

The logo for Drømmeland, featuring the word "DRØMMELAND" in white, bold, uppercase letters inside a dark blue rounded rectangle.

# **Drømmeland A/S**

**Vadstrupvej 71-73, 2880 Bagsværd**

**Company reg. no. 24 40 41 10**

## **Annual report**

**1 June 2019 - 31 May 2020**

The annual report was submitted and approved by the general meeting on the 23 June 2020.

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**Michael Vinther**  
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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## **Management's report**

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Today, the board of directors and the managing director have presented the annual report of Drømmeland A/S for the financial year 1 June 2019 - 31 May 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 May 2020 and of the company's results of activities in the financial year 1 June 2019 – 31 May 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Bagsværd, 23 June 2020

### **Managing Director**

Kim Bruun Andreasen

### **Board of directors**

Michael Vinther

Tina Susie Andreasen

John Toftgaard Hansen

Kim Bruun Andreasen

Allan Nielsen

## **Independent auditor's report**

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### **To the shareholder of Drømmeland A/S**

#### **Opinion**

We have audited the financial statements of Drømmeland A/S for the financial year 1 June 2019 - 31 May 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 May 2020 and of the results of the company's activities for the financial year 1 June 2019 - 31 May 2020 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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.

## **Independent auditor's report**

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As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and contents of the financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

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 the internal control that we identify during our audit.

### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

## **Independent auditor's report**

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In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

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

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 23 June 2020

### **Grant Thornton**

State Authorised Public Accountants  
Company reg. no. 34 20 99 36

**Jan Tønnesen**

State Authorised Public Accountant  
mne9459

**Claus Koskelin**

State Authorised Public Accountant  
mne30140

## Company information

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### **The company**

Drømmeland A/S  
Vadstrupvej 71-73  
2880 Bagsværd

Company reg. no. 24 40 41 10  
Established: 15 January 1975  
Domicile: Bagsværd  
Financial year: 1 June - 31 May

### **Board of directors**

Michael Vinther  
Tina Susie Andreasen  
John Toftgaard Hansen  
Kim Bruun Andreasen  
Allan Nielsen

### **Managing Director**

Kim Bruun Andreasen

### **Auditors**

Grant Thornton, Statsautoriseret Revisionspartnerselskab  
Stockholmsgade 45  
2100 København Ø

### **Parent company**

K. A. Invest Holding A/S

## Financial highlights

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DKK in thousands.	<u>2019/20</u>	<u>2018/19</u>	<u>2017/18</u>	<u>2016/17</u>	<u>2015/16</u>
<b>Income statement:</b>					
Gross profit	40.275	35.963	34.004	34.925	37.365
Profit from ordinary operating activities	5.008	3.547	5.578	8.508	11.098
Net financials	-1.785	-1.527	-1.278	-506	-357
Net profit or loss for the year	2.488	1.554	3.336	6.194	8.417
<b>Statement of financial position:</b>					
Balance sheet total	76.862	71.817	66.258	66.753	72.507
Investments in property, plant and equipment	3.637	2.785	6.487	2.819	1.189
Equity	14.699	12.211	14.274	19.936	22.158
<b>Employees:</b>					
Average number of full-time employees	63	63	58	51	52
<b>Key figures in %:</b>					
Solvency ratio	19,1	17,0	21,5	29,9	30,6
Return on equity	18,5	11,7	19,5	29,4	43,8
Return on assets	6,4	5,1	8,4	12,2	15,2

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

**Solvency ratio** 
$$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$$

**Return on equity** 
$$\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$$

**Return on assets** 
$$\frac{\text{Operation profit} \times 100}{\text{Average balance}}$$

## **Management commentary**

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### **The principal activities of the company**

Like previous years, the company's activities are retail furniture sales especially within bedroom furniture. The company has 23 specialist bed shops. The stores are located all over Denmark.

### **Development in activities and financial matters**

During the financial year, the company achieved positive sales growth and gained market shares from other players in the market.

The results of the year is DKK 2,4 million against DKK 1,6 million last year.

