



Annual report 2019

ACCOUNTING PERIOD: 01.01 2019 – 31.12 2019
CENTRAL BUSINESS REGISTRATION NO: 24 20 83 70

COMPANY: EGN GROUP A/S
RYTTERMARKEN 8
5700 SVENDBORG

CHAIRMAN OF THE ANNUAL GENERAL MEETING: HANS KURT KJÆR HANSEN

APPROVED BY THE ANNUAL GENERAL MEETING ON AUGUST 27 2020



Company details

Company

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Central Business Registration No: 24 20 83 70
Registered in: Svendborg
Accounting year: January 1, 2019 – December 31, 2019

Secondary names

Executives' Global Network A/S
EGN Group A/S
Netværk Danmark A/S

Executive Board

Jonatan Åge Persson, Group Chief Executive Officer
Hans Kurt Kjær Hansen, Group Chief Financial Officer













Board of Directors

Jens Erik Karlskov Jensen, Chairman
Jørgen Galsgaard
Janne Karlskov Jensen
Jeanette Galsgaard

Company auditors

Revisionsfirmaet Edelbo
Statsautoriseret Revisionspartnerselskab
Business registration no.: 35 48 61 78

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Consolidated key figures

Executives' Global Network A/S - Group

Statement of comprehensive income (DKK'000)	2019	2018	2017	2016	2015
Revenue	176.731	171.208	165.317	162.817	162.890
Operating profit (EBIT)	10.445	8.269	10.657	17.301	14.607
Net financials	(1.642)	(677)	(658)	(199)	(637)
Profit before tax	8.803	7.592	9.909	17.102	13.970
Net profit for the year	6.458	5.742	7.244	11.736	9.929
Balance (DKK'000)					
Investment in fixed assets	19.249	875	621	1.542	2.288
Equity	4.065	2.704	6.983	7.649	3.489
Balance sheet total	65.553	50.201	41.277	40.159	38.207
Key ratios (%)					
ROIC excl. goodwill	18.05 %	18.12 %	26.01 %	44.15 %	40.44 %
Solvency ratio	6.20 %	5.39 %	17.00 %	19.05 %	9.13 %
Profit margin	5.91 %	4.83 %	6.39 %	10.63 %	8.97 %
Return on equity	190.81 %	118.54 %	99.01 %	210.73 %	173.26 %

The key figures are prepared in accordance with the Danish Society of Financial Analysts' "Recommendations & Financial Ratios 2015".

Management commentary

Company activity

The EGN Group is the world's second largest professional peer group network for executives (top executives, middle managers, specialists and key employees).

EGN currently has around 14,000 active members from 13 countries, representing more than 7,500 companies. We run 3,800 peer group meetings every year.

EGN operates peer groups in Denmark, Norway, Sweden, Finland, Germany, Holland, Belgium, Hong Kong, Singapore, Thailand, Australia, New Zealand and South Africa.

The group operates peer groups and represents more than 70 different organizational functions in companies and the public sector.

The goal is "Making each other better", which means that EGN wishes that all the knowledge gathered in the public and private businesses of the 13 countries where EGN is represented, lies in the EGN peer groups and can be used by all, both by the individual employee, who is a member, and by colleagues in the organizations. By using the network and each other - also between peer group meetings - there are every opportunity to solve any problem that may arise and thereby "Making each other better". There must be no challenge for a member or somebody in his or her organization which cannot be solved by use of the EGN concept.

EGN has entered into a partnership with Harvard Business Publishing so that EGN now as the only professional network in the world also can offer tailor-made seminars and education in a combination of peer groups combined with education from Harvard professors incl. a number of business cases to discuss and direct learning.

EGN has over the last years developed its own social media platform – Members' Universe – where members across countries and functions can share knowledge in confidential forums – as an add-on to the peer group meetings.

Development in activities and finances

The profit for the year is 6.457.973 DKK.

The result must be seen in the light of several specific issues:

The 13 operating companies work as independent entities. Together they have had progress in turnover and in OPP.

This was budgeted and is a very satisfactory result.

The board considers the result positive.

Outlook

The company expect a positive result for 2020.

After a very strong 1. quarter, the COVID-19 pandemic hit the world – and EGN.

To be able – still - to give our members the possibility to share knowledge, all our peer group meetings were immediately converted to virtual meetings. We have held more than 1500 virtual peer group meeting in the first half of the year.

Also we have brought in a number of specialists within crises management, leadership and innovation, and held a great number of webinars with dialogue and inspiration for the members.

The members have responded with good engagement and high participation to the adapted format, and have been loyal to their continuation as an EGN member.

We also see that the interest in networking and sharing experiences in a professional setting is increasing. We also saw that during and after the financial crises in 2009-2011.

On this background the board and the management expect a positive result for 2020, although it will be a very challenging year.

Statement by the executive management and the board of directors

The Board of Directors and the Executive Group Management Board have today discussed and approved the annual report of EGN Group A/S for the financial year 2019.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for annual reports.

In our opinion the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's assets, liabilities and financial position on December 31, 2019 and of the results of the group's and the parent company's operations and cash flows for the financial year January 1 - December 31, 2019.

Further, in our opinion the management's report includes a fair review of the development and performance of the group's and the parent company's business and financial condition, the profit/loss for the year and of the group's and the parent company's financial position together with a description of the principal risks and uncertainties that the group and the parent company face.

We recommend that the Annual Report 2019 is approved at the annual general meeting.

Svendborg, August 19, 2020

Executive Group Management Board

Jonatan Åge Persson
Group Chief Executive Officer

Hans Kurt Kjær Hansen
Group Chief Financial Officer

Board of Directors

Jens Erik Karlskov Jensen
Chairman

Jørgen Galsgaard

Janne Jensen

Jeanette Galsgaard

Independent auditors' report

To the shareholders of EGN Group A/S

Our opinion

We have audited the consolidated financial statements and the parent company financial statements of EGN Group A/S for the financial year 1 January to 31 December 2019, which comprise income statement, statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional disclosure requirements in 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 Group's and the parent company's financial position at 31 December 2019 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January – 31 December 2019 in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in Denmark. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether the Management's Review includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and Parent Company Financial Statements and has been prepared in accordance with the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of 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 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 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 about 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 the 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 these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 or the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

Svendborg, August 19, 2020

Revisionsfirmaet Edelbo

Statsautoriseret Revisionspartnerselskab

Cvr-nr. 35 48 61 78

Johan Groth

State Authorized
Public Accountant
mne11630

Michael Jensby Jakobsen

State Authorized
Public Accountant
mne34290

Financial

Consolidated income statement

1 January – 31 December

DKK	Note	2019	2018	2017
Revenue	3	176.731.465	171.207.941	165.316.804
Other external expenses		(37.141.585)	(35.017.227)	(38.919.943)
Staff expenses	4	(120.797.285)	(125.357.052)	(114.491.281)
Depreciation	5	(8.347.384)	(2.564.802)	(1.338.530)
Operating profit before other items		10.445.211	8.268.860	10.567.050
Other income and expenses, net		0	0	0
Operating profit (EBIT)		10.445.211	8.268.860	10.567.050
Financial income	6	1.269.287	773.395	156.771
Financial expenses	7	(2.911.124)	(1.450.752)	(814.529)
Profit/(loss) before tax (EBT)		8.803.375	7.591.502	9.909.292
Tax on profit/(loss) for the year	8	(2.345.402)	(1.849.880)	(2.665.574)
Net profit/(loss) for the year		6.457.973	5.741.623	7.243.718
Attributable to:				
Owners of EGN Group A/S		5.275.277	4.519.552	5.941.811
Non-controlling interests		1.182.696	1.222.071	1.301.907
Net profit/(loss) for the year		6.457.973	5.741.623	7.243.718

Financial

Statement of comprehensive income

1 January – 31 December

DKK	Note	2019	2018	2017
Profit/(loss) for the year		6.457.973	5.741.623	7.243.718
Foreign exchange adjustments, etc.		13.050	17.571	(117.350)
Other comprehensive income for the year, net of tax		13.050	17.571	(117.350)
Total comprehensive income for the year		6.471.023	5.759.194	7.126.368
Attributable to:				
Owners of EGN Group A/S		5.283.977	4.534.493	5.861.974
Non-controlling interests		1.187.046	1.224.701	1.264.394
Net profit/(loss) for the year		6.471.023	5.759.194	7.126.368

Statement of cash flows

1 January - 31 December

DKK	Note	2019	2018	2017
Net profit/(loss)		6.457.973	7.243.719	7.243.719
Depreciation, amortisation and impairment losses		4.424.668	1.338.529	1.338.529
Changes in working capital		6.982.111	929.570	4.082.643
Adjustment of tax of the year		2.345.402	1.849.880	2.665.574
Changes in provisions, pensions and similar obligations		(1.987.209)	4.548.630	(1.192.977)
Income taxes paid		(1.791.872)	(2.933.944)	(7.554.965)
Cash flow from operating activities		16.431.073	12.700.562	6.582.523
Cash flow from investing activities				
Acquisition of intangible assets, property, plant and equipment		(25.161.978)	(8.981.852)	(7.920.005)
(Acquisition)/disposal of financial assets		0	0	0
Cash flow from investing activities		(25.161.978)	(8.981.852)	(7.920.005)
Cash flow from financing activities				
Proceeds from borrowings		15.390.308	481.796	467.175
Repayment of borrowings		(1.543.442)	(347.402)	(243.696)
Change in intercompany receivables/liabilities		83.150	(1.201.590)	3.341.171
Change in other liabilities		1.870.203	(113.520)	902.597
Paid dividend		(5.131.220)	(5.256.183)	(6.819.455)
Cash flow from financing activities		10.668.998	(6.436.899)	(2.352.212)
Total cash flow		1.938.093	(2.718.189)	(3.689.694)
Cash and cash equivalents at 1 January		(4.977.113)	(2.258.923)	1.430.770
Total cash flow		1.938.093	(2.718.189)	(3.689.694)
Cash and cash equivalents at 31 December		(3.039.020)	(4.977.113)	(2.258.924)

