%	5.7%	2.1%
Return on invested capital	24.7%	15.3%	17.0%	6.1%	5.2%
Return on investment	19.2%	11.7%	13.1%	4.9%	4.2%
Gross margin	26.0%	22.1%	24.0%	20.1%	20.4%
Current ratio	447.8%	361.8%	293.4%	235.9%	220.2%
Solvency ratio	77.3%	73.5%	62.8%	61.5%	65.3%
Return on equity	10.6%	9.7%	9.5%	4.5%	1.5%
Average number of full-time employees	**153**	**160**	**155**	**158**	**169**

Financial ratios are calculated in accordance with the recommendations of the Danish Finance Society's guidelines.

Management's review

Operating review

Principal activity

Chrispa ApS is the parent company of OJ Electronics A/S, whose activities comprise development, manufacturing and distribution of control, regulation and monitoring electronic solutions and components for the improvement of the physical environment and human comfort. Activities are electronic control systems and components for electric underfloor heating and electronic control systems and drives for the HVAC industry.

In addition, Chrispa ApS is an investment company, which invests broadly in securities, real estate and businesses.

Development in activities and financial position

Profit after tax for the year is DKK 33.5 million. The Group's equity at 30 April 2020 is DKK 290.2 million. The performance for the year is overall satisfactory.

OJ Electronics A/S

OJ Electronics A/S has generated a revenue of DKK 342 million. The growth was 4.4%against last year's revenue. Growth was achieved through a strong development at some of the larger customers of the Group and through new customers. The group still sees growth as a result of investments and co-creation with our customers in development of leading products and solutions for the market. The current investment rate is in balance with the overall growth of the company. On a continuous basis the Group invests in selecting and exchanging components and solutions in order to optimize the competitiveness of the company. These activities have been intensified through the year and have resulted in an increase in the gross margin after a decline last year. Processes and procedures are optimized through designated initiatives in order to stay competitive. The Profit from ordinary activities is DKK 50 million equivalent to an Operating margin of 14.6% This is an increase compared to last year where Operating margin was 10.2%and is due to an increase in gross margin and partly on lower depreciations on development costs. The result for the year is a profit of DKK 39 million which is an increase compared to last year with DKK 12 million.

Investment activity

The Parent Company, Chrispa ApS, is continuously working on expanding its portfolio of investments in securities, real estate and businesses.

In the financial year 2019/20, an amount of DKK 15.0 million was invested in unlisted businesses. The Company's total investments (carrying amount) of securities, shares in associates/other shares and real estate amount to DKK 154.4 million as of 30 April 2020. In addition, the Company has cash of DKK 22.1 million.

Return on invested capital in the form of financial items and impairment write-downs implied an accounting loss of DKK 5.3 million, partly based on cost. Considering the underlying unrealised development, the results are considered acceptable.

Capital resources

The Group's primary capital resources comprise liquid assets and unutilized credit facilities. Current capital resources are estimated to be sufficient to realize the budgeted activity for 2020/21.

Management's review

Operating review

Research and development activities and knowledge resources

OJ Electronics

The Group primary development activities are focused on products with improved user friendliness and supporting the increased requirements for connectivity with other systems and remote user access. These activities increase in importance while energy efficiency and comfort remains the important primary functions of the products and systems.

The Group shows a decreased R&D cost level, DKK 41 million, in line with the strategy and in line with a balance between the level of R&D and the growth potential.

The link between the expense for the year and expense recognized in the income statement is shown below:

DKK'000	2019/20	2018/19
Expense for the year	35,260	32,607
Hereof additions to development project and equipment in course of construction	-12,485	-9,874
Amortization and impairment of completed development projects	17,967	21,950
Expense for the year recognized in income statement, net	40,742	44,683

Investment activity

No research and development activities are carried out in investment activities.

Outlook

OJ Electronics

The group expects a decline in revenue based on the Covid-19 outlook for the global economy. Exact predictions at this stage is difficult to give. We have focussed on securing that the group can manage even quite difficult conditions. The strategy has been reviewed and will stay the same even during and after the Covid-19 pandemic situation.

Based on early predictions the profit margin is expected to be in the medium single figure level.

Investments activity

For the investment activity a positive result is expected, despite Covid-19.

Special risks

The Group solidity and credit facilities reduces the financial risk to an acceptable level.

OJ Electronics

Main trading currencies are DKK, USD and EUR. Group policy minimizes the currency risk through the use of financial facilities.

The Group utilizes interest swaps to reduce risk.

The Group's credit risk policy entails that all major customers and other partners are continuously assessed on a regular basis.

Management's review

Operating review

Investment activity

Chrispa ApS has a conservative risk approach to its investments, based on a diversified investment portfolio and risk spreading.

Corporate Social Responsibility

OJ Electronics

OJ Electronics has defined CSR Policies as described below:

Business model

Production is carried out in the subsidiary OJ Electronics' facilities in Denmark and the Group's electronic manufacturing services (EMS) partners in Asia and Eastern Europe.

In order to manufacture electronic products efficiently the group uses production equipment in the group's own production, which uses significant amounts of energy. Hence the company's energy use is seen as the biggest risks related to climate. Besides that, the group uses manual assembly processes. Waste from production is mainly electronics related. Therefore the Group has focus on energy consumption, environment, climate and employee relations.

OJ Electronics is committed to protecting people and environment by avoiding hazardous substances in our products, by sourcing responsibly and by managing our waste, sorting and recycling whenever possible.

We meet requirements, local and international, on chemicals, waste and sourcing.