The management considers the results satisfactory under the conditions.

### **Expected developments**

The company expects a positive stable earnings performance in the coming year.

## Accounting policies

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The annual report for Drømmeland A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of K. A. Invest Holding A/S.

### Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of transaction. Exchange rate differences arising between the rate at the date of transaction and the rate at the date of payment are recognised in the income statement as an item under net financials.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

## Accounting policies

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### Income statement

#### Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Costs of sales includes costs for the purchase consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

#### Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

#### Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

#### Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

#### Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

## Accounting policies

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### Statement of financial position

#### Intangible assets

##### Acquired rights

Purchased rights are measured at cost with deduction of accrued amortisation. Acquired rights are amortised on a straight-line basis over the estimated financial life which is 3-8 years.

#### Property, plant, and equipment

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately when the useful lives of each individual components differ.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Buildings	50 years
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

## Accounting policies

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### Leases

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

### Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 10 years.

### Investments

#### Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

### Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation, respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow derived from the use of the asset or group of assets.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

### Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

## **Accounting policies**

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Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

### **Receivables**

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

### **Prepayments and accrued income**

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

### **Cash on hand and demand deposits**

Cash on hand and demand deposits comprise cash at bank and on hand.

## **Equity**

### **Revaluation reserve**

Revaluations of property less deferred tax are recognised under the revaluation reserve. The reserve is reduced when the value of revalued property is reduced due to depreciation. The reduction represents the difference between depreciation based on the revalued carrying amount of the property and depreciation based on the original cost of the property. The reserve is partly or totally dissolved on the sale of the property and reduced as a result of impairment loss on property.

### **Dividend**

Dividend expected to be distributed for the year is recognised as a separate item under equity. Proposed dividend is recognised as a liability at the time of approval by the annual general meeting (time of declaration).

### **Income tax and deferred tax**

Current tax receivables and tax liabilities are recognised in the statement of financial position with the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Drømmeland A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

## **Accounting policies**

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Deferred tax is tax on all temporary differences in the carrying amount and tax base of assets and liabilities measured on the basis of the planned application of the asset and disposal of the liability, respectively.

Deferred tax is measured on the basis of the tax rules and tax rates of applicable legislation at the reporting date and prevailing when the deferred tax is expected to be released as current tax.

### **Liabilities other than provisions**

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Other liabilities other than provisions are measured at amortised cost which usually corresponds to the nominal value.

### **Accruals and deferred income**

Payments received concerning future income are recognised under accruals and deferred income.

**Income statement 1 June - 31 May**

All amounts in DKK.

<u>Note</u>	<u>2019/20</u>	<u>2018/19</u>
<b>Gross profit</b>	<b>40.274.571</b>	<b>35.963.156</b>
2 Staff costs	-31.080.749	-29.031.499
Depreciation, amortisation, and impairment	-4.185.469	-3.384.381
<b>Operating profit</b>	<b>5.008.353</b>	<b>3.547.276</b>
Other financial income from group enterprises	221.124	185.680
Other financial income	469.102	456.668
Other financial costs	-2.475.141	-2.168.862
<b>Pre-tax net profit or loss</b>	<b>3.223.438</b>	<b>2.020.762</b>
3 Tax on net profit or loss for the year	-735.639	-466.300
<b>4 Net profit or loss for the year</b>	<b>2.487.799</b>	<b>1.554.462</b>

