BY APPOINTMENT TO THE ROYAL DANISH COURT

PETER JUSTESEN

Peter Justesen Company A/S

Tuborg Boulevard 5, 2., Postboks 68, 2900 Hellerup

Company reg. no. 27 13 03 64

Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 19th of May, 2020.

Niels Kornerup
Chairman of the meeting

Contents

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Peter Justesen Company A/S for the financial year 1 January to 31 December 2019.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2019 and of the company's results of its activities and cash flows in the financial year 1 January to 31 December 2019.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

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

Hellerup, 19 March 2020

Managing Director

Carsten Ørnbo
Chief Executive Officer

Board of directors

Jens Albert Harsaae
Chairman

Niels Kornerup

Marie Louise Hahn-Petersen

Erik Justesen

Maria Charlotte Thomsen
Employee representative

Independent auditor's report

To the shareholder of Peter Justesen Company A/S

Opinion

We have audited the annual accounts of Peter Justesen Company A/S for the financial year 1 January to 31 December 2019, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity, cash flow statement and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2019 and of the results of the company's operations and cash flows for the financial year 1 January to 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts 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 may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 19 March 2020

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

Claus Koskelin
State Authorised Public Accountant
mne30140

Company information

The company	Peter Justesen Company A/S Tuborg Boulevard 5, 2. Postboks 68 2900 Hellerup
	Company reg. no. 27 13 03 64 Established: 28 April 2003 Domicile: Gentofte Financial year: 1 January - 31 December
Board of directors	Jens Albert Harsaae, Chairman Niels Kornerup Marie Louise Hahn-Petersen Erik Justesen Maria Charlotte Thomsen, Employee representative
Managing Director	Carsten Ørnbo, Chief Executive Officer
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø
Bankers	Danske Bank
Parent company	Peter Justesen Holding A/S

Financial highlights

DKK in thousands.	2019	2018	2017	2016	2015
Income statement:					
Net turnover	246.771	227.306	230.418	237.026	248.431
Gross profit	24.197	35.601	40.804	41.859	30.886
Profit from ordinary operating activities	-9.671	7	728	-3.276	-15.942
Net financials	-2.095	-1.786	-5.525	-1.542	-2.562
Net profit or loss for the year	-11.766	736	-4.797	-4.818	-18.217
Statement of financial position:					
Balance sheet total	64.210	65.800	70.270	65.683	80.200
Investments in property, plant and equipment	129	249	119	35	61
Equity	6.787	10.439	9.703	8.500	13.317
Employees:					
Average number of full-time employees	37	47	54	63	66
Key figures in %:					
Gross margin ratio	9,8	15,7	17,7	17,7	12,4
Profit margin (EBIT-margin)	-3,9	0,0	0,3	-1,4	-6,4
Solvency ratio	10,6	15,9	13,8	12,9	16,6
Return on equity	-136,6	7,3	-52,7	-44,2	-142,0

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

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

Gross margin ratio

$$\frac{\text{Gross profit x 100}}{\text{Revenue}}$$

Profit margin (EBIT margin)

$$\frac{\text{Operating profit or loss (EBIT) x 100}}{\text{Revenue}}$$

Solvency ratio

$$\frac{\text{Equity, closing balance x 100}}{\text{Total assets, closing balance}}$$

Return on equity

$$\frac{\text{Net profit or loss for the year x 100}}{\text{Average equity}}$$

Management commentary

The principal activities of the company

Peter Justesen Company A/S (PJC) offers original high quality Beverage, Luxury and Living products based on global consumer insights, unique service packages and attractive prices focusing on customers' individual needs.

PJC vision is to be the leading customer oriented and knowledge based supplier being the most costeffective duty-free partner for diplomats, Embassies, duty free shops and organizations with duty-free status.

Development in activities and financial matters

The business generated a negative Net profit of -11,8 Mio DKK. Net result of -11,8 Mio DKK is far from being satisfactory – although almost 10,0 Mio DKK related to a warehouse move operation incl restructuring cost, extraordinary once off cost related to this and lost constributions for a period.