Working environment

The employee is the most valuable resource and a prerequisite condition for success of the Group. Work related accidents and attrition among employees is by management considered as the highest risks within the working environment, hence the Group has focus on health and safety with a special focus on preventive actions.

The subsidiary, OJ Electronics has a working environment organization that acts proactively to ensure a safe and healthy working environment. Accidents including nearby accidents are registered and analysed in order to take necessary measures to avoid similar situations in future.

In the financial year 2019/20 there has been an increase in registered accident and nearby accidents. A better registration of incidents has contributed to this increase.

	2019/20	2018/19
Nearby accidents	6	1
Accidents without sickness absence	7	4
Accidents with sickness absence	1	0

Management's review

Operating review

After a period of 1,190 days without 'accidents with sickness absence' we registered an incident in December 2020. The incident has been analysed and necessary precautions have been made.

OJ Electronics strives to ensure a positive working climate. In order to support this all managers twice a year have individual talks with employees about job well-being. Furthermore, OJ Electronics undertakes overall employee satisfaction surveys each 3 years. The latest overall survey in 2018 showed that 73% of the employees in general were satisfied with their job situation at OJ Electronics. Next satisfaction survey is scheduled for 2021 where the target for the next survey is to be as good or better.

Absence due to illness within OJ Electronics has a satisfying low level, which among other things is attributable to OJ Electronics' focus on a positive working climate, continuous activities regarding preventive actions and training and education of management.

Management of OJ Electronics continuously focuses on a low level of working related accidents and absence due to illness as well as a continued focus on a positive working climate.

Controlling suppliers (human rights, anti-corruption and bribery)

The Subsidiary, OJ Electronics wants to ensure that suppliers of the Group comply with the same high standards as OJ Electronics itself. It is important to management that suppliers of the Group are doing business in respect of human rights, anti-corruption and bribery.

The risk of violation in general is evaluated by management to be higher with suppliers in Asia and Eastern Europe.

In the financial year 2018/19 OJ Electronics started a process of evaluation of all suppliers through a risk-based assessment in regards to human rights, anti-corruption and bribery. Another criteria in the evaluation is the supplier's importance to OJ Electronics. Where relevant and necessary, suppliers are required to sign the Code of Conduct of OJ Electronics. This process has been continued in 2019/20 and will continue in the financial year 2020/21.

Currently all EMS-partners have signed the Group's Code of Conduct by which they agree to adhere to human rights, anti-corruption and bribery.

The Group has not identified any breaches in 2019/20 to the Code of conduct in regards to human rights, anti-corruption and bribery.

Conflict minerals

Chrispa ApS is committed to ensure that minerals contained in our products are sourced with due respect for human rights, the need to avoid contributing to conflicts and the desire to support development through our supply chain practices.

Environment and climate

The group complies with current environmental and climate legislation. Furthermore OJ Electronics strives to work actively with improvements in regards to reducing the Group's impact on the climate and environment.

Working with OJ Electronics means having a partner who addresses climate management in many ways. Our solutions optimise indoor climate for users worldwide. We aim to provide an excellent working atmosphere for our employees, our partners, and customers. And we create solutions that reduce energy consumption, helping to create more climate-conscious buildings across the globe.

For OJ Electronics, sustainability means our ambition to develop intelligent solutions which ensure maximum comfort with the lowest possible energy consumption. It means our responsibility to our customers, ensuring that we supply the best and most energy efficient products on the market. And it means our responsibility to the professional skills of our employees, strengthening our ability to meet future market demands.

Management's review

Operating review

In all business decisions and processes, OJ Electronics strives to attain a responsible balance between economic, human and environmental considerations.

OJ Electronics is proud to be located in an area with unique potential thanks to the large number of knowledge- and engineering-based companies who wish to lead the way in climate protection. The Sønderborg area of Denmark has initiated its very own climate project: Project Zero.

Project Zero is a vision of making the entire Sønderborg area Co2 neutral by 2029.Thanks to Project Zero, local companies are working together to form a strong cluster and make Sønderborg a power centre for clean tech. OJ Electronics is proud to help to reach this common goal.

As a Zero Company, OJ Electronics initially committed itself to reduce internal Co2 emission. We reach our goals by focusing on Co2 conscious behaviour.

Our biggest risk related to environment is waste from production which is mainly electronics related. OJ Electronics has more than 20 sorting categories and we meet the requirements of the EU directive WEEE2 (Waste Electrical and Electronic Equipment directive).

In regards to hazardous substances and chemicals OJ Electronics meets the requirements within the EU directives of RoHS3 and REACH.

We measure our energy consumption regarding energy, water and heating.

Consumption	2019	2018	2017
Energy (mWh)	461	534	544
Water (m3)	881	958	945
Heating (Gj)	1,547	1,611	1,520

Equal gender representation

Chrispa ApS believes in diversity among employees including a more equal gender representation. Diversity is positive for development of new products and improving processes which again will ensure better results. Therefore, it is an ambition for the Group to ensure diversity among employees within the Group.

Board of directors

On 30 April 2020 the board of directors has 4 members in Chrispa ApS, 2 men and 2 women. Thus, Chrispa ApS has an equal gender representation and therefore no further goals have been set for the Board of Directors gender representation.

Management

OJ Electronics

In OJ Electronics management includes all management levels. It is the policy that management positions should be occupied by the most qualified candidates.

In order to ensure diversity of gender, OJ Electronics strives to ensure that at least one female candidate is among the final 3 candidates for management positions. On 30 April 2020 women occupied 30%of management positions, which is an increase by 9%points.