## Statement of financial position at 31 May

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
<b>Non-current assets</b>		
5 Concessions, patents, licenses, trademarks, and similar rights acquired	5.488.379	6.765.321
Total intangible assets	<u>5.488.379</u>	<u>6.765.321</u>
6 Property	21.900.303	22.411.388
7 Other fixtures and fittings, tools and equipment	3.255.853	2.351.795
8 Leasehold improvements	8.486.520	8.220.757
Total property, plant, and equipment	<u>33.642.676</u>	<u>32.983.940</u>
9 Deposits	1.636.113	1.463.734
Total investments	<u>1.636.113</u>	<u>1.463.734</u>
<b>Total non-current assets</b>	<b><u>40.767.168</u></b>	<b><u>41.212.995</u></b>
<b>Current assets</b>		
Manufactured goods and goods for resale	23.982.461	22.121.766
Total inventories	<u>23.982.461</u>	<u>22.121.766</u>
Trade receivables	102.651	61.295
Receivables from group enterprises	8.036.501	5.770.867
Tax receivables from group enterprises	135.146	135.146
Other receivables	2.117.874	1.736.987
10 Prepayments and accrued income	867.325	751.917
Total receivables	<u>11.259.497</u>	<u>8.456.212</u>
Cash on hand and demand deposits	852.452	26.274
<b>Total current assets</b>	<b><u>36.094.410</u></b>	<b><u>30.604.252</u></b>
<b>Total assets</b>	<b><u>76.861.578</u></b>	<b><u>71.817.247</u></b>

## Statement of financial position at 31 May

All amounts in DKK.

<b>Equity and liabilities</b>		<u>2020</u>	<u>2019</u>
<u>Note</u>			
<b>Equity</b>			
11	Contributed capital	500.000	500.000
	Revaluation reserve	9.594.772	9.875.871
	Retained earnings	4.604.459	1.835.561
	<b>Total equity</b>	<b><u>14.699.231</u></b>	<b><u>12.211.432</u></b>
<b>Provisions</b>			
12	Provisions for deferred tax	6.283.221	5.626.738
	<b>Total provisions</b>	<b><u>6.283.221</u></b>	<b><u>5.626.738</u></b>
<b>Liabilities other than provisions</b>			
	Mortgage loans	12.158.469	12.909.555
	Lease liabilities	1.640.178	1.386.865
	Tax payables to group enterprises	79.156	0
	Other payables	1.814.071	0
13	Total long term liabilities other than provisions	<u>15.691.874</u>	<u>14.296.420</u>
13	Current portion of long term payables	1.905.411	1.191.861
	Bank loans	113.758	6.838.680
	Prepayments received from customers	13.462.392	6.893.935
	Trade payables	18.569.334	19.980.937
	Other payables	6.136.357	4.777.244
	Total short term liabilities other than provisions	<u>40.187.252</u>	<u>39.682.657</u>
	<b>Total liabilities other than provisions</b>	<b><u>55.879.126</u></b>	<b><u>53.979.077</u></b>
	<b>Total equity and liabilities</b>	<b><u>76.861.578</u></b>	<b><u>71.817.247</u></b>
<b>1 Subsequent events</b>			
<b>14 Charges and security</b>			
<b>15 Contingencies</b>			
<b>16 Related parties</b>			

## Statement of changes in equity

All amounts in DKK.

	<b>Contributed capital</b>	<b>Revaluation reserve</b>	<b>Retained earnings</b>	<b>Proposed dividend for the financial year</b>	<b>Total</b>
Equity 1 June 2018	500.000	10.156.970	0	3.617.239	14.274.209
Distributed dividend	0	0	0	-3.617.239	-3.617.239
Profit or loss for the year brought forward	0	0	1.554.462	0	1.554.462
Revaluations for the year	0	-281.099	0	0	-281.099
Reduction of revaluations	0	0	281.099	0	281.099
Equity 1 June 2019	500.000	9.875.871	1.835.561	0	12.211.432
Profit or loss for the year brought forward	0	0	2.487.799	0	2.487.799
Revaluations for the year	0	-281.099	0	0	-281.099
Reduction of revaluations	0	0	281.099	0	281.099
	<b>500.000</b>	<b>9.594.772</b>	<b>4.604.459</b>	<b>0</b>	<b>14.699.231</b>

## Notes

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All amounts in DKK.

### 1. Subsequent events

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

	<u>2019/20</u>	<u>2018/19</u>
<b>2. Staff costs</b>		
Salaries and wages	27.755.896	25.804.824
Pension costs	2.995.773	2.945.115
Other staff costs	<u>329.080</u>	<u>281.560</u>
	<b><u>31.080.749</u></b>	<b><u>29.031.499</u></b>
Average number of employees	<u>63</u>	<u>63</u>

Pursuant to section 98b of the Danish Financial Statements Act, the company has chosen not to show management remuneration as only one director receives remuneration.

