Selecta A/S

Vibeholms Allé 15, 1.
2605 Brøndby

CVR no. 26 92 90 08

Annual report 2018/19

The annual report was presented and approved at the Company's annual general meeting

on ______________________________ 20 ____

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chairman of the annual general meeting

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Company C (medium) for the financial year 1 October – 30 September 2019.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 September 2019 and of the results of the Company's operations and cash flows for the financial year 1 October 2018 – 30 September 2019.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

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

19, December 2019
Executive Board:

Kim Bach
Managing Director

Board of Directors:

Michael Bech-Jansen *Chairman*	David Flochel
Kim Bach	Morten Hansson

Independent auditor's report

To the shareholders of Selecta A/S

Opinion

We have audited the financial statements of Selecta A/S for the financial year 1 October 2018 – 30 September 2019 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 September 2019 and of the results of the Company's operations for the financial year 1 October 2018 – 30 September 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that 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 in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the company 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 Company's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management

- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and 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 internal control that we identify during our audit.

Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

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

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 19 December 2019
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Henrik Kyhnauv
State Authorised
Public Accountant
mne40028

Management's review

Company details

Selecta A/S
Vibeholms Allé 15

2605 Brøndby

Telephone: 44 50 34 50
Website: www.selecta.dk
E-mail: info@dk.selecta.com

CVR no.	26 92 90 08
Established:	
Registered office:	Brøndby
Financial year:	1 October – 30 September

Board of Directors

Michael Bech-Jansen (Chairman)

David Flochel

Kim Bach

Morten Hansson

Executive Board

Kim Bach

Auditor

KPMG P/S
Dampfærgevej 28
2100 Copenhagen
DK-Denmark

Annual general meeting

The annual general meeting will be held on 19 December 2019.

Management's review

Financial highlights

DKKm	2018/19	2017/18	2016/17	2015/16	2014/15
Gross profit/loss	42,586	31.083	28.894	20.322	13.373
Ordinary operating profit/loss	3,301	(1.628)	985	(4.483)	(9.470)
Profit/loss from financial income and expenses	(665)	(181)	(735)	(781)	1.148
Profit/loss for the year	2,539	381	250	(5.900)	(8.322)
Total assets	40,798	61.691	56.083	49.484	32.584
Investments in property, plant and equipment	10,982	19.291	22.121	21.542	14.744
Equity	9,583	7.044	(6.337)	(6.587)	(687)
Current ratio	131.2	134.6	94.5	77.7	125.2
Return on equity	30.5	107.8	(3.9)	162.2	213.2
Solvency ratio	23.5	11.4	(11.3)	(13.3)	(2.1)

Financial ratios are calculated in accordance with the guidelines "Recommendations & Ratios" issued by the Danish Society of Financial Analysts. The financial ratios have been calculated as follows:

Current ratio $$\frac{\text{Current assets x 100}}{\text{Short-term debt}}$$

Return on equity $$\frac{\text{Profit from ordinary activities after tax x 100}}{\text{Average equity}}$$

Solvency ratio $$\frac{\text{Equity ex. non-controlling interests at year end x 100}}{\text{Total equity and liabilities at year end}}$$

Management's review

Operating review

Principal activities

Selecta A/S provides coffee and other vending solutions to offices and public areas

Material uncertainties regarding going concern

It is Management's opinion that the Company will have access to sufficient liquidity to continue as a going concern for the next 12 months from the balance date.

Uncertainty regarding recognition and measurement

It is Management's opinion that no material uncertainties in regards to recognition and measurement exists.

Unusual circumstances

The Company has not been exposed to any unusual circumstances for the business it is operating in.

Events after the balance sheet date

No significant events have occurred after the balance sheet date.

Development in activities and financial position

Profit for the year totals DKK 2,539 thousand compared to a profit of DKK 381 thousand last year. The balance sheet shows total assets of DKK 40,798 (61,691 in 2018) thousand and equity of DKK 9,583 (7,044 in 2018) thousand.

Profit/loss for the year (including comparison with forecasts previously announced)

Profit for the year is a result of the ongoing initiatives and growth that the Company is experiencing and is in line with last year's expectation.

New products

As part of Selecta Group's purchase of Pelican Rouge coffee roaster in 2018, Selecta A/S have now included the Pelican Rouge coffee brand in its suite of branded coffee solutions.

Management's review

Operating review

Capital resources

The Company have seen improvements in working capital and together with closely monitoring of cash flows is in a good position in regards to capital resources.

Outlook

Selecta has during FY19 for the 5th year in a row experienced 2 digit growth rates in a highly competitive market. It is Management's assessment that the Danish Selecta organization has reached a new level of evolution allowing us to seek further growth in both existing and new segments.

We experience that both new potential candidates and clients are seeking towards our strong vision, concepts and values in recognition that the Selecta team is a strong platform for the future.

Management anticipates continued growth however at slightly lower rates than previous years and subsequently also a result slightly lower than last year.