Statement of consolidated financial position

at 31 December

DKK	Note	2019	2018	2017
Assets				
Intangible assets	9	17.428.098	13.933.410	7.397.236
Property, plant and equipment	10	15.610.029	2.280.814	2.533.867
Deferred tax assets	11	1.854.062	1.290.241	1.516.466
Amounts owed by group companies		0	0	303.476
Other financial assets		1.649.707	1.429.104	1.253.689
Non-current assets		36.541.896	18.933.569	13.004.735
Trade receivables	12	22.670.991	24.118.429	19.917.780
Receivables from group companies		1.232.164	1.315.313	0
Tax receivables		281.086	77.110	0
Other receivables		4.826.626	5.737.291	1.695.147
Cash and cash equivalents	13	0	19.088	6.621.732
Current assets		29.010.868	31.267.231	28.234.660
Total assets		65.552.763	50.200.800	41.239.396

Statement of consolidated financial position (continued)

at 31 December

DKK	Note	2019	2018	2017
Equity and liabilities				
Share capital	14	500.000	500.000	500.000
Retained earnings		2.559.527	1.254.584	5.958.447
Total equity attributable to owners of EGN Group A/S		3.059.527	1.754.584	6.458.447
Non-controlling interests		1.005.279	949.452	524.997
Total equity		4.064.806	2.704.036	6.983.444
Leasing liabilities	15	5.526.148	645.463	548.635
Employee liabilities	16	1.371.594	0	0
Non-current liabilities		6.897.742	645.463	548.635
Current portion of long-term liabilities	15+16	9.376.415	410.234	372.667
Bank	13	3.039.020	4.996.201	8.880.656
Prepayments		11.440.175	11.716.548	0
Trade payables	17	5.815.261	4.641.700	4.052.313
Payables to group companies		0	0	189.753
Tax payables		1.621.638	300.311	1.533.490
Other liabilities	18	7.003.170	5.132.968	6.650.407
Employee liabilities	19	7.533.668	8.615.796	5.352.825
Deferred income	20	8.760.868	11.037.543	6.675.204
Current liabilities		54.590.215	46.851.301	33.707.317
Total liabilities		61.487.958	47.496.764	34.255.952
Total equity and liabilities		65.552.763	50.200.800	41.239.396
Related parties	21			
Recourse guarantee commitments and Contingent liabilities	21			
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Consolidated Equity

1 January - 31 December

2019

DKK	Share capital	Retained earnings	Minority interests	Total
Equity at 1 January	500.000	1.254.584	949.452	2.704.036
Net profit/(loss) for the year	0	5.275.277	1.182.696	6.457.973
Other comprehensive income	0	8.699	4.351	13.050
Exchange rate adjustments	0	29.303	0	29.303
Disposal of subsidiaries	0	(8.336)	0	(8.336)
Transactions with owners				
Dividends paid (Group grants)	0	(4.000.000)	(1.131.220)	(5.131.220)
Total changes in equity	0	1.304.943	55.827	1.360.770
Equity at 31 December	500.000	2.559.527	1.005.279	4.064.806

Dividends

The parent has proposed a dividend of DKK 0 before the Annual Report was issued.

2018

DKK	Share capital	Retained earnings	Minority interests	Total
Equity at 1 January	500.000	5.958.447	524.997	6.983.444
Net profit/(loss) for the year	0	4.519.552	1.222.071	5.741.623
Other comprehensive income	0	14.941	2.630	17.571
Exchange rate adjustments	0	16.980	0	16.980
Adjustment to prior years	0	(5.255.336)	455.937	(4.799.399)
Transactions with owners				
Dividends paid (Group grants)	0	(4.000.000)	(1.256.183)	(5.256.183)
Total changes in equity	0	(4.703.863)	424.455	(4.279.408)
Equity at 31 December	500.000	1.254.584	949.452	2.704.036

Dividends

The parent has proposed a dividend of DKK 0 before the Annual Report was issued.

Consolidated Equity (continued)

1 January - 31 December

2017

DKK	Share capital	Retained earnings	Minority interests	Total
Equity at 1 January	500.000	7.021.570	127.431	7.649.001
Net profit/(loss) for the year	0	5.941.811	1.301.907	7.243.718
Other comprehensive income	0	(79.836)	(37.514)	(117.350)
Exchange rate adjustments	0	15.073	(47.373)	(32.300)
Adjustment to prior years	0	(940.171)	0	(940.171)
Transactions with owners				
Dividends paid (Group grants)	0	(6.000.000)	(819.455)	(6.819.455)
Total changes in equity	0	(1.063.123)	397.565	(665.558)
Equity at 31 December	500.000	5.958.447	524.997	6.983.444

Dividends

The parent has proposed a dividend of DKK 4.000.000 before the Annual Report was issued.

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Statement of comprehensive income

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Notes

1. ACCOUNTING POLICIES

Basis of accounting

The consolidated financial statements for 1 January – 31 December 2019 are presented in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU and additional Danish disclosure requirements for annual reports of reporting class C enterprises. Please see the Danish Executive Order on IFRS adoption issued in accordance with the Danish Financial Statement Act.

The consolidated financial statements are presented in Danish Kroner (DKK), which is regarded as the primary currency in relation to the group's activities and the functional currency of the parent company.

The consolidated financial statements have been prepared on the historical cost basis, except for certain derivative financial instruments which are measured at fair value. The principal accounting policies adopted are set out below.

The consolidated financial statements are presented in accordance with the new and revised standards (IFRS/IAS) and Interpretations (IFRIC) which apply for the financial year.

Adoption of new and revised International Financial Reporting Standards (IFRS)

In the current year, the Group has applied IFRS 16 Leases. IFRS 16 introduce new or amended requirements with respect to lease accounting. It introduces significant changes to the lease accounting by removing distinction between operation and finance leases, except for short-term leases and leases of low value assets. The impact of the adoption of IFRS 16 on the Group's consolidated financial statements is described below.

The date of initial application of IFRS 16 for the Group is 1 January 2019. The Group has applied IFRS 16 using the modified retrospective approach, without restatement of the comparative information.

The implementation did not impact prior periods. Upon initial recognition, Leases were recognized as follows:

Group:	
Property, plants and equipment	17,0 DKK mio.
Leasing liability	17,0 DKK mio.
Parent company:	
Property, plants and equipment	11,7 DKK mio.
Leasing liability	11,7 DKK mio.

The total amount paid on the leases is recognized as depreciation on the assets, interest and installment on the leasing liability.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as IT equipment etc.), the Group has opted to recognize a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within other expenses in the consolidated statement of profit and loss.

Future IFRS changes

At the date of the publication of these consolidated financial statements, a number of new and amended standards and interpretations have not yet entered into force or have not yet been adopted by the EU. Therefore, they are not incorporated in the consolidated financial statements.

None of the new standards or amendments of existing standards are expected to have a material impact on future consolidated financial statements.

Recognition and measurement

Assets are recognized in the statement of financial position if it is probable that future financial benefits will flow to the group and the value of the asset can be measured reliably.

Liabilities are recognized in the statement of financial position if they are probable and can be measured reliably. On initial recognition assets and liabilities are measured at cost or fair value. Subsequently assets and liabilities are measured as described for each item below.

Income is recognized in the statement of comprehensive income as earned and includes value adjustments of financial assets and liabilities measured at fair value or amortized cost.

Consolidated financial statements

The consolidated financial statements comprise the parent company and the group enterprises (subsidiaries) that are controlled by the parent company, see group chart on page 33. Control is achieved where the parent company, either directly or indirectly, holds more than 50% of the voting rights or in any other way possibly or actually exercises controlling influence over a subsidiary. If the parent company holds less than 50% of the share capital, control exists when the parent company under agreement has more than 50% of the voting rights, has the power to govern financial and operating policies of the subsidiary, to appoint members of the Board of Directors or to cast the majority of votes at meetings of the Board of Directors of the subsidiary.

Notes

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the parent company and its subsidiaries, which are all prepared in accordance with the group's accounting policies. Upon consolidation, intra group income and expenses, balances, investments and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated.

Subsidiaries' financial statement items are recognized in full in the consolidated financial statements. Non-controlling interests' pro rata share of profit/loss and equity is shown as separate line items in the statement of comprehensive income and in the group's equity, respectively.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the transaction date exchange rate. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the end of the reporting period are translated using the exchange rate at the end of the reporting period. Exchange differences that arise between the rate at the transaction date and the exchange rate effective at the payment date or the exchange rate at the end of the reporting period are recognized in statement of comprehensive income as financial income or financial expenses. Property, plant equipment fleet, intangible assets, inventories and other non-monetary assets purchased in foreign currencies and measured on the basis of historical cost are translated at the transaction date exchange rate. If non-monetary items are restated at fair value, they are translated using the exchange rate at the date of restatement.

When foreign subsidiaries that use a functional currency different from DKK are recognized in the consolidated financial statements, the statement of comprehensive income is translated at average exchange rates on a monthly basis unless such rates vary significantly from the actual exchange rates at the transaction dates.