### 3. Tax on net profit or loss for the year

Tax of the results for the year, parent company	79.156	-135.146
Adjustment for the year of deferred tax	<u>656.483</u>	<u>601.446</u>
	<b><u>735.639</u></b>	<b><u>466.300</u></b>

### 4. Proposed appropriation of net profit

Transferred to retained earnings	<u>2.487.799</u>	<u>1.554.462</u>
<b>Total allocations and transfers</b>	<b><u>2.487.799</u></b>	<b><u>1.554.462</u></b>

## Notes

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All amounts in DKK.

	<u>31/5 2020</u>	<u>31/5 2019</u>
<b>5. Concessions, patents, licenses, trademarks, and similar rights acquired</b>		
Cost 1 June 2019	9.005.889	1.825.848
Additions during the year	<u>115.000</u>	<u>7.180.041</u>
<b>Cost 31 May 2020</b>	<b><u>9.120.889</u></b>	<b><u>9.005.889</u></b>
Amortisation and writedown 1 June 2019	-2.240.568	-1.632.979
Amortisation for the year	<u>-1.391.942</u>	<u>-607.589</u>
<b>Amortisation and writedown 31 May 2020</b>	<b><u>-3.632.510</u></b>	<b><u>-2.240.568</u></b>
<b>Carrying amount, 31 May 2020</b>	<b><u>5.488.379</u></b>	<b><u>6.765.321</u></b>
<b>6. Property</b>		
Cost 1 June 2019	13.087.371	12.517.966
Additions during the year	<u>101.182</u>	<u>569.405</u>
<b>Cost 31 May 2020</b>	<b><u>13.188.553</u></b>	<b><u>13.087.371</u></b>
Revaluation 1 June 2019	<u>18.030.837</u>	<u>18.030.837</u>
<b>Revaluation 31 May 2020</b>	<b><u>18.030.837</u></b>	<b><u>18.030.837</u></b>
Depreciation and writedown 1 June 2019	-8.706.820	-8.097.642
Depreciation for the year	<u>-612.267</u>	<u>-609.178</u>
<b>Depreciation and writedown 31 May 2020</b>	<b><u>-9.319.087</u></b>	<b><u>-8.706.820</u></b>
<b>Carrying amount, 31 May 2020</b>	<b><u>21.900.303</u></b>	<b><u>22.411.388</u></b>
Carrying amount less revaluations	<u>8.544.662</u>	<u>8.695.462</u>

## Notes

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All amounts in DKK.

	<u>31/5 2020</u>	<u>31/5 2019</u>
<b>7. Other fixtures and fittings, tools and equipment</b>		
Cost 1 June 2019	8.070.360	7.997.013
Additions during the year	1.951.499	73.347
Disposals during the year	<u>-568.749</u>	<u>0</u>
<b>Cost 31 May 2020</b>	<b><u>9.453.110</u></b>	<b><u>8.070.360</u></b>
Amortisation and writedown 1 June 2019	-5.718.565	-4.810.791
Depreciation for the year	-826.841	-907.774
Reversal of depreciation, amortisation and writedown, assets disposed of	<u>348.149</u>	<u>0</u>
<b>Amortisation and writedown 31 May 2020</b>	<b><u>-6.197.257</u></b>	<b><u>-5.718.565</u></b>
<b>Carrying amount, 31 May 2020</b>	<b><u>3.255.853</u></b>	<b><u>2.351.795</u></b>
Lease assets are recognised at a carrying amount of	<u>2.945.376</u>	<u>1.945.780</u>
<b>8. Leasehold improvements</b>		
Cost 1 June 2019	19.243.153	17.100.709
Additions during the year	<u>1.584.224</u>	<u>2.142.444</u>
<b>Cost 31 May 2020</b>	<b><u>20.827.377</u></b>	<b><u>19.243.153</u></b>
Depreciation and writedown 1 June 2019	-11.022.396	-9.826.405
Depreciation for the year	<u>-1.318.461</u>	<u>-1.195.991</u>
<b>Depreciation and writedown 31 May 2020</b>	<b><u>-12.340.857</u></b>	<b><u>-11.022.396</u></b>
<b>Carrying amount, 31 May 2020</b>	<b><u>8.486.520</u></b>	<b><u>8.220.757</u></b>
<b>9. Deposits</b>		
Cost 1 June 2019	1.463.734	1.533.073
Additions during the year	187.284	64.841
Disposals during the year	<u>-14.905</u>	<u>-134.180</u>
<b>Cost 31 May 2020</b>	<b><u>1.636.113</u></b>	<b><u>1.463.734</u></b>
<b>Carrying amount, 31 May 2020</b>	<b><u>1.636.113</u></b>	<b><u>1.463.734</u></b>