Investment activity

The parent company has only 1 employee.

Events after the balance sheet date

See note 2.

Consolidated financial statements and parent company financial statements 1 May – 30 April

Income statement

Note		Group 2019/20	Group 2018/19	Parent 2019/20	Parent 2018/19
		DKK	DKK'000	DKK	DKK'000
4	**Revenue**	341,646,642	327,153	0	0
	Production costs	-212,163,498	-210,027	0	0
	Development costs	-40,741,658	-44,682	0	0
	Gross profit	88,741,486	72,444	0	0
	Selling and distribution costs	-23,608,306	-24,826	0	0
5	Administrative expenses	-17,387,574	-16,903	-2,231,540	-2,754
	Operating profit	47,745,606	30,715	-2,231,540	-2,754
9	Profit in subsidiaries after tax	0	0	34,174,251	23,074
	Financial income	4,531,582	8,904	2,481,197	7,211
	Financial expenses	-7,471,600	-1,863	-6,056,176	-695
10,11	Impairment of financial assets	-1,687,446	-1,993	-1,687,446	-1,993
	Profit before tax	43,118,142	35,763	26,680,286	24,843
6	Tax for the year	-9,656,425	-8,070	1,350,895	-803
	Profit for the year	33,461,717	27,693	28,031,181	24,040
	Breakdown of the consolidated profit:				
	Shareholders in Chrispa ApS	28,031,181	24,040		
	Non-controlling interests	5,430,536	3,653		
		33,461,717	27,693		

Consolidated financial statements and parent company financial statements 1 May – 30 April

Balance sheet

Note		Group 2019/20 DKK	Group 2018/19 DKK '000	Parent 2019/20 DKK	Parent 2018/19 DKK '000
	ASSETS				
	Non-current assets				
7	**Intangible assets**				
	Completed development projects	22,926,788	34,445	0	0
	Development projects in progress	11,677,335	5,651	0	0
		34,604,123	40,096	0	0
8	**Property, plant and equipment**				
	Land and buildings	47,597,679	47,935	2,806,382	2,880
	Plant, machinery and equipment	12,827,305	16,960	112,102	0
	Plant, machinery and equipment in course of construction	148,469	384	0	0
		60,573,453	65,279	2,918,484	2,880
	Investments				
9	Equity investments in subsidiaries	0	0	101,257,826	101,820
10	Equity investments in associates	21,955,678	21,656	21,955,678	21,656
11	Other equity investments	28,279,421	16,577	28,272,921	16,570
		50,235,099	38,233	151,486,425	140,046
	Total non-current assets	145,412,675	143,607	154,404,909	142,927
	Currents assets				
	Inventories				
	Raw materials and consumables	15,415,304	18,780	0	0
	Work in progress	8,652,713	10,211	0	0
	Finished goods and goods for resale	16,226,126	10,883	0	0
		40,294,143	39,874	0	0
	Receivables				
	Trade receivables	49,108,213	64,933	0	0
	Receivables from group entities	2,550	3	2,550	3
	Joint taxation contribution	0	0	12,518,343	8,924
	Other receivables	4,871,656	4,864	3,915,122	3,413
	Prepayments	2,431,526	1,829	1,525,260	1,377
		56,413,945	71,629	17,961,275	13,717
	Securities	92,329,884	104,575	92,329,884	104,575
	Cash	41,142,731	10,668	22,079,689	5,217
	Total current assets	230,180,703	226,749	132,370,848	123,508
	TOTAL ASSETS	375,593,379	370,356	286,775,757	266,435

Consolidated financial statements and parent company financial statements 1 May – 30 April

Balance sheet

		Group		Parent	
Note		2019/20	2018/19	2019/20	2018/19
		DKK	DKK '000	DKK	DKK '000
	EQUITY AND LIABILITIES				
	Equity				
12	Share capital	1,000,000	1,000	1,000,000	1,000
	Net revaluation according to the equity method	0	0	39,312,000	36,646
	Retained earnings	263,179,905	245,156	223,867,905	208,510
	Proposed dividend	10,000,000	10,000	10,000,000	10,000
	Shareholders in Chrispa ApS' share of equity	274,179,905	256,156	274,179,905	256,156
	Non-controlling interests	16,034,324	16,124	0	0
	Total equity	290,214,229	272,280	274,179,905	256,156
	Provisions				
13	Deferred tax	9,886,860	13,126	400	0
14	Warranties	4,045,645	5,173	0	0
	Total provisions	13,932,505	18,299	400	0
	Liabilities				
	Non-current liabilities				
15	Credit institutions	15,175,034	17,096	0	0
	Other payables	4,868,450	0	0	0
		20,043,484	17,096	0	0
	Current liabilities				
	Current portion of non-current liabilities	1,919,653	1,939	0	0
	Credit institutions	4,512,696	5,036	704,770	10
	Trade payables	24,934,789	30,250	175,591	126
	Payables to group entities	0	0	352,480	231
	Corporation tax	11,186,747	9,767	11,212,387	9,606
	Other payables	8,849,276	15,690	150,224	306
	Total current liabilities	51,403,161	62,682	12,595,452	10,279
	Total liabilities	71,446,645	79,777	12,595,452	10,279
	TOTAL EQUITY AND LIABILITIES	375,593,379	370,356	286,775,757	266,435

1	Accounting policies
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Consolidated financial statements and parent company financial statements 1 May – 30 April