In the latter case, the actual exchange rates are used. Statement of financial position items is translated using the exchange rates at the end of the reporting period. Goodwill is considered to belong to the relevant entity acquired and is translated using the exchange rate at the end of the reporting period.

Exchange differences resulting from the translation of foreign entities' equity at the beginning of the year using the end of the reporting period exchange rates and by translating statements of

comprehensive income from average exchange rates to the exchange rates at the end of the reporting period are recognized in other comprehensive income. Similarly, exchange differences resulting from changes made in a foreign entity's other comprehensive income are also taken to other comprehensive income.

Exchange adjustments on receivables from, or payables to, subsidiaries that are considered part of the parent company's total investment in the subsidiary in question, are also recognized in other comprehensive income.

When foreign subsidiaries that use DKK as their functional currency but present their financial statements in another currency are recognized in the consolidated financial statements, monetary assets and liabilities are translated using the end of the reporting period exchange rate. Non-monetary assets and liabilities measured on the basis of historical cost are translated using the transaction date exchange rate. Non-monetary items

measured at fair value are translated at the exchange rate at the time of the last fair value adjustment.

The items in profit or loss are translated at average exchange rates on a monthly basis, with the exception of items deriving from nonmonetary assets and liabilities, which are translated using the historical rates applicable to the relevant non-monetary assets and liabilities.

Income taxes and deferred tax

The EGN group's Danish subsidiaries are jointly taxed. The current Danish income tax is allocated among the jointly taxed companies in portion to their taxable income (full allocation subject to reimbursement in respect of tax losses).

Tax for the year consists of current tax for the year and changes in deferred tax. The portion of tax attributable to profit is recognized in the income statement, and the portion of tax attributable to entries directly in other comprehensive income is recognized in other comprehensive income. The portion of tax attributable to equity transactions is recognized in equity.

The current tax payable or receivable is recognized in the statement of financial position, computed as tax calculated on the taxable income for the year, adjusted for prepaid tax.

The current tax charge for the year is calculated based on the tax rates and tax legislation in each country applicable at the balance sheet date.

Notes

Deferred tax is recognized on all temporary differences between carrying values and tax-based values of assets and liabilities, except from deferred tax on all temporary differences on initial recognition of goodwill or on initial recognition of a transaction that is not a business combination, and for which the temporary difference found at the time of initial recognition neither affects profit nor loss for the year nor taxable income.

Deferred tax is calculated based on the expected use of each asset and the settlement of each liability, respectively.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability settled, based on the tax rates and tax legislation that have been enacted or substantively enacted in the respective countries on the balance sheet date. Changes in deferred tax resulting from changed tax rates or tax rules are recognized in profit or loss, unless the deferred tax is attributable to items previously recognized in other comprehensive income or in equity. If so, such changes are also recognized in other comprehensive income or in equity.

Exchange adjustments on deferred tax are recognized as part of the year's adjustment in deferred tax.

Changes in local tax rates, affecting deferred tax, are used and thus affecting the value of the calculated deferred tax asset, alternatively deferred tax liability at year end.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognized in the statement of financial position at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets for set-off against future positive taxable income. At the end of each reporting period, it is reassessed whether sufficient taxable income is probable to arise in the future for the deferred tax asset to be used.

Balances calculated according to the rules on interest deductibility limitations in the Danish Corporate Income Tax Act are allocated according to a joint taxation agreement between the companies that are subject to deductibility limitation in proportion to their share of the total limitation. Deferred tax liabilities in respect of these balances are recognized in the

statement of financial position; whereas deferred tax assets are recognized only if the criteria for recognition of deferred tax assets are met.

Statement of comprehensive income

Revenue

Sale of services is included in the revenue if delivery and passing of risk to the customer have taken place before the end of the

year and if the income can be estimated in a reliable manner and is expected to be received.

The revenue is measured at the fair value of the agreed fee excl. VAT and taxes charged on behalf of third party. All types of discounts given are included in the revenue.

Other external expenses

Other external expenses comprises direct and indirect expenses incurred to realize revenue including salaries, network group facilitation, IT, sales and marketing costs as well as finance, legal, HR and other costs.

Special items

Special items consist of costs of a special nature in relation to the activities of the group, including costs of structural changes and other significant amounts of a one-off nature. These items are shown separately to facilitate the comparability of the profit or loss and provide a better picture of the operational results.

Financial income and expenses

These items comprise interest income and expenses, the interest portion of finance lease payments, realized and unrealized capital gains and losses on payables and transactions in foreign currencies, amortization premium/allowance on mortgage debt, etc. as well as tax interest.

Statement of financial position

Intangible assets

Goodwill

Upon initial recognition, goodwill is recognized in the statement of financial position and measured as the difference between cost of the enterprise acquired and the fair value of the assets, liabilities and contingent liabilities acquired.

When goodwill is recognized, the goodwill amount is distributed on those of the group's activities generating separate payments (cash-generating units). Determination of cash-generating units follows the management structure and internal finance management and reporting of the group.

Subsequently, goodwill is measured at cost less accumulated write downs. There is no amortization of goodwill but the carrying value of goodwill is tested for impairment at least once a year together with the other long-term assets in the cash-generating unit to which the goodwill is allocated. It is written down to recoverable amount in profit or loss if the accounting value exceeds the recoverable amount, this representing the higher of the fair value of the asset less expected disposal costs and the value in use. The recoverable amount is generally determined as the present value of the expected future net cash flows from the cash-generating unit to which the goodwill is allocated. Impairment losses of goodwill are stated in profit or

Notes

loss under amortization and impairment losses of intangible assets.

Other intangible assets

term of the agreement. If the actual useful life is shorter than the remaining duration and the term of the agreement, respectively, amortization is made over such shorter useful life.

Tangible assets

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

Interest expenses on loans and other borrowing costs are taken to finance expenses in the statement of comprehensive income.

For assets held under finance leases, cost is measured as the lower of the asset's fair value or present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. The residual value is the estimated amount that would be earned if selling the asset today net of selling costs if the asset is of an age and a condition that is expected after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Leasehold improvements: 5 years

Plant equipment and fleet: 3 years

Other fixtures and fittings, tools and equipment: 3-5 years

Depreciation methods, useful lives and residual amounts are reassessed annually. Property, plant equipment and fleet are written down to the lower of recoverable amount and carrying amount.

Impairment of property, plant equipment and fleet and intangible assets

The carrying amounts of property, plant equipment and fleet and intangible assets with definite useful lives are tested at the end of the reporting period for any indication of impairment. If impaired, the recoverable amount of the asset is estimated to determine the need for any write-down and the extent thereof.

Acquired intellectual property rights in the form of patents and licenses are measured at cost less accumulated amortization and impairment losses. Patents are amortized over their remaining duration, usually 7 years, and licenses are amortized over the

The recoverable amount of intangible assets with indefinite useful lives and goodwill is estimated annually irrespective of any recorded indications of impairment.

If the asset does not generate cash flows separately from other assets, an estimate is made of the recoverable amount of the smallest cash-generating unit of which the asset forms part.

The recoverable amount is calculated as the higher of the asset's and the cash-generating unit's fair value less selling costs and net present value. When the net present value is determined, estimated future cash flows are discounted at present value using a discount rate that reflects current market estimates of the value of money in terms of time, as well as the particular risks related to the asset and the cash-generating unit, respectively, and for which no adjustment is made in the estimated future cash flows.

If the recoverable amount of the asset or the cash-generating unit is estimated to be lower than the carrying amount, the asset is written down to this lower recoverable amount. For cash-generating units, write-down is allocated in such a way that goodwill amounts are written down first and then any remaining need for write-down is allocated to other assets of the unit, however, the individual asset is not written down to an amount that is lower than its fair value net of estimated selling costs.

Impairment losses are recognized in the profit or loss. In case of any subsequent reversals of impairment losses resulting from change in assumptions of the estimated recoverable value, the carrying values of the asset and the cash-generating unit, respectively, are increased to the adjusted estimate of the recoverable value, however, no more than the carrying value which the asset or the cash-generating unit would have had if the write-down had not been performed. Impairment losses of goodwill are not reversed.

Profits or losses from the sale of property, plant equipment and fleet are calculated as the difference between selling price less

selling costs and carrying value at the time of sale. Profits or losses are recognized in the statement of comprehensive income if the selling price differs from the carrying amount.

Notes

Financial assets

Other receivables

Other receivables with a fixed maturity are measured at amortized cost, less any impairment.

Current assets

Trade receivables

On initial recognition, trade receivables are measured at fair value and subsequently at amortized cost, which usually equals nominal amount less bad debt provisions.

Prepayments

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

Liabilities

Other provisions

Other provisions are recognized when the group has a legal or constructive obligation as a result of past events in the financial year or prior years, and it is probable that settlement of such obligation will lead to an outflow of the company's financial resources.

Lease commitments

Lease commitments relating to assets held under finance leases are recognized in the statement of financial position as liabilities other than provisions, and, at the time of inception of the lease, measured at the lower of the lease asset's fair value and the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortized cost. The difference between the present value and nominal amount of the lease payments is recognized in profit or loss as a financial expense over the term of the leases.

Lease payments on short-term leases and leases of low value assets are recognized on a straight-line basis in profit or loss over the term of the lease.

Other financial liabilities

On initial recognition, other liabilities, including issued bond loans, bank loans and trade payables, are measured at fair value. Subsequently, these liabilities are measured at amortized cost applying the effective interest method to the effect that the difference between proceeds and nominal amount is recognized in profit or loss as a financial expense over the term of the loan.