Environmental matters

The Company does not have any production. Impact on environment is limited to the energy used at our locations. The Company supports the Selecta Coffee Fund. Selecta Coffee Fund is one of Selecta's commitments in making a difference and creating a better world with greater social responsibility. Selecta Coffee Fund aims to support and help people who work in coffee and tea production around the world. Focus is on children, education, water and sanitation, but we also want to contribute to improving farming conditions for increased yield and improved environment.

Financial statements 1 October – 30 September

Income statement

DKK'000	Note	2018/19	2017/18
Gross profit/loss		42,586	31,083
Staff costs and other external costs	2	(29,245)	(27,002)
Impaiment losses and depreciation		(10,040)	(5,709)
Operating profit/loss		3,301	(1,628)
Financial income	3	3	1,005
Financial expenses	4	(668)	(1,186)
Profit/loss before tax		2,636	(1,809)
Tax on profit/loss for the year	5	(97)	2,190
Profit/loss for the year	6	2,539	381

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Balance sheet

DKK'000	Note	2018/19	2017/18
ASSETS			
Fixed assets			
Property, plant and equipment	7		
Plant and machinery		10,602	18,268
Fixtures and fittings, tools and equipment		380	1,023
		10,982	19,291
Total fixed assets		10,982	19,291
Current assets			
Inventories			
Finished goods and goods for resale		5,439	7,917
		5,439	7,917
Receivables			
Trade receivables		7,421	8,390
Receivables from group entities		58	-
Deposits		101	329
Other receivables		1,010	551
Deferred tax assets	8	2,093	2,190
		10,683	11,460
Cash at bank and in hand		13,694	23,023
Total current assets		29,816	42,400
TOTAL ASSETS		40,798	61,691

Financial statements 1 October – 30 September

Balance sheet

DKK'000	Note	2018/19	2017/18
EQUITY AND LIABILITIES			
Equity			
Contributed capital	9	1,101	1,101
Share premium			
Retained earnings		8,482	5,943
Proposed dividends for the financial year		-	-
Total equity		9,583	7,044
Liabilities other than provisions			
Non-current liabilities other than provisions	10		
Lease obligation		4,948	8,093
Payables to group entities		-	11,778
		4,948	19,871
Current liabilities other than provisions			
Lease obligation	10	3,465	3,280
Prepayments received from customers		6,279	9,197
Trade payables		7,280	7,881
Payables to group entities		-	6,798
Other payables, including taxes payable		9,243	7,620
		26,267	34,776
Total liabilities other than provisions		31,215	54,647
TOTAL EQUITY AND LIABILITIES		40,798	61,691

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Financial statements 1 October – 30 September

Statement of changes in equity

DKK'000	Contributed capital	Share premium	Retained earnings	Proposed dividend	Total equity
Equity at 1 October 2018	1,101	-	5,943	-	7,044
Distributed dividend					-
Transferred over the profit appropriation			2,539		2,539
Equity at 30 September 2019	1,101	-	8,482	-	9,583

Financial statements 1 October – 30 September

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1 Accounting policies

The annual report of Selecta A/S for 2018/19 has for the first year been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of Selecta A/S and group entities are included in the consolidated financial statements of Selecta AG, Industrie Neuhof 78, 3422 Kirchberg BE, Switzerland, Corporate ID no. CHE-105.968.547

Foreign currency translation

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

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

Revenue

Income from the sale of goods, comprising the sale of coffee and vending solutions to the private and public market, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ®2010.

Revenue from the sale of goods where installation is a condition for major risks being considered transferred to the buyer is recognised as revenue when installation has been completed.

Revenue from the sale of goods where delivery has been postponed upon the buyer's request is recognised as revenue when ownership of the goods has been transferred to the buyer.

A contract is broken down by individual transactions when the fair value of the individual sales transactions may be reliably measured, and the individual sales transactions are of separate value to the buyer. Sales transactions are deemed to be of a separate value to the buyer when the transaction is individually identifiable and usually sold individually. The contract price is broken down by the individual sales transactions in accordance with the relative current cost approach. The separate sales transactions are recognised as revenue when complying with the criteria applying to the sale of goods and services.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

For products with a high degree of customisation, revenue is recognised as production takes place, and accordingly, revenue corresponds to the selling price of the work performed for the year (the percentage of completion method). When total income and costs attributable to the contract or the stage of completion at the balance sheet date cannot be estimated reliably, revenue is recognised only at costs incurred and only to the extent that the recovery thereof is likely.

Revenue from the sale of services, comprising service fee, is recognised on a straight-line basis in the income statement as the services are provided.

Services based on time spent are recognised in revenue as the work is performed.

Financial statements 1 October – 30 September

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1 Accounting policies (continued)

Income statement

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Gross Profit

Comprises of Revenue less Cost of sales

Staff costs and other external costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, excluding reimbursements from public authorities.

Other external costs comprise costs for distribution and sales costs, costs for advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Financial income and expenses

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

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Financial statements 1 October – 30 September

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1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

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

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Plant and machinery	6-10 years
Fixtures and fittings, tools and equipment	6 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

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

Leases

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

The capitalised lease obligation is recognised in the balance sheet as a liability at amortised cost, allowing the interest element of the lease payment to be recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Financial statements 1 October – 30 September

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1 Accounting policies (continued)

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists.