Statement of changes in equity

	Group				
DKK	Share capital	Net revaluation according to the equity method	Retained earnings	Dividend proposed for the year	Non-controlling interests
Equity at 1 May 2018	1,000,000	0	231,715,678	7,500,000	15,710,787
Dividend distribution	0	0	0	-7,500,000	-3,144,795
Transferred via distribution of profit	0	0	14,040,473	10,000,000	3,652,895
Value adjustment of hedging instruments	0	0	152,066	0	24,085
Foreign exchange adjustments, foreign subsidiary	0	0	-752,300	0	-119,154
Equity at 1 May 2019	1,000,000	0	245,155,917	10,000,000	16,123,818
Dividend distribution	0	0	0	-10,000,000	-5,518,889
Transferred via distribution of profit	0	0	18,031,181	10,000,000	5,430,536
Value adjustment of hedging instruments	0	0	103,634	0	16,413
Foreign exchange adjustments, foreign subsidiary	0	0	-110,827	0	-17,554
Equity at 30 April 2020	1,000,000	0	263,179,905	10,000,000	16,034,324

	Parant			
DKK	Share capitall	Net revaluation according to the equity method	Retained earnings	Dividend proposed for the year
Equity at 1 May 2018	1,000,000	48,702,939	183,012,739	7,500,000
Dividend distribution	0	0	0	-7,500,000
Value adjustment of hedging instruments	0	152,066	0	0
Foreign exchange adjustments, foreign subsidiary	0	-752,300	0	0
Transferred via distribution of profit	0	-11,457,124	25,497,597	10,000,000
Equity at 1 May 2019	1,000,000	36,645,581	208,510,336	10,000,000
Dividend distribution	0	0	0	-10,000,000
Value adjustment of hedging instruments	0	103,634	0	0
Foreign exchange adjustments, foreign subsidiary	0	-110,827	0	0
Transferred via distribution of profit	0	2,673,612	15,357,569	10,000,000
Equity at 30 April 2020	1,000,000	39,312,000	223,867,905	10,000,000

Consolidated financial statements and parent company financial statements 1 May – 30 April

Cash flow statement

	Group	
	2019/20	**2018/19**
	DKK	**DKK '000**
Operating profit	47,745,606	30,714
Depreciation and amortisation	24,656,888	30,392
Adjustment of provisions for warranties	-1,127,145	-234
Cash generated from operations (operating activities)	71,275,349	60,872
Interest received	4,287,745	3,329
Interest paid	-3,112,758	-1,627
Cash generated from operations (ordinary activities)	72,450,336	62,574
Changes in inventories	-523,144	-4,635
Changes in trade receivables	13,583,892	624
Changes in other receivables	-413,140	6,230
Changes in trade payables	-4,431,845	-3,925
Changes in other payables	-228,147	-627
Changes in prepayments and deferred income	-425,498	4
Income taxes paid/received	-11,530,512	-9,257
Cash flows from operating activities	68,481,942	50,988
Acquisition of intangible assets	-10,080,537	-8,864
Acquisition of property, plant and equipment	-4,377,259	-5,488
Disposal of property, plant and equipment	0	0
Acquisition of other equity investments	-15,000,030	-7,312
Sale of other equity investments	1,310,000	1,950
Acquisition of securities	-17,292,196	-32,032
Sale of securities	25,410,324	15,278
Called bonds	4,153	11
Cash flows from investing activities	-20,025,545	-36,457
Repayment of non-current liabilities	-1,939,648	-1,907
Dividends paid	-15,518,889	-10,645
Cash flows from financing activities	-17,458,537	-12,552
-		
Net cash flows	30,997,860	1,979
Cash and cash equivalents, beginning of year	5,632,175	3,653
Cash and cash equivalents, year-end	36,630,035	5,632

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements.

Consolidated financial statements and parent company financial statements 1 May – 30 April

Notes

1 **Accounting policies**

The annual report of Chrispa ApS for 1 May 2019 – 30 April 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company Chrispa ApS and subsidiaries controlled by Chrispa ApS.

Control means the power to exercise decisive influence over a subsidiary's financial and operating decisions. Moreover, the possibility of yielding a return from the investment is required.

In assessing if the Parent Company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity may become empowered to exercise decisive influence over another entity's financial and operating decisions.

Significant influence

Entities over whose financial and operating decisions the Group can exercise significant influence are classified as associates. Significant influence is deemed to exist when the Parent Company holds or controls, directly or indirectly, more than 20% of the voting rights of an entity but does not control it.

The existence of potential voting rights that may currently be exercised or converted into voting rights is considered when assessing whether significant influence exists.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the Parent Company's and the individual subsidiaries' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends as well as realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains unless they do not reflect impairment.

The subsidiaries' financial statement items are included 100% in the consolidated financial statements. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries that are not wholly-owned are included in the Group's profit/loss and equity, respectively, but are presented separately.

Acquisitions and disposals of non-controlling interests that are still controlled are recognised directly in equity as a transaction between shareholders.

Consolidated financial statements and parent company financial statements 1 May – 30 April

Notes

1 Accounting policies (continued)

Business combinations

Newly acquired entities are recognised in the consolidated financial statements from the acquisition date. Entities sold or otherwise disposed of are recognised in the consolidated financial statements up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinued operations are presented separately, see below. The acquisition date is the date when the Group actually obtains control of the acquired entity.

The purchase method is applied to acquisitions of new businesses over which the Group obtains control. The acquired businesses' identified assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax on revaluations is recognised.

Positive differences (goodwill) between, on the one hand, the consideration for the acquired entity, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill in intangible assets. Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement at the acquisition date.