Pension obligations

The group has entered into pension agreements with employees, which are classified as defined contribution pension plans.

Periodical payments to defined contribution pension plans are recognized in profit or loss at the due date, and any contributions

payable are recognized in the statement of financial position under liabilities.

Deferred income

Deferred income is measured at cost in the Consolidated financial statements and parent company financial statements for the period 1 January – 31 December.

Statement of cash flows

The group's statement of cash flows is presented using the indirect method and shows cash flows from operating, investing, and financing activities as well as the group's cash and cash equivalents at the beginning and end of the financial year.

Cash flows from operating activities are calculated as EBIT adjusted for non-cash operating items, working capital changes and income taxes paid. In the adjustment for non-cash operating items, depreciations and amortizations capitalized on tangible and intangible assets are included.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of enterprises, tangible fixed asset investments, and purchase, improvement and sale, etc. of intangible assets, and property and plant equipment. Depreciations and amortizations capitalized on tangible and intangible assets are included in cash-flow from investing activities.

If any, cash flows from acquired and divested enterprises are shown as separate line items within cash flows from investing activities.

Cash flows related to acquire enterprises are recognized in the statement of cash flow from their date of acquisition, and cash flows from divested enterprises are recognized up to the date of sale.

Cash flows from financing activities comprise financial expenses paid and changes in the size or composition of the parent company's share capital and related costs, the raising of loans, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividends.

Cash and cash equivalents comprise cash.

Notes

Ratios

The following ratios are compiled in accordance with Recommendations & Ratios 2010 issued by the Danish Society of Financial Analysts and generally accepted calculation formulas.

EBIT margin before

$$\text{Special items} = \frac{\text{Operating profit/loss [EBIT]} \times 100}{\text{Revenue}}$$

$$\text{EBITDA margin} = \frac{\text{Operating profit/loss before depreciation and amortization} \times 100}{\text{Revenue}}$$

$$\text{Return on equity} = \frac{\text{Operating profit/loss [EBIT]} \times 100}{\text{Average equity}}$$

$$\text{ROIC excl. goodwill} = \frac{\text{EBITDA}}{\text{Average capital investment excl. goodwill}}$$

2. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The determination of carrying values and preparation of the annual report build upon estimates made by Management of the likely effect of future events on the value intangible assets, deferred tax assets and trade receivables.

Management has determined fair value of separable intangible assets acquired through business combination, including impairment test of goodwill and other intangible assets. The estimates used build upon assumptions, which, in the opinion of Management, are valid albeit inherently uncertain and unpredictable. An assessment is made of the possibility of recovering the carrying value of intangible assets. The assessment of recoverable amounts is based upon estimated returns generated by those assets in the cash-generating unit. Refer to the additional information and amounts disclosed in the notes to the consolidated financial statements.

Deferred tax assets are recognized if it is likely that there will be taxable income in the future against which timing differences or tax loss carry forwards may be used.

For this purpose, Management estimates the coming years' earning based on budgets and expected growth.

Trade receivables, estimates are used in determining the level of receivables that cannot be collected according to Management. When evaluating the adequacy of the allowance for doubtful receivables, Management analyses trade receivables and examines changes in customer creditworthiness, customer payment patterns and current economic trends.

Notes

3. Revenue

DKK	2019	2018	2017
Member fees	173.333.132	169.825.455	164.969.315
Other revenue	3.398.333	1.382.486	347.489
Revenue, total	176.731.465	171.207.941	165.316.804

The Group is exempt from providing information of segments.

4. Staff expenses

DKK	2019	2018	2017
Salaries and wages*	110.743.673	111.834.836	100.627.145
Pension	7.618.577	8.038.628	9.848.046
Other staff expenses	2.435.035	5.483.587	4.016.090
Staff expenses, total	120.797.285	125.357.052	114.491.281
Avg. number of employees on permanent employment	204	195	180

The Group received government grants in the form of wage subventions, which have been recognised in the income statement as a reduction of staff costs. The grants compensate the Group for staff costs primarily related to social security as well as hiring certain categories of employees such as trainees, disabled persons, long-term unemployed and employees in certain age groups.

* Includes both permanent employees and non-permanent employees.

Management and board of directors remuneration can be specified as follows:

DKK	2019	2018	2017
Salaries and wages	7.448.014	8.095.896	7.976.200
Bonus	0	0	0
Pension	495.719	868.598	682.700
	7.943.734	8.964.494	8.658.900

The Executive Board and a number of executives in the parent company is subject to special bonuses depending on individually defined performance and an incentive system to enter into force upon any transfer of the group.

Notes

5. Depreciation

DKK	2019	2018	2017
Goodwill	0	0	0
Other intangible assets	2.418.121	1.633.672	325.921
Plant and equipment	5.785.514	789.100	820.322
Leasehold improvements	143.749	142.030	185.897
Profit of disposed assets	0	0	-3.610
Depreciation, total	8.347.384	2.564.802	1.338.530

6. Financial income

DKK	2019	2018	2017
Other interest income	979.278	589.704	12.228
Interest income intercompany	83.817	11.144	26.928
Exchange rate gain	206.193	172.547	117.615
Financial income, total	1.269.287	773.395	481.899

7. Financial expenses

DKK	2019	2018	2017
Interest expenses, authorities	72.780	4.672	64.157
Leasing interest	313.215	91.805	83.129
Other interest expenses	1.106.584	825.462	273.512
Exchange rate loss	146.352	244.929	278.388
Write-down of financial fixed assets	1.101.822	100.269	0
Bank fees	170.371	183.615	115.343
Amortization intercompany loan	0	0	0
Financial expenses, total	2.911.124	1.450.752	814.529

Notes

8. Tax on profit/(loss) for the year

DKK	2019	2018	2017
Current tax on profit/(loss) for the year	2.446.769	1.255.072	3.165.935
Adjustment current tax, prior years	0	(115.625)	(54.448)
Change in deferred tax	(101.367)	710.432	(445.913)
Adjustment deferred tax, prior years	0	0	0
Effect from change in tax percentage	0	0	0
Tax on profit/(loss) for the year, total	2.345.402	1.849.880	2.665.574
Profit/(loss) before tax	8.803.375	7.591.502	9.909.293
Effective tax rate	26.6 %	24.4 %	26.9 %
Computation of effective tax rate			
Statutory income tax rate in Denmark	22.0 %	22.0 %	22.0 %
Tax on profit/(loss), statutory tax rate	1.936.742	1.670.131	2.180.044
Non-tax deductible expenses less non-taxable income	408.660	179.749	539.977
Effect of changes in tax percent (23.5% - 22.0% in 2017)	0	0	0
Effect of changes relating to prior years	0	0	-54.447
Effect from foreign tax rates	0	0	0
	2.345.402	1.849.880	2.665.574
Tax of the year			
Tax on profit/(loss)	2.345.402	1.849.880	2.665.574
Tax on other comprehensive income	0	0	0
	2.345.402	1.849.880	2.665.574

Notes

9. Intangible assets

DKK	2019			2018		
	Goodwill	Other intangible assets	Total	Goodwill	Other intangible assets	Total
Cost at 1 January	13.113.937	15.355.101	28.469.038	13.113.937	7.248.072	20.362.009
Additions	0	5.912.809	5.912.809	0	8.107.029	8.107.029
Disposals	0	0	0	0	0	0
Cost at 31 December	13.113.937	21.267.911	34.381.847	13.113.937	15.355.101	28.469.038
Depreciation at 1 January	(12.628.852)	(1.906.777)	(14.535.629)	(12.628.852)	(335.921)	(12.964.773)
Depreciation	0	(2.418.121)	(2.418.121)	0	(1.570.856)	(1.570.856)
Disposals	0	0	0	0	0	0
Depreciation at 31 December	(12.628.852)	(4.324.898)	(16.953.750)	(12.628.852)	(1.906.777)	(14.535.629)
Carrying amount at 31 December	485.085	16.943.013	17.428.098	485.085	13.448.325	13.933.410

DKK	2017		
	Goodwill	Other Intangible assets	Total
Cost at 1 January	12.796.880	0	12.796.880
Additions	317.057	7.248.072	7.565.129
Disposals	0	0	0
Cost at 31 December	13.113.937	7.248.072	20.362.009
Depreciation at 1 January	(12.628.852)	0	(12.628.852)
Depreciation	0	(335.921)	(335.921)
Disposals	0	0	0
Depreciation at 31 December	(12.628.852)	(335.921)	(12.964.773)
Carrying amount at 31 December	485.085	6.912.151	7.397.236

Other intangible assets comprising costs incurred for further development of the Group's platforms, which were continued during the financial year. Other intangible assets is depreciated over 7 years.

Management has not found any indications of impairment in addition to ordinary depreciation in relation to the carrying amount per. December 31, 2019.

Notes

9. Intangible assets (continued)

The management performs an impairment test of the carrying amount of goodwill at least annually and more frequently if there are indicators of impairment.

The annual impairment test is performed on 31 December 2019.

The impairment test as of 31 December 2019 showed no indication of impairment for 2019.