2019 was characterized by a 246,7 Mio DKK Net turnover which compared to 2018 was an increase of 8,3% point.

Operating profit was impacted negatively with a -9,7 Mio DKK decline vs 2018. Drivers behind negative development:

1. Channel mix – driven by Russia and reduced beverage sales
2. Warehouse move and associated restructuring costs
3. Once off costs linked to bad debts

Staff costs continued to be reduced and optimized with a 10,4% reduction of costs vs 2018. Key elements have been adaptation to a sales structure with more variable cost and general reduction of cost across the organization.

Investments:
The level of investments for 2019 was increased by 5,1 Mio DKK vs 2018 and at a total of 9,1 Mio DKK

PJC has since 2013 been in a significant commercial transformation from a traditional trading company to a unique digital global business-app for diplomats. A business-app which can handle vast amounts of data with authorities to document the complex sale of duty-free goods as well as delivering targeted and relevant communication to customers. The IP rights developed in cooperation with partners belong to PJC and represent a significant value and ensures a return on invested capital. New scientific and technical knowledge and understanding has been obtained by this development.

The development project has secured PJC' commercial relevance on the short run and on the long run a future proof IT tech based business model, that can be sold to external parties.

Know how resources

The company is in possision of sufficient knowledge resources, including key persons to make sure and maintain the future earnings.

Management commentary

The expected development

Strategic focus for 2020 will be to maintain and develop Diplomatic channel with a continued strong omni-channel approach.

Net Revenue is planned to develop slightly positive and profitable in all sales channels and thus improved vs 2019.

Create synergies from new Web platform which supports a more customer-oriented approach and communication.

New subcategories will be added to the portfolio within living and accessories.

Cost and restructuring initiatives made previous years will together with new cash management procedures and policies further strengthen cash flow and liquidity.

Operational focus for 2020 will be to intensify actions to safeguard current customer basis and in certain regions like Russia expand number of active customers. Cost actions and efficiency programs will be concentrated around supply-chain particularly benefiting from a new warehouse set up in Poland. Investments level will be very low jeopardizing from previous years actions to further digitalize the business.

Given the current situation around Covid-19 - the company's management cannot comment on the financial implications and expected results for the financial year 2020.

Events subsequent to the financial year

The company's management cannot currently assess the effect of the development of Covid-19, which occurred after the end of the financial year. Additionally no events have occured which would have a material impact on the position of the company.

Accounting policies

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

Presentational changes have been made and have not affected the profit for the year, balance sheet or equity.

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

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Accounting policies

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

The profit and loss account

Net turnover

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Cost of sales

Costs of sales includes costs for manufactured goods and trade goods less discounts and changes in inventories.

Other external costs

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

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

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials 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 profit and loss account with the amounts that concerns the financial year.

Accounting policies

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

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

The balance sheet

Intangible fixed assets

Softwareplatform

The development of the softwareplatform comprise e.g. salaries, wages, and amortisation which directly and indirectly refer to the development of the softwareplatform.

Clearly defined and identifiable development of the software platform are recognised as intangible fixed assets provided that the technical feasibility, sufficient resources, and a potential market or a development opportunity can be demonstrated, and provided that it is the intention to produce, market and utilise the project. It is, however, a condition that the cost can be calculated reliably and that a sufficiently high degree of certainty indicates that future earnings will cover the costs for production, sales, and administration. Other development costs are recognised in the profit and loss account concurrently with their realisation.

Softwareplatform costs recognised in the balance sheet are measured at cost with deduction of accrued depreciation and writedown. The amortisation period is 7 years.

Tangible fixed assets

Tangible fixed assets are measured at cost less accrued depreciation and writedown for impairment.

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.

Accounting policies

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
Leasehold improvements	10 years
Other fixtures and fittings, tools and equipment	3-4 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.