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the Group's presentation currency are accounted for as assets and liabilities belonging to the foreign entity and are, on initial recognition, translated into the foreign entity's functional currency using the exchange rate at the transaction date.

The purchase consideration for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the purchase consideration is contingent on future events or compliance with agreed terms, such part of the purchase consideration is recognised at fair value at the acquisition date. Subsequent adjustments of contingent purchase considerations are recognised in the income statement. Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

If uncertainties regarding the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the purchase consideration exist at the acquisition date, initial recognition will take place on the basis of provisional values. If it turns out subsequently that the identification or measurement of the purchase consideration, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Subsequently, any adjustments are recognised as errors.

Gains or losses from the disposal of subsidiaries resulting in a loss of control are calculated as the difference between, on the one hand, the net selling price and, on the other hand, the proportionate share of the carrying amount of net assets. If the Parent Company still holds equity investments in the divested entity, the remaining proportionate share of the carrying amount forms the basis for the measurement of equity investments in associates or securities and equity investments.

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' equity interest.

Goodwill relating to the non-controlling interests' share of the acquired entity is thus recognised.

Consolidated financial statements and parent company financial statements 1 May – 30 April

Notes

1 **Accounting policies (continued)**

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 the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, 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 the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Foreign subsidiaries and associates 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 entities 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 recognised directly in equity.

Foreign exchange adjustments of balances with foreign subsidiaries that are considered part of the total 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.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised 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 or other payables.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of the fair value of a recognised asset or liability are recognised in the income statement together with fair value adjustments of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of future assets or liabilities are recognised in other receivables or other payables and in equity. If the forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on an ongoing basis.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Consolidated financial statements and parent company financial statements 1 May – 30 April

Notes

1 **Accounting policies (continued)**

Revenue is measured ex. VAT and taxes charged on behalf of third parties.

Production costs

Production costs comprise costs, including depreciation/amortisation charges and salaries, incurred in generating the year's revenue. Commercial entities recognise their cost of sales, and manufacturing entities recognise their production costs incurred in generating the revenue for the year. Such costs include direct and indirect costs related to raw materials and consumables, wages and salaries, rent and leases as well as impairment losses on production plant.

Development costs

Development costs comprise research and development costs that do not qualify for capitalisation and amortisation of capitalised development costs that meet the criteria for capitalisation.

Selling and distribution costs

Selling and distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc. carried out in the year, including costs related to sales staff, advertising, exhibitions and amortisation/depreciation.

Administrative expenses

Administrative expenses comprise costs incurred in the year to manage and administer the Company, including expenses related to administrative staff, management, office premises, office expenses and amortisation/depreciation.

Profit/loss from equity investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

Financial income and expenses

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

Financial income also includes dividends from associates.

Tax for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company, Chrispa A/S, acts as administration company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporation tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Consolidated financial statements and parent company financial statements 1 May – 30 April

Notes

1 **Accounting policies (continued)**

Tax for the year comprises current income tax, joint taxation contribution and changes in deferred tax for the year due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts recognised directly in equity is recognised directly in equity.

Balance sheet

Intangible assets

Development projects

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable and where the technical feasibility, sufficient resources and a potential future market or development potential are evidenced, and where the Parent Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses as well as development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 3-5 years.

Rights, patents and licences are measured at cost less accumulated amortisation and impairment losses. Rights, patents and licences acquired are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the licence term, usually 5 years.

Gains and losses on the disposal of development projects, patents and licences are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Property, plant and equipment

Land and buildings and plant and equipment are measured at cost less accumulated depreciation. Land is not depreciated

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

The cost of self-constructed assets comprises direct and indirect costs of materials, sub-suppliers and wages and salaries. All financing costs regarding the production period are expensed no matter whether they can be attributed to costs.

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

Consolidated financial statements and parent company financial statements 1 May – 30 April

Notes

1 **Accounting policies (continued)**

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Buildings and installations	25 – 50 years
Plant, machinery and equipment	3 – 10 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

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

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

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

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the net present value of future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as discount factor. Assets held under finance leases are subsequently accounted for as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are considered operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total liabilities relating to operating leases and other leases are disclosed in contingencies, etc.

The Group's total liabilities relating to operating leases and other leases are disclosed under "Contractual obligations and contingencies, etc."

Equity investments in subsidiaries in the parent company financial statements

Equity investments in subsidiaries are measured according to the equity method in the parent company financial statements. The Company has chosen to consider the equity method a measurement method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding the consolidated financial statements above.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Consolidated financial statements and parent company financial statements 1 May – 30 April

Notes

1 **Accounting policies (continued)**

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies in the consolidated financial statements. Negative goodwill is recognised in the income statement.

Dividend received is deducted from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Equity investments in associates

Equity investments in associates are measured at cost. Where net realisable value is lower than cost, investments are written down to this lower value.

Other equity investments

Other equity investments, recognised under fixed assets, are measured at fair value. Where fair value cannot be determined, the cost price is used.

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and equity investments in subsidiaries and associates is tested annually for indication of impairment other than the decrease in value reflected by amortisation/depreciation.

Impairment tests are conducted on individual assets or groups of assets when there is indication of impairment. Write-down is made to the lower of the carrying amount and the recoverable amount.

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

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries as well as indirect production overheads. Production overheads comprise costs of material and labour as well as maintenance of and depreciation on production machinery, buildings and equipment as well as costs relating to plant administration and management. Borrowing costs are not recognised.