10. Property, plant and equipment

DKK	2019			2018		
	Leasehold improvements	Plant and equipment	Total	Leasehold Improvements	Plant and equipment	Total
Cost at 1 January	1.927.111	10.080.615	12.007.726	1.712.731	9.554.526	11.267.257
Additions	293.258	18.955.911	19.249.169	214.380	660.443	874.823
Disposals	(95.059)	0	(95.059)	0	(134.354)	(134.354)
Cost at 31 December	2.125.310	29.036.527	31.161.837	1.927.111	10.080.615	12.007.727
Depreciation at 1 January	(1.529.255)	(8.197.658)	(9.726.913)	(1.314.302)	(7.419.087)	(8.733.389)
Depreciation	(281.542)	(5.630.390)	(5.911.932)	(214.952)	(993.131)	(1.208.084)
Disposals	87.037	0	87.037	0	214.560	214.560
Depreciation at 31 December	(1.723.761)	(13.828.048)	(15.551.808)	(1.529.255)	(8.197.658)	(9.726.913)
Carrying amount at 31 December	401.549	15.208.479	15.610.029	397.856	1.882.957	2.280.814
Here of carrying amount at 31 December of assets held under leases	0	13.309.813	13.309.813	0	1.075.084	1.075.084

Notes

10. Property, plant and equipment (continued)

DKK	2017		
	Leasehold improvements	Plant and equipment	Total
Cost at 1 January	1.667.941	9.335.427	11.003.368
Additions	44.790	576.108	620.898
Disposals	0	(357.009)	(357.009)
Cost at 31 December	1.712.731	9.554.526	11.267.257
Depreciation at 1 January	(1.108.999)	(6.953.570)	(8.062.569)
Depreciation	(205.304)	(764.467)	(969.771)
Disposals	0	298.950	298.950
Depreciation at 31 December	(1.314.303)	(7.419.087)	(8.733.390)
Carrying amount at 31 December	398.429	2.099.498	2.533.867
Herof carrying amount at 31 December of assets held under finance leases	0	909.736	909.736

The Group leases several assets including cars and buildings. The lease terms range from 1-3 years for cars and 1 to indefinite for buildings. Management estimate for expected use of buildings with indefinite expiry date a range from 1 to 3.5 years.

11. Deferred tax assets

DKK	2019	2018	2017
Deferred tax liabilities/(assets), net at 1 January	(1.290.241)	(1.516.466)	(1.084.137)
Exchange rate adj.	0	(15.829)	127.502
Adjustments to deferred tax liabilities/(assets), net at 1 January	(453.746)	0	0
Deferred tax adjustment, for the year recognized in the income statement	(110.075)	(244.285)	(559.832)
Disposal of a unit	0	486.338	0
Deferred tax liabilities/(assets), net at 31 December	(1.854.064)	(1.290.241)	(1.516.466)

Notes

11. Deferred tax assets (continued)

Deferred tax can be specified as below:

DKK	2019	2018	2017
Intangible assets	408.603	272.169	135.169
Plant and equipment	(79.511)	(48.969)	(39.672)
Current assets	(2.183.154)	(1.513.441)	(1.611.963)
	(1.854.062)	(1.290.241)	(1.516.466)

Recognised in the statement of financial position as follows

Deferred tax liabilities	0	0	0
Deferred tax assets	1.854.062	1.290.241	1.516.466
	1.854.062	1.290.241	1.516.466

Deferred tax liabilities not recognised in the statement of financial position

In 2019, there were no (2018, 2017: none, none) unrecognised deferred tax liabilities related to investments in associates or subsidiaries.

12. Trade receivables

DKK	2019	2018	2017
Trade receivables	22.670.991	24.118.429	19.917.780

A provision account to reduce the carrying amount of trade receivables and services whose value is impaired based on a general provision.

A provision account to reduce the carrying amount of trade receivables and services whose value is impaired based on a general provision.

DKK	2019	2018	2017
Provision account at January 1 st ,	3.303.263	4.061.658	2.173.433
Impairment losses recognised/reversed	79.532	(759.395)	1.888.215
Provision account at December 31st,	3.382.795	3.303.263	4.061.658

Notes

12. Trade receivables (continued)

For the financial year, no interest income has been recognised related to impairment losses.

The ageing of provision of trade receivables at the reporting date was:

DKK	2019	2018	2017
Not past due	1.708.501	1.365.662	1.809.321
Past due 1 to 30 days	1.116.560	1.419.023	1.332.899
Past due 31 to 60 days	293.212	309.928	564.450
Past due 61 to 90 days	177.769	167.973	267.421
Past due 91 to 120 days	37.265	28.351	87.568
More than 121 days	49.487	12.325	0
Total	3.382.795	3.303.263	4.061.659

13. Cash and cash equivalents

DKK	2019	2018	2017
Cash and bank deposits	0	19.088	6.621.732
Loans in banks	(3.039.020)	(4.996.201)	(8.880.656)
Cash and cash equivalents, total	(3.039.020)	(4.977.113)	(2.258.924)
Recognized in the statement of financial position			
Assets	0	19.088	6.621.732
Liabilities	(3.039.020)	(4.996.201)	(8.880.656)
	(3.039.020)	(4.977.113)	(2.258.924)
The Group company has unused drawing rights in banks for	4.960.980	3.022.887	0

Notes

14. Share capital

The Parent Company's share capital, DKK 500.000 is composed of shares of DKK 1.000 or multiple hereof. The share capital is not divided into classes.

15. Leasing

DKK	2019	2018	2017
Due within 12 months from balancing day	5.526.148	410.234	372.667
Due between 1 and 5 years from the balancing day	9.376.414	645.463	548.635
Due 5 years after the balancing day	0	0	0
	14.902.563	1.055.697	921.303
Amortization addition to future expensing	0	0	0
	14.902.563	1.055.697	921.303

Financial leases are in average leased over a period of 3 years. All lease contracts have a repayment profile and no agreements contain contingent rent.

Minimum lease payments are due as above.

16. Employee liabilities

DKK	2019	2018	2017
Due within 12 months from balancing day	0	0	0
Due between 1 and 5 years from the balancing day	524.617	0	0
Due 5 years after the balancing day	846.977	0	0
	1.371.594	0	0
Amortization addition to future expensing	0	0	0
	1.371.594	0	0

Notes

17. Trade payables

DKK	2019	2018	2017
Trade payables	5.815.261	4.641.700	4.052.313

The accounting value equals the fair value of the commitment.

18. Other liabilities

DKK	2019	2018	2017
VAT	2.609.897	3.496.166	2.343.992
Other payables	4.393.274	1.636.802	4.306.415
Other liabilities, total	7.003.170	5.132.968	6.650.407

The accounting value equals the fair value of the commitment.

19. Employee liabilities

DKK	2019	2018	2017
Holiday pay etc.	7.324.099	8.247.532	5.199.750
Payable salaries and commissions	209.569	368.264	153.075
	7.533.668	8.615.796	5.352.825

20. Deferred income

DKK	2019	2018	2017
Deferred income	8.760.868	11.037.543	6.675.204
	8.760.868	11.037.543	6.675.204

Deferred income comprises of prepayments for services not yet delivered. The liabilities as pr. 1. January 2019 of DKK 11.037.543 (2018: DKK 6.675.204) have been recognised as revenue in 2019 and 2018 respectively.

Notes

21. Related parties

Related parties with a controlling interest

The following related parties have a controlling interest in EGN Group A/S:

<u>Name</u>	<u>Registered office</u>	<u>Basis of influence</u>
EGN Group Holding A/S	Svendborg, Denmark	Parent with 100% of the shares
J.G. Holding, Svendborg ApS	Svendborg, Denmark	Owner of EGN Group Holding A/S
Kasko Holding A/S	Holte, Denmark	Owner of EGN Group Holding A/S

The following shareholders are registered as holding more than 5% of the voting share capital or more than 5% of the nominal value of the share capital:

EGN Group Holding A/S
Ryttermarken 8
5700 Svendborg

EGN Group Holding A/S is registered as the single owner of shares in EGN Group A/S in the company's registers.

The Group has elected EGN Group A/S as parent and EGN Group Holding A/S is the top level parent before the ultimate parents of EGN Group Holding A/S, J.G. Holding, Svendborg ApS and Kasko Holding A/S. Consolidated financial statement is prepared and includes the subsidiaries of EGN Group A/S as set out in the group chart on page 34.

Transactions with subsidiaries during the financial year consist of contributed loans. Intercompany balances and calculated interests for intercompany balances has been eliminated during the consolidated financial statements.

The receivables from subsidiaries are listed in the balance sheet of the parent.

Notes

21. Related parties (continued)

Other related parties

EGN Group A/S' related parties with controlling interest includes owners and associated companies as well as the board of directors and the management including the families thereto. Related parties, furthermore, includes companies in which the above mentioned range of persons has controlling interest.

Transactions with related parties:

2019:

Key members of staff: As outlined in note 4.
Buying of services from Kasko Holding A/S.

2018:

Key members of staff: As outlined in note 4.
Buying of services from Kasko Holding A/S.

2017:

Key members of staff: As outlined in note 4.
Buying of services from Kasko Holding A/S.

22. Recourse guarantee commitments and contingent liabilities

The Parent Company has guaranteed the subsidiaries' debt to 6.797 DKK'000.

Joint taxation

EGN Group A/S is jointly taxed with the parent EGN Group Holding A/S. As a fully owned subsidiary EGN Group A/S is guaranteeing unlimited and be jointly and severally responsible with the other companies in the joint taxation for national corporate taxes including withholding taxes on interests, royalties and dividends for all associated Danish companies in the Group. Any correction made to the jointly taxable income or withholding taxes might affect the liability for the company.

Notes

23. Financial risks

The Group is according to the operation, investments and its limited funding is not significantly exposed for market changes i.e. in terms of exchange rates and interest levels. The Parent company is managing all the financial risks within the Group centrally and coordinates the liquidity of the Group.