Leases
At the first recognition in the balance sheet, leasing contracts concerning tangible fixed assets by which the company holds all essential risks and advantages attached to the proprietary right (financial leasing) are measured either at fair value or at the present value of the future leasing services, whichever value is lower. When calculating the present value, the internal interest rate of the leasing contract or alternatively the borrowing rate of the enterprise is used as discount rate. Afterwards, financially leased assets are treated in the same way as other similar tangible assets.

The capitalised residual leasing liability is recognised in the balance sheet as a liability, and the interest part of the leasing contract is recognised in the profit and loss account over 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.

Writedown of fixed assets
The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises 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 takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value 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 deriving from the use of the asset or the group of assets.

Accounting policies

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for manufactured goods and trade goods comprises the acquisition cost with the addition of the delivery costs.

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

Debtors

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.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities. The reserve cannot be used as dividends or for covering losses. The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at 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 receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Peter Justesen Company A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Accounting policies

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

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

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

The cash flow statement

The cash flow statement shows the cash flow of the company for the year, divided in cash flows deriving from operating activities, investment activities, and financing activities, respectively, the changes in the liabilities, and the available funds at the beginning and the end of the year respectively.

Cash flow from operating activities

Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

Cash flow from investment activities

Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible and tangible fixed assets and fixed asset investments respectively.

Accounting policies

Cash flow from financing activities

Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interestbearing debt, and payment of dividend to the shareholders.

Available funds

Available funds comprise cash funds with deduction of short-term bank debt and short-term securities with a term of less than 3 months which can easily be converted into cash funds and on which only an insignificant risk of value changes exists.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2019	2018
	Net turnover	246.771.199	227.306.341
	Change in inventories of finished goods and work in progress	978.393	6.497.903
	Other operating income	7.711	0
	Raw materials and consumables used	-195.356.842	-176.134.711
	Other external costs	-28.203.564	-22.068.347
	Gross profit	**24.196.897**	**35.601.186**
2	Staff costs	-26.882.550	-29.926.420
	Depreciation, amortisation, and impairment	-6.985.690	-5.668.059
	Operating profit	**-9.671.343**	**6.707**
	Other financial income from group enterprises	22.138	0
	Other financial income	1.550.489	2.733.687
	Other financial costs	-3.667.567	-4.520.008
	Pre-tax net profit or loss	**-11.766.283**	**-1.779.614**
	Tax on ordinary results	0	2.515.152
3	**Net profit or loss for the year**	**-11.766.283**	**735.538**

Statement of financial position 31 December

All amounts in DKK.

Note	Assets	2019	2018
	Non-current assets		
4	Softwareplatform (development projects)	16.343.458	13.111.610
	Total intangible assets	16.343.458	13.111.610
5	Other fixtures and fittings, tools and equipment	1.097.748	1.493.854
6	Leasehold improvements	0	622.935
	Total property, plant, and equipment	1.097.748	2.116.789
	Total non-current assets	**17.441.206**	**15.228.399**
	Current assets		
	Manufactured goods and goods for resale	8.521.385	9.499.777
	Total inventories	8.521.385	9.499.777
	Trade receivables	25.065.738	25.241.230
	Receivables from group enterprises	232.274	568.141
	Tax receivables from group enterprises	1.954.678	2.515.152
	Other receivables	6.122.369	6.283.218
7	Prepayments and accrued income	1.252.441	1.375.251
	Total receivables	34.627.500	35.982.992
	Cash on hand and demand deposits	3.619.949	5.088.635
	Total current assets	**46.768.834**	**50.571.404**
	Total assets	**64.210.040**	**65.799.803**

Statement of financial position 31 December

All amounts in DKK.