## Notes

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All amounts in DKK.

	<u>31/5 2020</u>	<u>31/5 2019</u>
<b>10. Prepayments and accrued income</b>		
Payments consist of prepaid expenses, insurance, etc. concerning 2020/2021 and later.		
<b>11. Contributed capital</b>		
Contributed capital 1 June 2019	500.000	500.000
	<u><b>500.000</b></u>	<u><b>500.000</b></u>

The share capital consists of 500 A-shares, each with a nominal value of DKK 1.000. No shares hold particular rights.

<b>12. Provisions for deferred tax</b>		
Provisions for deferred tax 1 June 2019	5.626.738	5.025.292
Deferred tax of the results for the year	656.483	601.446
	<u><b>6.283.221</b></u>	<u><b>5.626.738</b></u>
The following items are subject to deferred tax:		
Intangible assets	1.207.443	1.488.371
Property, plant, and equipment	5.075.778	5.045.820
Losses carried forward from previous years	0	-907.453
	<u><b>6.283.221</b></u>	<u><b>5.626.738</b></u>

### 13. Liabilities other than provision

	<u>Total payables 31 May 2020</u>	<u>Current portion of long term payables</u>	<u>Long term payables 31 May 2020</u>	<u>Outstanding payables after 5 years</u>
Mortgage loans	12.911.600	753.131	12.158.469	9.163.644
Lease liabilities	2.792.458	1.152.280	1.640.178	0
Tax payables to group enterprises	79.156	0	79.156	0
Other payables	1.814.071	0	1.814.071	0
	<u><b>17.597.285</b></u>	<u><b>1.905.411</b></u>	<u><b>15.691.874</b></u>	<u><b>9.163.644</b></u>

## Notes

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All amounts in DKK.

### 14. Charges and security

As security for mortgage loan, tDKK 12.912, mortgage has been granted on properties representing a carrying amount of tDKK 21.900 at 31 May 2020.

Security for engagement with the bank's deposited bearer mortgage nominally tDKK 5.000 in properties with a carrying amount of tDKK 21.900.

For bank loans, tDKK 114, the company has provided security in company assets representing a nominal value of DKK 5.000. This security comprises the below assets, stating the carrying amounts:

	DKK in thousands
Acquired rights	5.488
Other fixtures and fittings, tools and equipment	3.256
Leasehold improvements	8.487
Trade receivables	103

### 15. Contingencies

#### Contingent liabilities

The company has signed leases for 25 leases with annual rent of tDKK 15.952. Rent obligation until termination amounts to a maximum of tDKK 22.203.

There is to a third party given rent guarantees via bank totaling tDKK 5.200.

The company has entered into lease agreements with a authorizing commitment of tDKK 1.697

#### Joint taxation

With K. A. Invest Holding A/S, company reg. no 29 17 50 39 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

## Notes

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All amounts in DKK.

### 16. Related parties

#### Controlling interest

K. A. Invest Holding A/S, Søvej 14B, 2880 Bagsværd

Majority shareholder

#### Consolidated financial statements

The company is included in the consolidated annual accounts of K. A. Invest Holding A/S. The annual accounts can be obtained at Erhvervsstyrelsen.