The net realisable value of inventories is determined as the selling price less costs of completion and costs incurred to affect the sale, taking into account marketability, obsolescence and developments in the expected selling price.

Consolidated financial statements and parent company financial statements 1 May – 30 April

Notes

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Write-down for bad and doubtful debts is made when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the net present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Securities and investments

Securities and investments consisting in listed shares and bonds are measured at fair value (market price) at the balance sheet date. Unlisted securities are measured at fair value based on calculated capital value. In cases where fair value cannot be determined, the cost price is used.

Equity

Net revaluation reserve according to the equity method

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

The reserve can be eliminated in case of losses, realisation of equity investments or changes in accounting estimates.

The reserve cannot be recognised at a negative amount.

Reserve for development costs

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

Dividend

Proposed dividend is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is presented as a separate line item in equity.

Consolidated financial statements and parent company financial statements 1 May – 30 April

Notes

1 Accounting policies (continued)

Corporation tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on taxable income in previous years and tax paid on account.

Joint taxation contribution payable and receivable is recognised in the balance sheet as "Corporation tax".

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to non-deductible goodwill and on office premises and other items where temporary differences – apart from acquisitions – arise at the acquisition date without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry-forwards, are recognised under "Assets" at the expected value of their utilisation; 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 and jurisdiction.

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

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Provisions

In addition to deferred tax, provisions comprise anticipated expenses related to warranty commitments. Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are measured at net realisable value or fair value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

Warranty commitments include expenses for remedial action in respect of the contract work within the warranty period of 1-5 years. Provisions for warranty commitments are measured at net realisable value and recognised based on past experience. Liabilities that are expected to be settled after one year after the balance sheet date are discounted at average bond yields.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income comprises payments received concerning income in subsequent years.

Consolidated financial statements and parent company financial statements 1 May – 30 April

Notes

1 Accounting policies (continued)

Cash flow statement

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

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

Cash flows from operating activities

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

Cash flows from investing activities

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

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are subject to only minor risks of changes in value.

2 Events after the balance sheet date

OJ Electronics

Because of the current global outbreak of coronavirus (Covid-19), we see a substantial, short-term negative impact on demand in the Group’s markets. We expect a negative impact on our business and financial performance in the coming months.

The impact on the Group’s operations and financial position for financial year 2020/21 will depend on the length and scope of the virus-outbreak, which is still uncertain at the date of this annual report. Based on early stage predictions the profit margin is expected to be positive in the medium single figure level.

Management believes that the Group has a strong financial position and available credit facilities in place to get the Group well trough these times of increased uncertainty.

Investment activity

For the investment activity a positive result is expected, despite Covid-19.

Consolidated financial statements and parent company financial statements 1 May – 30 April

Notes

3 **Special items**

Special items comprise significant income and expenses of a special nature relative to the Group's revenue-generating operating activities, e.g. expenses incurred for extensive structuring of processes and basic structural adjustments as well as any related disposal gains and losses, that have a material impact over time. Special items also comprise significant one-off items that, in Management's opinion, do not form part of the Group's operating activities.

The income statement for 2018/19 is affected by a close-down of the Hydronic product line which Management does not consider part of the operating activities.

Special items for the year are specified below, including the line items in which they are recognised in the income statement.

	Group		Parent	
DKK'000	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Costs re. production line closed down				
Write-down of development costs	0	693	0	0
Write-down of plant, machinery and equipment	0	242	0	0
Write-down of inventories	0	639	0	0
	0	1,574	0	0
Special items are recognised in the below line items				
Production costs	0	881	0	0
Development costs	0	693	0	0
Net profit from special items	0	1,574	0	0

4 **Segment information**

Geographical segments

	Group		Parent	
DKK'000	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Scandinavia	135,157	137,978	0	0
Rest of Europe	88,680	85,208	0	0
North America	101,827	85,030	0	0
Rest of world	15,983	18,937	0	0
	341,647	327,153	0	0

The Group only has one activity and has therefore not disclosed any activity segments.

Consolidated financial statements and parent company financial statements 1 May – 30 April

Notes

DKK'000	Group 2019/20	Group 2018/19	Parent 2019/20	Parent 2018/19
5 Fees paid to the auditors appointed at the annual general meeting				
Total fees to EY	320,850	320	101,250	59
Fee for statutory audit	227,825	200	54,375	44
Tax consultancy	17,600	43	15,000	0
Assurance engagements	0	0	0	0
Non-audit services	75,425	77	31,875	15
	320,850	320	101,250	59
6 Tax on profit for the year				
Current tax	12,874,914	10,791	-1,351,284	802
Adjustment of tax in respect of previous years	10,988	0	-11	0
Deferred tax adjustment for the year	-3,229,477	-2,721	400	0
	9,656,425	8,070	-1,350,895	802

7 Intangible assets

	Group			
DKK	Completed development projects	Development projects in course of construction	Rights and know how acquired	Total
Cost at 1 May 2019	162,480,358	5,651,036	30,279,870	198,411,264
Additions	4,054,239	12,475,740	0	16,529,979
Transferred	0	-4,054,239	0	-4,054,239
Disposals	-26,241,574	-2,395,203	0	-28,636,777
Cost at 30 April 2020	140,293,023	11,677,334	30,279,870	182,250,227
Amortisation and impairment losses at 1 May 2019	128,035,656	0	30,279,870	158,315,526
Amortisation	15,572,153	0	0	15,572,153
Reversal of accumulated depreciation and impairment of assets disposed	-26,241,574	0	0	-26,241,574
Amortisation and impairment losses at 30 April 2020	117,366,235	0	30,279,870	147,646,105
Carrying amount at 30 April 2020	22,926,788	11,677,334	0	34,604,122
Amortised over	3-5 years		5 years	