The Group does not make use of derivative financial instruments.

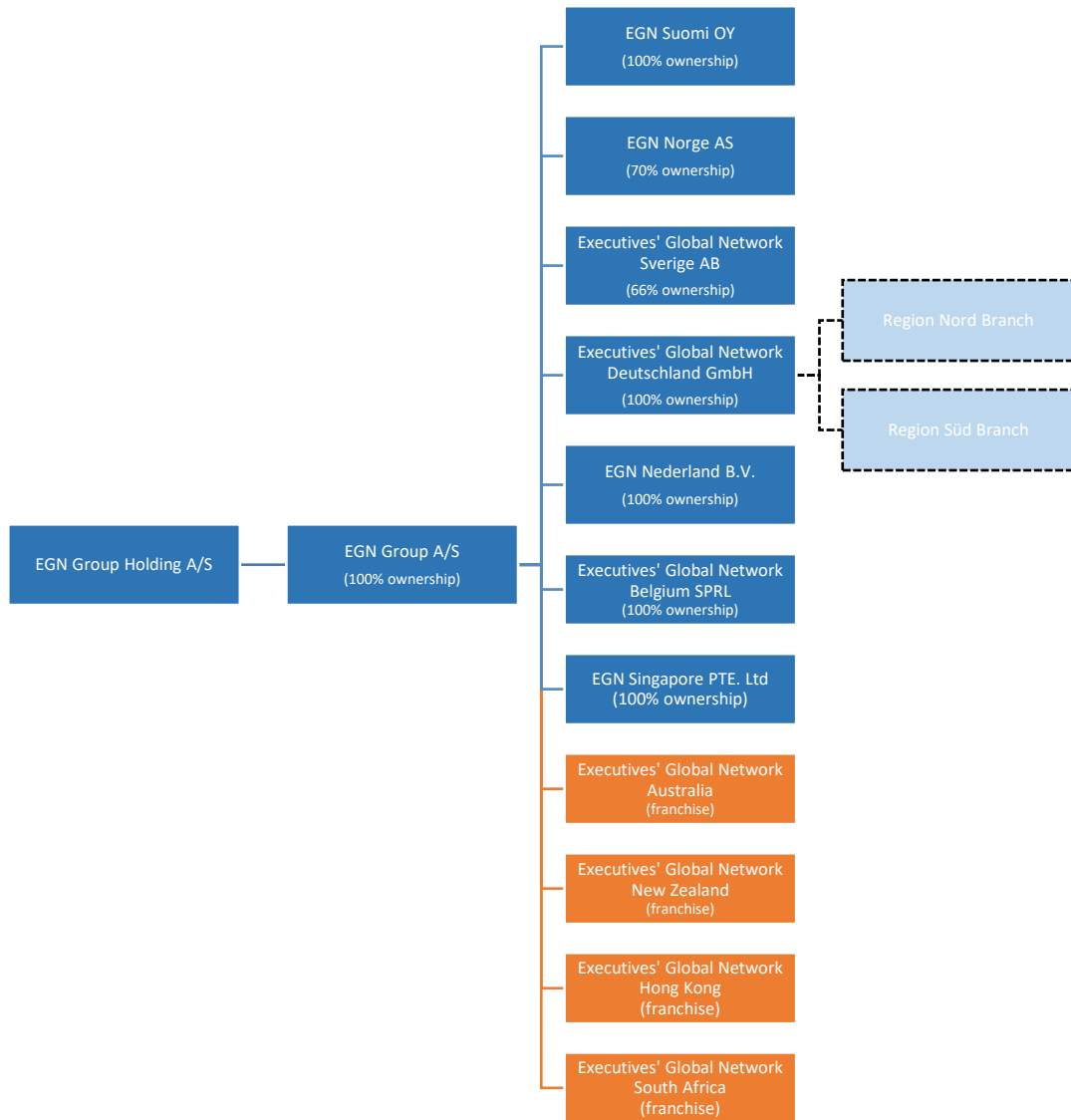
24. Credit risks

Credit risks related to financial assets is equal to the recognized value.

The credit risks of the Group are mainly related to receivables from trade and services.

The level of credit risks is equal to the recognized value of receivables from trade and services. Large clients and business partners are regularly credit rated and the risks is expected to be very small.

Group chart





**Financial
statements
parent
company
2019**



Income statement

1 January – 31 December

DKK	Note	2019	2018	2017
Revenue	1	105.180.980	100.818.578	97.330.682
Other external expenses		(20.744.991)	(16.787.079)	(20.183.667)
Staff expenses	2	(73.353.302)	(75.787.953)	(68.096.401)
Depreciation	3	(5.838.882)	(2.361.227)	(1.125.516)
Operating profit before other items		5.243.804	5.882.319	7.925.098
Other income and expenses, net		0	0	0
Operating profit (EBIT)		5.243.804	5.882.319	7.925.098
Financial income	4	3.824.329	3.466.010	2.165.051
Financial expenses	5	(2.690.295)	(1.300.452)	(619.176)
Amortization of subsidiaries and intercompany loans		(160.467)	(159.138)	(2.248.066)
Profit/(loss) before tax (EBT)		6.217.372	7.888.738	7.222.907
Tax on profit/(loss) for the year	6	(1.599.734)	(1.260.421)	(1.738.276)
Net profit/(loss) for the year		4.617.638	6.628.317	5.484.631
Attributable to:				
Owners of EGN Group A/S		4.617.638	6.628.317	5.484.631
Non-controlling interests		0	0	0
Net profit/(loss) for the year		4.617.638	6.628.317	5.484.631

Statement of cash flows

1 January - 31 December

DKK	Note	2019	2018	2017
Net profit/(loss)		4.617.638	6.628.317	5.484.630
Depreciation, amortisation and impairment losses		6.940.704	2.361.227	1.125.516
Changes in working capital		(934.660)	(2.231.381)	1.809.486
Adjustment of tax of the year		1.599.734	1.260.421	1.738.276
Changes in provisions, pensions and similar obligations		124.964	6.864.574	(142.755)
Income taxes paid		(471.292)	(2.013.368)	(4.652.785)
Cash flow from operating activities		11.877.088	12.869.791	5.362.368
Cash flow from investing activities				
Acquisition of intangible assets, property, plant and equipment		(18.121.506)	(8.933.711)	(7.877.114)
(Acquisition)/disposal of financial assets		0	134.354	61.669
Acquisition of subsidiaries		(148.394)	(44.783)	(1.101.822)
Disposal of subsidiaries		0	0	0
Cash flow from investing activities		(18.269.900)	(8.844.141)	(8.917.267)
Cash flow from financing activities				
Proceeds from borrowings		12.144.355	481.796	467.175
Repayment of borrowings		(2.930.207)	(347.402)	(243.696)
Change in intercompany receivables/liabilities		9.648.478	1.453.566	3.954.718
Change in other liabilities		(102.989)	2.077.592	(910.223)
Paid dividend		(4.000.000)	(4.000.000)	(6.000.000)
Cash flow from financing activities		14.759.637	(334.447)	(2.732.026)
Total cash flow		8.366.824	3.691.203	(6.286.925)
Cash and cash equivalents at 1 January		(4.594.432)	(8.285.635)	(1.998.705)
Total cash flow		8.366.824	3.691.203	(6.286.927)
Foreign exchange adjustments		0	0	0
Cash and cash equivalents at 31 December		3.772.392	(4.594.432)	(8.285.632)

Statement of financial position

at 31 December

DKK	Note	2019	2018	2017
Assets				
Intangible assets	7	17.111.041	13.616.353	7.080.179
Property, plant and equipment	8	10.772.069	1.984.133	2.082.178
Deferred tax assets	9	207.180	0	338.813
Investments in subsidiaries	10	1.570.596	2.524.024	2.479.241
Amounts owed by subsidiaries	11	17.120.829	16.261.929	16.456.550
Amounts owed by group companies		285.579	280.611	303.476
Other financial assets		1.175.660	1.581.952	1.253.689
Non-current assets		48.242.952	36.249.001	29.994.127
Trade receivables	12	12.201.102	12.129.843	8.761.556
Receivables from subsidiaries		2.703.237	6.166.527	1.536.339
Other receivables		1.682.156	976.911	587.957
Cash and cash equivalents	13	12.457.897	2.503.281	532.944
Current assets		29.044.392	21.776.562	11.418.796
Total assets		77.287.344	58.025.564	41.412.923

Statement of financial position (continued)

at 31 December

DKK	Note	2019	2018	2017
Equity and liabilities				
Share capital	14	500.000	500.000	500.000
Reserve for development cost		11.575.585	0	0
Retained earnings		6.563.756	17.521.703	17.412.192
Total equity		18.639.341	18.021.703	17.912.191
Non-current liabilities				
Leasing	15	7.098.651	645.463	548.635
Deferred tax	9	0	211.175	0
Employee liabilities	16	1.371.594	0	0
Non-current liabilities		8.470.245	856.638	548.635
Current liabilities				
Current portion of long-term liabilities	15+16	3.171.194	410.234	372.667
Bank	13	8.685.505	7.097.713	8.818.579
Prepayments		7.419.288	7.268.048	0
Trade payables	17	3.823.659	4.462.611	2.608.484
Amounts owed to subsidiaries		12.915.323	5.866.267	0
Tax payables		1.621.294	0	2.013.368
Other liabilities	18	2.997.637	3.100.626	1.023.034
Employee liabilities	19	2.778.859	4.145.731	3.852.205
Deferred income	20	6.765.000	6.795.991	4.263.760
Current liabilities		50.177.759	39.147.222	22.952.097
Total liabilities		58.648.004	40.003.860	23.500.732
Total equity and liabilities		77.287.344	58.025.564	41.412.923
Related parties	21			
Recourse guarantee commitments and				
Contingent liabilities	22			
Financial risk	23			
Credit risk	24			

Equity

1 January - 31 December

2019

DKK	Share capital	Reserve for development cost	Retained earnings	Total
Equity at 1 January	500.000	0	17.521.703	18.021.703
Net profit/(loss) for the year		0	4.617.638	4.617.638
Adjustment prior years		10.286.722	(10.286.722)	0
Transferred to/from retained earning		1.288.863	(1.288.863)	0
Transactions with owners				
Dividends paid (Group grants)		0	(4.000.000)	(4.000.000)
Total changes in equity		11.575.585	(10.957.947)	617.638
Equity at 31 December	500.000	11.575.585	6.563.756	18.639.341

Dividends

A dividend of DKK 0 has been proposed before the Annual Report was issued.