Inventories

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

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

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries as well as indirect production costs. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

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

Other receivables and deposits are recognised at amortised costs.

Prepayments and deferred income

Prepayments comprise prepayment of costs incurred relating to subsequent financial years and are recognised under Other receivables.

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

Financial statements 1 October – 30 September

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1 Accounting policies (continued)

Corporation tax and deferred tax

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Provisions

Provisions comprise anticipated costs of #. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at value in use.

Liabilities other than provisions

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

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

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

Prepayments and deferred income

Deferred income comprises payments received regarding income in subsequent years.

Cash flow statement

Pursuant to section 86 item 4 of the Danish Financial Statements Act the Company does not prepare a cash-flow statement. Please refer to note 13 for details to obtain consolidated accounts including cash flow statement.

Financial statements 1 October – 30 September

Notes

2 Staff costs and incentive schemes

DKK'000	2018/19	2017/18
Wages and salaries	25,313	24,181
Pensions	1,816	1,733
Other staff costs incl. social security costs	2,116	723
	29,245	27,002
Average number of full-time employees	58	53

Persuant to section 98b item 3, 2 of the Danish Financial Statement act, staff costs related to remuneration of the Company's Executive Board is not disclosed.

The Company's Board of Directors have not received remuneration for the Board work.

3 Financial income

Other financial income	3	1,005
	3	1,005

4 Financial expenses

Interest expense to group entities	133	500
Other financial expenses	535	686
	668	1,186

5 Tax on profit/loss for the year

Current tax for the year	-	-
Deferred tax adjustment for the year	(97)	2,190
	(97)	2,190

6 Profit appropriation

Proposed dividend for the financial year	-	-
Retained earnings	2,539	381
	2,539	381

Financial statements 1 October – 30 September

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7 Property, plant and equipment

DKK'000	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 October 2018	35,028	3,509	38,537
Additions	6,041	176	6,218
Disposals	(15,110)	(167)	(15,278)
Cost at 30 September 2019	25,959	3,518	29,477
Depreciation and impairment losses at 1 October 2018	16,760	2,488	19,248
Depreciation	5,076	736	5,812
Depreciation on disposals	(6,479)	(86)	(6,565)
Depreciation and impairment losses at 30 September 2019	15,357	3,138	18,495
Carrying amount at 30 September 2019	10,602	380	10,982
Assets held under finance leases	5,008	-	5,008

8 Deferred tax

DKK'000	2018/19	2017/18
Deferred tax at 1 October	2,190	-
Deferred tax adjustment for the year in the income statement	(97)	2,190
	2,093	2,190

9 Contributed capital

The contributed capital consists of:

1,101,000 shares of nom. DKK 100 each

All shares rank equally.

Financial statements 1 October – 30 September

Notes

10 Non-current liabilities other than provisions

Non-current liabilities other than provisions can be specified as follows:

DKK'000	2018/19	2017/18
Lease obligations:		
0-1 years	3,465	3,280
1-5 years	4,948	8,093
>5 years	-	-
Total non-current liabilities other than provisions	8,413	11,373

11 Contractual obligations, contingencies, etc.

Contingent liabilities

Selecta is a party to a pending lawsuit regarding a fine for late lodgement of transfer pricing documentation. In Management's opinion, apart from the liabilities recognised in the balance sheet at 30 September 2019, the outcome of this lawsuits will not affect the Company's financial position.

Operating lease obligations

The Company has entered into several operating leases agreement

- Leasehold with a remaining term of up to 41 months and an average monthly lease payments of DKK 93 thousand, totalling DKK 3,830 thousand.
- Vehicles with a remaining term of up to 55 months and an average monthly lease payment of DKK 155 thousand, totalling DKK 5,522 thousand
- Machines and furnitures with a remaining term of up to 69 months and an average monthly lease payment of DKK 211 thousand, totalling DKK 10,987 thousand

Assets held under finance leases are disclosed in note 7.

12 Currency and interest rate risks and the use of derivative financial instruments

The Company is not exposed to large currency or interest rate risks and no hedging of exchange rate risks or interests swaps are used.

Financial statements 1 October – 30 September

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13 Related party disclosures

Selecta A/S' related parties comprise the following:

Control

Selecta AG, Industrie Neuhof 78, 3422 Kirchberg BE, Switzerland

Selecta AG holds the majority of the contributed capital in the Company.

Selecta A/S is part of the consolidated financial statements of Selecta AG and the consolidated financial statements of Selecta AG, which are the largest group, in which the Company is included as a subsidiary.

The consolidated financial statements of Selecta AG can be obtained by contacting the company at the above addresses.

Pursuant to the Danish Financial Statement act section 98c item 7, all transactions with related parties is on an arms-length basis.

Related party transactions

DKK'000	2018/19	2017/18
Sale of goods to a subsidiary	1,679	219
Purchase of goods from a subsidiary	6,843	12,438
	8,522	12,657

Remuneration to the Parent Company's Executive Board and Board of Directors is disclosed in note 2.