Equity and liabilities

Note		2019	2018
	Equity		
	Contributed capital	5.000.000	5.000.000
8	Reserve for development costs	10.261.944	4.573.111
9	Retained earnings	-8.474.718	865.725
	Total equity	**6.787.226**	**10.438.836**
	Liabilities other than provisions		
	Other payables	647.141	0
	Total long term liabilities other than provisions	647.141	0
	Bank loans	12.107.851	17.679.565
	Trade payables	41.461.199	34.022.280
	Other payables	3.206.623	3.659.122
	Total short term liabilities other than provisions	56.775.673	55.360.967
	Total liabilities other than provisions	**57.422.814**	**55.360.967**
	Total equity and liabilities	**64.210.040**	**65.799.803**

1 **Special items**
10 **Mortage and securities**
11 **Contingencies**
12 **Related parties**

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity 1 January 2018	5.000.000	4.293.107	410.191	9.703.298
Profit or loss for the year brought forward	0	0	735.538	735.538
Provisions for development projects	0	280.004	-280.004	0
Equity 1 January 2019	5.000.000	4.573.111	865.725	10.438.836
Profit or loss for the year brought forward	0	0	-11.766.283	-11.766.283
Transferred from distributed reserves	0	5.688.833	-5.688.833	0
Group contributions	0	0	8.114.673	8.114.673
	5.000.000	**10.261.944**	**-8.474.718**	**6.787.226**

Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note		2019	2018
	Net profit or loss for the year	-11.766.283	735.538
13	Adjustments	9.641.104	7.454.381
14	Change in working capital	9.406.974	-1.521.483
	Cash flows from operating activities before net financials	7.281.795	6.668.436
	Interest received, etc.	172.648	21.650
	Interest paid, etc.	-2.061.565	-2.254.249
	Cash flows from ordinary activities	5.392.878	4.435.837
	Cash flows from operating activities	**5.392.878**	**4.435.837**
	Purchase of intangible assets	-9.069.114	-3.823.105
	Purchase of property, plant, and equipment	-129.384	-249.054
	Cash flows from investment activities	**-9.198.498**	**-4.072.159**
	Group contributions	8.114.674	0
	Cash flows from investment activities	**8.114.674**	**0**
	Change in cash and cash equivalents	**4.309.054**	**363.678**
	Cash and cash equivalents at 1 January 2019	-12.590.930	-13.403.506
	Foreign currency translation adjustments (cash and cash equivalents)	-206.026	448.898
	Cash and cash equivalents at 31 December 2019	**-8.487.902**	**-12.590.930**

	2019	2018
Cash and cash equivalents		
Cash on hand and demand deposits	3.619.949	5.088.635
Short-term bank loans	-12.107.851	-17.679.565
Cash and cash equivalents at 31 December 2019	**-8.487.902**	**-12.590.930**

Notes

All amounts in DKK.

1. Special items

The results for the year is affected by a factor, that differ from what the management consider a part of the year result.

Year 2019
The business generated a negative Net profit of -11,8 Mio DKK. The management assess that almost 10,0 Mio DKK is related to a warehouse move from Denmark til Poland. The cost consists restructuring cost, extraordinary once off cost related to this and lost constributions for a period.

Year 2018
The tax authorities have accepted a resumption of the years 2014-2017 with a view to disbursement of development-costs from the tax credit scheme. The tax authorities has not approved the tax credit scheme as the proces is on-going. Net profit for the year was positively affected by 2,5 Mio. DKK.

	2019	2018
2. Staff costs		
Salaries and wages	25.175.426	27.946.737
Pension costs	1.471.190	1.732.114
Other costs for social security	235.934	247.569
	26.882.550	**29.926.420**
Executive board and board of directors	2.055.000	1.720.000
Average number of employees	37	47

3. Proposed distribution of the results

	2019	2018
Allocated to results brought forward	0	735.538
Allocated from results brought forward	-11.766.283	0
Distribution in total	**-11.766.283**	**735.538**

Notes

All amounts in DKK.

		31/12 2019	31/12 2018
4.	**Softwareplatform (development projects)**		
	Cost 1 January 2019	48.152.669	44.329.564
	Additions during the year	9.069.114	3.823.105
	Cost 31 December 2019	**57.221.783**	**48.152.669**
	Amortisation and writedown 1 January 2019	-35.041.059	-29.921.321
	Amortisation for the year	-5.837.266	-5.119.738
	Amortisation and writedown 31 December 2019	**-40.878.325**	**-35.041.059**
	Carrying amount, 31 December 2019	**16.343.458**	**13.111.610**

The softwareplatform regards the development and adaptation of a unique it-platform to ensure cost efficiency and costumer satisfaction. The projects proceed as planned and are expected to be completed within 1-3 years. The platform can be used for external sales.