2018

DKK	Share capital	Retained earnings	Total
Equity at 1 January	500.000	17.412.192	17.912.192
Net profit/(loss) for the year		6.628.317	6.628.317
Adjustment prior years		0	(2.518.805)
Transactions with owners			
Dividends paid (Group grants)		0	(4.000.000)
Total changes in equity	0	109.512	109.512
Equity at 31 December	500.000	17.521.703	18.021.703

Dividends

A dividend of DKK 0 has been proposed before the Annual Report was issued.

Equity (continued)

1 January - 31 December

2017

DKK	Share capital	Retained earnings	Total
Equity at 1 January	500.000	17.927.561	18.427.561
Net profit/(loss) for the year	0	5.484.631	5.484.631
Adjustment prior years	0	0	0
Transactions with owners			
Dividends paid (Group grants)	0	(6.000.000)	(6.000.000)
Total changes in equity	0	(515.369)	(513.369)
Equity at 31 December	500.000	17.412.192	17.912.192

Dividends

A dividend of DKK 6.000.000 has been proposed before the Annual Report was issued.

Notes - parent

1. Revenue

DKK	2019	2018	2017
Member fees	101.141.646	98.379.489	94.496.395
Other revenue	4.039.333	1.954.239	2.834.287
Revenue, total	105.180.980	100.333.728	97.330.682

The Parent is exempt from providing information of segments.

2. Staff expenses

DKK	2019	2018	2017
Salaries and wages*	67.468.197	67.454.061	59.427.919
Pension	5.425.329	5.560.417	5.577.873
Other staff expenses	459.776	2.773.473	3.090.609
Administration expenses, total	73.353.302	75.787.953	68.096.401
Avg. number of employees on permanent employment	110	114	104

The Parent received government grants in the form of wage subventions, which have been recognised in the income statement as a reduction of staff costs. The grants compensate the Parent for staff costs primarily related to social security as well as hiring certain categories of employees such as trainees, disabled persons, long-term unemployed and employees in certain age groups.

* Includes both permanent employees and non-permanent employees.

Management and board of directors remuneration can be specified as follows:

DKK	2019	2018	2017
Salaries and wages	7.448.014	8.095.896	7.976.200
Bonus	0	0	0
Pension	495.719	868.598	682.700
	7.943.734	7.943.734	8.658.900

The Executive Board and a number of executives in the parent company is subject to special bonuses depending on individually defined performance and an incentive system to enter into force upon any transfer of the group.

Notes - parent

3. Depreciation

DKK	2019	2018	2017
Goodwill	0	0	0
Other intangible assets	2.418.121	1.570.856	335.921
Plant and equipment	3.326.937	706.724	658.718
Leasehold improvements	93.824	83.647	134.487
Profit of disposed assets	0	0	(3.610)
Depreciation, total	5.838.882	2.361.227	1.025.516

4. Financial income

DKK	2019	2018	2017
Dividend from subsidiaries	2.245.885	2.521.685	1.679.301
Interest income from group companies	506.390	278.479	356.501
Other interest income	904.463	500.069	11.840
Exchange rate gain	167.590	165.776	117.409
Financial income, total	3.824.329	3.466.010	2.165.051

5. Financial expenses

DKK	2019	2018	2017
Interest expenses from group companies	116.666	65.612	0
Interest expenses, authorities	74.504	0	60.538
Leasing interest	313.215	91.805	83.129
Other interest expenses	841.197	567.892	97.449
Exchange rate loss	72.519	249.714	262.760
Write-down of financial fixed assets	1.101.822	141.814	0
Bank fees	170.371	183.615	115.299
Financial expenses, total	2.690.295	1.300.452	619.176

Notes - parent

6. Tax on profit/(loss) for the year

DKK	2019	2018	2017
Current tax on profit/(loss) for the year	1.548.514	0	1.952.830
Adjustment current tax, prior years	0	0	0
Change in deferred tax	51.220	1.260.421	(214.554)
Adjustment deferred tax, prior years	0	0	0
Effect from change in tax percentage	0	0	0
Tax on profit/(loss) for the year, total	1.599.734	1.260.421	1.738.276
Profit/(loss) before tax	6.217.372	7.888.738	7.222.907
Effective tax rate	25.7 %	16.0 %	24.1 %
Tax on profit/(loss), statutory tax rate	1.367.822	1.735.522	1.589.039
Non-tax deductible expenses less non-taxable income	231.912	(475.102)	149.237
Effect of changes relating to prior years, net	0	0	0
	1.599.734	1.260.421	1.738.276

Notes - parent

7. Intangible assets

DKK	2019			2018		
	Goodwill	Other intangible assets	Name Total	Goodwill	Other intangible assets	Total
Cost at 1 January	12.796.880	15.355.102	28.151.982	12.796.880	7.248.072	20.044.952
Additions	0	5.912.809	5.912.809	0	8.107.029	8.107.029
Disposals	0	0	0	0	0	0
Cost at 31 December	12.796.880	21.267.911	34.064.791	12.796.880	15.355.102	28.151.982
Depreciation at 1 January	(12.628.852)	(1.906.777)	(14.535.629)	(12.628.852)	(335.921)	(12.964.773)
Depreciation	0	(2.418.121)	(2.418.121)	0	(1.570.856)	(1.570.856)
Disposals	0	0	0	0	0	0
Depreciation at 31 December	(12.628.852)	(4.324.898)	(16.953.750)	(12.628.852)	(1.906.777)	(14.535.629)
Carrying amount at 31 December	168.028	16.943.013	17.111.041	168.028	13.448.326	13.616.353

DKK	2017		
	Goodwill	Other intangible assets	Total
Cost at 1 January	12.796.880	0	12.796.880
Additions	0	7.248.072	7.248.072
Disposals	0	0	0
Cost at 31 December	12.796.880	7.248.072	20.044.952
Depreciation at 1 January	(12.628.852)	0	(12.628.852)
Depreciation	0	(335.921)	(335.921)
Disposals	0	0	0
Depreciation at 31 December	(12.628.852)	(335.921)	(12.964.773)
Carrying amount at 31 December	168.028	6.912.151	7.080.179

Other intangible assets comprising costs incurred for further development of the Group's platforms, which were continued during the financial year. Other intangible assets is depreciated over 7 years.

Management has not found any indications of impairment in addition to ordinary depreciation in relation to the carrying amount per. December 31, 2019.

Notes - parent

8. Property, plant and equipment

DKK	2019			2018		
	Leasehold improvements	Plant and equipment	Total	Leasehold Improvements	Plant and equipment	Total
Cost at 1 January	1.020.636	9.036.595	10.057.232	854.400	8.725.068	9.579.464
Additions	20.593	12.188.104	12.208.697	166.239	660.443	826.682
Disposals	0	0	0	0	(348.914)	(348.914)
Cost at 31 December	1.041.229	21.224.700	22.265.929	1.020.636	9.036.595	10.057.232
Depreciation at 1 January	(755.755)	(7.317.344)	(8.073.099)	(672.108)	(6.825.180)	(7.497.289)
Depreciation	(93.824)	(3.326.937)	(3.420.761)	(83.647)	(706.724)	(790.371)
Disposals	0	0	0	0	214.560	214.560
Depreciation at 31 December	(849.579)	(10.644.281)	(11.493.860)	(755.755)	(7.317.344)	(8.073.099)
Carrying amount at 31 December	191.650	10.580.418	10.772.069	264.881	1.719.251	1.984.133
Herof carrying amount at 31 December of assets held under leases	0	10.191.799	10.191.799	0	1.075.084	1.075.084

Notes - parent

8. Property, plant and equipment (continued)

DKK			2017
	Leasehold improvements	Plant and equipment	Total
Cost at 1 January	787.142	8.520.293	9.307.434
Additions	67.258	561.784	629.042
Disposals	0	(357.009)	(357.009)
Cost at 31 December	854.400	8.725.068	9.579.467
Depreciation at 1 January	(537.621)	(6.465.412)	(7.003.034)
Depreciation	(134.487)	(658.718)	(793.205)
Disposals	0	298.950	298.950
Depreciation at 31 December	(672.108)	(6.825.180)	(7.497.289)
Carrying amount at 31 December	182.292	1.899.888	2.082.178
Herof carrying amount at 31 December of assets held under leases	0	909.736	909.736

The Group leases several assets including cars and buildings. The lease terms range from 1-3 years for cars and 1 to indefinite for buildings. Management estimate for expected use of buildings with indefinite expiry date a range from 1 to 3.5 years.