Consolidated financial statements and parent company financial statements 1 May – 30 April

Notes

8 Property, plant and equipment

	Group			Parent	
DKK	Land and buildings	Plant, machinery and equipment	Assets in course of construction	Land and buildings	Plant, machinery and equipment
Cost at 1 May 2019	72,214,419	103,293,116	384,373	3,700,730	0
Exchange rate adjustment relating to foreign entities	0	135	0	0	0
Additions	1,237,589	3,377,737	20,879	0	115,001
Transferred	0	0	-256,783	0	0
Disposals	0	-370,640	0	0	0
Cost at 30 April 2020	73,452,008	106,300,348	148,469	3,700,730	115,001
Depreciation and impairment losses at 1 May 2019	24,279,585	86,333,402	0	820,333	0
Exchange rate adjustment relating to foreign entities	0	135	0	0	0
Depreciation and impairment	1,574,744	7,484,157	0	74,015	2,899
Disposals	0	-344,651	0	0	0
Depreciation and impairment losses at 30 April 2020	25,854,329	93,473,043	0	894,348	2,899
Carrying amount at 30 April 2020	47,597,679	12,827,305	148,469	2,806,382	112,102
Depreciated over	25-50 years	3-10 years	-	50 years	5 years

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9 Equity investments in subsidiaries

	Parent	
	2019/20	2018/19
	DKK	DKK'000
Cost at 1 May	30,643,916	30,644
Cost at 30 April	30,643,916	30,644
Value adjustments at 1 May	71,176,369	68,558
Fair value adjustment of financial instruments in subsidiary	103,634	152
Foreign exchange adjustment, foreign subsidiary	-110,827	-752
Profit/loss for the year	34,174,251	23,073
Distributed dividend	-34,729,517	-19,855
Value adjustments at 30 April	70,613,910	71,176
Carrying amount at 30 April	101,257,826	101,820

Name (DKK'000)	Registered office	Voting rights and ownership	Share capi-tal	Equity DKK'000	Profit/ loss DKK'000	Parent's share: Equity DKK'000	Parent's share: Profit/ loss DKK'000
OJ Electronics A/S	Sønderborg	49.0%	1,040	117,290	39,355	57,472	19,284
OJE Holding ApS	Sønderborg	73.2%	171	59,770	20,064	43,746	14,685
CMH Kolding ApS	Kolding	80.0%	50	50	257	40	205
						101,258	34,174

The subsidiaries are considered independent entities.

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10 Equity investments in associates

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	DKK	DKK'000	DKK	DKK'000
Cost at 1 May	21,655,678	16,600	21,655,678	16,600
Additions	500,000	5,056	500,000	5,056
Disposals	-60,000	0	-60,000	0
Cost at 30 April	22,095,678	21,656	22,095,678	21,656
Depreciation and revaluation at 1 May	0	0	0	0
Impairment to fair value	-140,000	0	-140,000	0
Depreciation and revaluation at 30 April	-140,000	0	-140,000	0
Carrying amount at 30 April	21,955,678	21,656	21,955,678	21,656

Profit/loss and equity is stated according to latest public available annual reports.

Name and registered office	Voting rights and ownership	Profit/loss DKK'000	Equity DKK'000
Multilift 550 ApS, Kolding	50,0%	-6	-531
Rævegade-Strandgade Invest ApS, København K	33,3%	571	14,996
SF Fore Invest II ApS, København K	44,7%	-73	-23
Bellinger A/S, Risskov	38,0%	352	3,901
Controlled Polymers Holding ApS, Kolding	25.0%	6,250	70,682

11 Other equity investments

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	DKK	DKK'000	DKK	DKK'000
Cost at 1 May	22,819,285	22,374	22,812,785	22,367
Additions	14,500,030	2,250	14,500,030	2,250
Disposals	0	-1,804	0	-1,804
Cost at 30 April	37,319,315	22,820	37,312,815	22,813
Depreciation and revaluation at1 May	-6,242,448	-4,305	-6,242,448	-4,305
Revaluation at fair value	0	200	0	200
Impairment to fair value	-1,547,446	-3,942	-1,547,446	-3,942
Disposals	-1,250,000	1,805	-1,250,000	1,805
Depreciation and revaluation at 30 April	9,039,894	-6,242	-9,039,894	-6,242
Carrying amount at 30 April	28,279,421	16,577	28,272,921	16,570

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12 Share capital

The subscribed capital comprises 2,000 shares of DKK 500 each.

The company has one share class and all shares carry the same rights.

The share capital has remained unchanged for the past 5 years.

13 Deferred tax

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	DKK	DKK'000	DKK	DKK'000
Development projects	7,613,000	8,821	0	0
Properties	4,600,000	4,600	0	0
Plant, machinery and machinery	614,860	1,178	400	0
Other	-2,941,000	-1,473	0	0
	9,886,860	13,126	400	0

Deferred tax liabilities are expected to be set off within:				
0-1 years	-2,941,000	-1,468	0	0
1-5 years	8,227,860	9,994	400	0
> 5 years	4,600,000	4,600	0	0
	9,886,860	13,126	400	0

14 Warranties

The Group has provided a guarantee for certain products. A provision of DKK 4,046 thousand has been been recognised (2018/19 DKK 5,173 thousand) for expected warranty claims. The provision has been calculated based on historical information on the level of repairs and returned goods as well as specific warranty cases. The warranty provision includes some major provisions that relate to specific warranty cases.