5.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 January 2019	8.977.581	8.728.528
	Additions during the year	129.384	249.054
	Cost 31 December 2019	**9.106.965**	**8.977.582**
	Depreciation and writedown 1 January 2019	-7.483.728	-7.080.585
	Depreciation for the year	-525.489	-403.143
	Depreciation and writedown 31 December 2019	**-8.009.217**	**-7.483.728**
	Carrying amount, 31 December 2019	**1.097.748**	**1.493.854**

Notes

All amounts in DKK.

		31/12 2019	31/12 2018
6.	**Leasehold improvements**		
	Cost 1 January 2019	4.608.912	4.608.912
	Disposals during the year	-4.608.912	0
	Cost 31 December 2019	**0**	**4.608.912**
	Depreciation and writedown 1 January 2019	-3.985.977	-3.840.798
	Depreciation for the year	-622.935	-145.179
	Reversal of depreciation, amortisation and writedown, assets disposed of	4.608.912	0
	Depreciation and writedown 31 December 2019	**0**	**-3.985.977**
	Carrying amount, 31 December 2019	**0**	**622.935**

Notes

All amounts in DKK.

		31/12 2019	31/12 2018
7.	**Prepayments and accrued income**		
	Prepaid expenses and accrued revenue	1.252.441	1.375.251
		1.252.441	**1.375.251**
8.	**Reserve for development costs**		
	Reserve for development costs 1 January 2019	4.573.111	4.293.107
	Provisions for development projects	5.688.833	280.004
		10.261.944	**4.573.111**
9.	**Retained earnings**		
	Retained earnings 1 January 2019	865.725	410.191
	Profit or loss for the year brought forward	-11.766.283	735.538
	Group contributions	8.114.673	0
	Provisions for development projects	-5.688.833	-280.004
		-8.474.718	**865.725**

10. Mortage and securities

For bank debts, DKK 12.107.851, the company has provided security in company assets representing a nominal value of DKK 50.000.000. This security comprises the below assets, stating the book values:

	DKK in thousands
Inventories	8.460
Receivable from sales and services	25.497
Property, plant and equipment	1.098

Notes

All amounts in DKK.

11. Contingencies

Contingent assets

The group has a tax asset in the form of the tax losses to carry-forward - less tax value difference on intagible fixed assets etc. in the amount of m.DKK 7,7. The tax asset is not recognized in the balance, as it is uncertain when the tax asset can be activated in the future.

Contingent liabilities

	DKK in thousands
Lease liabilities	160
Rent liabilities	1.389
Total contingent liabilities	**1.549**

Other contingent liabilities:

The company is involved in a tax dispute with the authorities regarding 8X. The company's contingent liabilities amounts to DKK 2.5 million. It is the management's opinion that the company is fully succesful with the dispute.

Joint taxation

With Peter Justesen Holding A/S, company reg. no 33774257 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.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

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

12. Related parties

Consolidated financial statements

The company is included in the consolidated annual accounts of Peter Justesen Holding A/S, Tuborg Boulevard 5, 2. 2900 Hellerup.

Notes

All amounts in DKK.

		2019	2018
13.	**Adjustments**		
	Depreciation, amortisation, and impairment	6.985.690	5.668.060
	Impairment of current assets	560.474	0
	Other financial income	-1.572.627	-2.733.687
	Other financial costs	3.667.567	4.520.008
		9.641.104	**7.454.381**

		2019	2018
14.	**Change in working capital**		
	Change in inventories	978.392	6.497.903
	Change in receivables	795.018	-4.162.935
	Change in trade payables and other payables	7.633.564	-3.856.451
		9.406.974	**-1.521.483**

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