9. Deferred tax assets

DKK	2019	2018	2017
Deferred tax liabilities/(assets), net at 1 January	211.175	(338.814)	(124.260)
Adjustments to deferred tax liabilities/(assets), net at 1 January	(469.575)	(710.432)	0
Deferred tax adjustment, for the year recognized in the income statement	51.220	1.260.421	(214.554)
Effect of change in tax percent	0	0	0
Deferred tax liabilities/(assets), net at 31 December	(207.180)	211.175	(338.814)

Notes - parent

9. Deferred tax assets (continued)

Deferred tax can be specified as below:

Intangible assets	408.603	272.169	135.169
Plant and equipment	(79.511)	(48.969)	(39.672)
Current assets	(536.269)	(481.599)	(434.310)
Loss carried forward	0	469.574	0
	(207.178)	211.175	(338.814)

Recognised in the statement of financial position as follows

Deferred tax liabilities	(207.178)	211.175	0
Deferred tax assets	0	0	(338.814)
	(207.178)	211.175	(338.814)

Deferred tax liabilities not recognised in the statement of financial position

In 2019, there were no (2018, 2017: none, none) unrecognised deferred tax liabilities related to investments in associates or subsidiaries.

10. Investments in subsidiaries

DKK	2019	2018	2017
Cost at 1 January	2.524.024	2.479.241	1.377.419
Addition	148.394	186.597	1.101.822
Disposal	(1.101.822)	(141.814)	0
Cost at 31 December	1.570.596	2.524.024	2.479.241

Notes - parent

10. Investments in subsidiaries (continued)

Subsidiaries	Share capital	Ownership		
		2019	2018	2017
Executives' Global Network Deutschland GmbH	25.000 EUR	100.0 %	100.0 %	100.0 %
Executives' Global Network Norge AS	100.000 NOK	70.0 %	66.6 %	66.6 %
Executives' Global Network Sverige AB	100.000 SEK	66.6 %	66.6 %	66.6 %
EGN Nederland B.V.	18.000 EUR	100.0 %	100.0 %	66.6 %
EGN Suomi Oy	2.500 EUR	100.0 %	100.0 %	100.0 %
Executives' Global Network Belgium SPRL	18.550 EUR	100.0 %	100.0 %	100.0 %
EGN Singapore PTE. Ltd	100 USD	100.0 %	100.0 %	100.0 %

Ownership of shares equals voting rights. Where EGN Group A/S is the minority owner of voting rights no recognition has been done in the annual report.

11. Amounts owed by subsidiaries

DKK	2019	2018	2017
Receivables, subsidiaries	17.120.829	16.261.929	16.456.550
Cost at 31 December	17.120.829	16.261.929	16.456.550

The above loans have been given on standard business terms.

12. Trade receivables

DKK	2019	2018	2017
Trade receivables	12.201.102	12.129.843	8.761.556

A provision account to reduce the carrying amount of trade receivables and services whose value is impaired based on a general provision.

A general provision for losses on receivables has been recognized during the financial year.

Notes - parent

12. Trade receivables (continued)

A provision account to reduce the carrying amount of trade receivables and services whose value is impaired based on a general provision.

DKK	2019	2018	2017
Provision account at January 1 st ,	2.189.093	1.974.142	618.212
Impairment losses recognised and reversed	248.500	214.951	1.355.930
Provision account at December 31st,	2.437.593	2.189.093	1.974.142

For the financial year, no interest income has been recognised related to impairment losses.

The ageing of provision of trade receivables at the reporting date was:

DKK	2019	2018	2017
Not past due	1.231.121	905.033	879.409
Past due 1 to 30 days	804.577	940.396	647.847
Past due 31 to 60 days	211.285	205.391	274.347
Past due 61 to 90 days	128.098	111.317	129.978
Past due 91 to 120 days	26.852	18.789	42.562
More than 121 days	35.660	8.168	0
Total	2.437.593	2.189.093	1.974.142

13. Cash and cash equivalents

DKK	2019	2018	2017
Cash and bank deposits	12.457.897	2.503.281	532.944
Loans in banks	(8.685.505)	(7.097.713)	(8.818.579)
Cash and cash equivalents, total	3.772.392	(4.594.432)	(8.285.635)

Recognized in the statement of financial position

Assets	12.457.897	2.503.281	532.644
Liabilities	(8.685.505)	(7.097.713)	(8.818.579)
	3.772.392	(4.594.432)	(8.285.635)

The Parent company has unused drawing rights in banks for	8.000.000	0	0
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Notes - parent

14. Share capital

The Parent Company's share capital, DKK 500.000 is composed of shares of DKK 1.000 or multiple hereof. The share capital is not divided into classes.

15. Leasing

DKK	2019	2018	2017
Due within 12 months from balancing day	3.171.194	410.234	372.667
Due between 1 and 5 years from the balancing day	7.098.651	645.463	548.635
Due 5 years after the balancing day	0	0	0
	10.269.845	1.055.697	921.303
Amortization addition to future expensing	0	0	0
	10.269.845	1.055.697	921.303

Financial leases are in average leased over a period of 2 years. All lease contracts have a repayment profile and no agreements contain contingent rent.

Minimum lease payments are due as above.

16. Employee liabilities

DKK	2019	2018	2017
Due within 12 months from balancing day	0	0	0
Due between 1 and 5 years from the balancing day	524.617	0	0
Due 5 years after the balancing day	846.977	0	0
	1.371.594	0	0
Amortization addition to future expensing	0	0	0
	1.371.594	0	0

17. Trade payables

DKK	2019	2018	2017
Trade payables	3.823.659	4.462.611	2.608.484

The accounting value equals the fair value of the commitment.

Notes - parent

18. Other liabilities

DKK	2019	2018	2017
VAT	1.499.732	1.451.310	574.985
Other payables	1.497.905	1.649.316	448.049
Other liabilities, total	2.997.637	3.100.626	1.023.034

The accounting value equals the fair value of the commitment.

19. Employee liabilities

DKK	2019	2018	2017
Holiday pay etc.	2.778.859	4.145.731	3.852.205
Payable salaries and commissions	0	0	0
	2.778.859	4.145.731	3.852.205

20. Deferred income

DKK	2019	2018	2017
Deferred income	6.765.000	6.795.991	4.263.760
	6.765.000	6.795.991	4.263.760

Deferred income comprises of prepayments for services not yet delivered. The liabilities as pr. 1. January 2019 of DKK 6.795.991 (2018: DKK 4.263.760) have been recognised as revenue in 2019 and 2018 respectively.

Notes - parent

21. Related parties

Related parties with a controlling interest

The following related parties have a controlling interest in EGN Group A/S:

<u>Name</u>	<u>Registered office</u>	<u>Basis of influence</u>
EGN Group Holding A/S	Svendborg, Denmark	Parent with 100% of the shares
J.G. Holding, Svendborg ApS	Svendborg, Denmark	Owner of EGN Group Holding A/S
Kasko Holding A/S	Holte, Denmark	Owner of EGN Group Holding A/S

The following shareholders are registered as holding more than 5% of the voting share capital or more than 5% of the nominal value of the share capital:

EGN Group Holding A/S
Ryttermarken 8
5700 Svendborg

EGN Group Holding A/S is registered as the single owner of shares in EGN Group A/S in the company's registers.

The Group has elected EGN Group A/S as parent and EGN Group Holding A/S is the top level parent before the ultimate parents of EGN Group Holding A/S, J.G. Holding, Svendborg ApS and Kasko Holding A/S. Consolidated financial statement is prepared and includes the subsidiaries of EGN Group A/S as set out in the group chart on page 33.

Transactions with subsidiaries during the financial year consist of contributed loans. Intercompany balances and calculated interests for intercompany balances has been eliminated during the consolidated financial statements.

The receivables from subsidiaries are listed in the balance sheet of the parent.

Other related parties

EGN Group A/S' related parties with controlling interest includes owners and associated companies as well as the board of directors and the management including the families thereto. Related parties, furthermore, includes companies in which the above mentioned range of persons has controlling interest.

Transactions with related parties:

2019:

Key members of staff: As outlined in note 2.

Buying of services from Kasko Holding A/S.

Notes - parent

21. Related parties (continued)

2018:

Key members of staff: As outlined in note 2.
Buying of services from Kasko Holding A/S.

2017:

Key members of staff: As outlined in note 2.
Buying of services from Kasko Holding A/S.

22. Recourse guarantee commitments and contingent liabilities

The Parent Company has guaranteed the subsidiaries' debt to 6.797 DKK'000.

Joint taxation

EGN Group A/S is jointly taxed with the parent EGN Group Holding A/S. As a fully owned subsidiary EGN Group A/S is guaranteeing unlimited and be jointly and severally responsible with the other companies in the joint taxation for national corporate taxes including withholding taxes on interests, royalties and dividends for all associated Danish companies in the Group. Any correction made to the jointly taxable income or withholding taxes might affect the liability for the company.

23. Financial risks

The Parent is according to the operation, investments and its limited funding is not significantly exposed for market changes i.e. in terms of exchange rates and interest levels. The Parent company is managing all the financial risks within the Group centrally and coordinates the liquidity of the Group.

The Group does not make use of derivative financial instruments.

24. Credit risks

Credit risks related to financial assets is equal to the recognized value.

The credit risks of the Group are mainly related to receivables from trade and services. The level of credit risks is equal to the recognized value of receivables from trade and services. Large clients and business partners are regularly credit rated and the risks is expected to be very small.

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Jens Erik Karlskov Jensen

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Hans Kurt Kjær Hansen

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