The maturity dates for the warranty obligations are expected to be:

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	DKK	DKK'000	DKK	DKK'000
0-1 years	1,993,645	2,345	0	0
1-5 years	2,052,000	2,828	0	0
	4,045,645	5,173	0	0

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		Group		Parent	
		2019/20	2018/19	2019/20	2018/19
		DKK	DKK'000	DKK	DKK'000
15	**Credit institutions**				
	Long-term debt falling due after five years after the financial year end	7,392,258	9.377	0	0
16	**Staff costs**				
	Total staff costs include:				
	Wages and salaries	73,099,349	72,315	1,154,822	1,129
	Pensions	6,072,993	5,787	0	0
	Other social security costs	552,731	546	0	0
		79,725,073	78,648	1,154,822	1,129
	Staff costs are recognised in the consolidated financial statements and the parent company financial statements as follows:				
	Production costs	32,526,395	32,123	0	0
	Development costs	19,857,756	20,289	0	0
	Selling and distribution costs	16,505,141	16,621	0	0
	Administrative expenses	10,835,781	9,615	1,154,822	1,129
		79,725,073	78,648	1,154,822	1,129
	Average number of full-time employees	153	160	1	1
	Management remuneration (Executive Board and Board of Directors)	1,154,822	1,129	1,154,822	1,129
17	**Depreciation, amortisation and impairment losses**				
	Property	1,574,744	1,647	74,015	74
	Plant, machinery and equipment	7,484,227	7,549	2,899	0
	Profit on the disposal of equipment	25,930	-13	0	0
	Development projects	17,967,357	20,260	0	0
		27,052,258	29,443	76,914	74
	Amortisation, depreciation and impairment losses are recognised in the consolidated financial statements and the parent company financial statements as follows:				
	Production costs	6,375,193	6,888	0	0
	Development costs	18,583,204	20,944	0	0
	Selling and distribution costs	285,612	224	0	0
	Administrative expenses	1,808,249	1,387	76,914	74
		27,052,258	29,443	76,914	74

Consolidated financial statements and parent company financial statements 1 May – 30 April

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18 Contractual obligations and contingencies, etc.

Contingent liabilities

There are no pending litigation or disputes that are expected to materially affect the Group's and the Company's financial position.

The Parent Company is jointly taxed with Danish subsidiaries. The companies included in the joint taxation have joint and several unlimited liability for Danish withholding taxes on dividends, interest and royalties.

The Group's Danish companies are jointly liable for the joint registrations of VAT.

The Parent Company has provided a guarantee to associates' credit institutions limited to DKK 9,000 thousand.

Operating lease liabilities, etc.

The Group has entered into operating leases with an average annual lease payment of DKK 62 thousand and a remaining term of 5 months. The remaining lease obligation totals DKK 26 thousand.

19 Mortgages and collateral

Land and buildings with a carrying amount of DKK 44,791 thousand at 30 April 2020 (2018/19: DKK 45,054 thousand) have been provided as collateral for mortgage loans of DKK 17,095 thousand (2018/19: DKK 19,035 thousand).

20 Currency and interest rate risks and use of financial instruments

The Group uses interest rate swaps to hedge interest rate risks, whereby floating interest payments are rescheduled into fixed interest payments.

	2019/20				2018/19			
DKK'000	Notional principal	Value adjustment recognised in equity	Fair value	Term to maturity	Notional principal	Value adjustment recognised in equity	Fair value	Term to maturity
				months				months
Interest rate swaps	7,899	120	-424	98	9,581	176	-578	8-110

The hedged cash flows are expected to be realised and will affect results of operations over the term to maturity of the interest rate swap.

The fair value amount is recognised in the consolidated financial statements and parent company financial statements in accordance with the accounting policies.

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21 Related parties

The Group's related parties include the members of the Board of Directors and the Executive Board, see page 6, subsidiaries, see note 9 and those companies' Boards of Directors and Executive Boards.

Remuneration/fees to members of the Executive Board and the Board of Directors are reflected in note 16.

Except for transactions eliminated in the consolidated financial statements, remuneration and dividend distribution no other related party transactions have been performed. All transactions have been carried out on an arm's length basis.

22 Profit appropriation

	Parent	
	2019/20	2018/19
	DKK	DKK'000
Proposed distribution of profit		
Proposed dividend	10,000,000	10,000
Reserve for net revaluation according to the equity method	2,673,612	-11,457
Retained earnings	15,357,569	25,497
	28,031,181	24,040

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Tine Bøwadt Christiansen
Bestyrelse/board of director
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Serienummer: PID:9208-2002-2-036568707704
IP: 86.52.xxx.xxx
2020-08-04 09:29:47Z
NEM ID

Mads Pauli Ringkjøbing-Christiansen
CEO/direktør
På vegne af: Chrispa ApS
Serienummer: PID:9208-2002-2-776789291089
IP: 128.76.xxx.xxx
2020-08-04 10:37:02Z
NEM ID

Mads Pauli Ringkjøbing-Christiansen
Chairman
På vegne af: Chrispa ApS
Serienummer: PID:9208-2002-2-776789291089
IP: 128.76.xxx.xxx
2020-08-04 10:37:02Z
NEM ID

Mads Pauli Ringkjøbing-Christiansen
Bestyrelse/board of director
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Lars Pauli Christiansen
Bestyrelsesformand/Chairman
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Jon Midtgaard
Statsautoriseret revisor
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Serienummer: CVR:30700228-RID:11522188
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