J. Norby Holding ApS

P. Heises Vej 10
DK-8000 Aarhus C

CVR no. 27 33 15 99

Annual report 2020

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

on ____

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chairman of the annual general meeting

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Contents

Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of J. Norby Holding ApS for the financial year 1 January – 31 December 2020.

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

In my opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2020.

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

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

Aarhus, 4 May 2021
Executive Board:

Jacob Norby
CEO

Independent auditor's report

To the shareholder of J. Norby Holding ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of J. Norby Holding ApS for the financial year 1 January – 31 December 2020 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 consolidated financial statements and the parent company financial statements" section of our report.

We are independent of the Group 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 consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or 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 consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company 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 consolidated financial statements and parent company 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 consolidated financial statements and the parent 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 Group's and the Parent Company's internal control.

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

- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements or the parent company 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 consolidated financial statements and the parent company 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.

Aarhus, 4 May 2021
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Steffen S. Hansen
State Authorised
Public Accountant
mne32737

Management's review

Company details

J. Norby Holding ApS
P. Heises Vej 10
DK-8000 Aarhus C

CVR no.	27 33 15 99
Registered office:	Aarhus
Established	29 August 2003
Financial year:	1 January – 31 December

Executive Board

Jacob Norby

Auditor

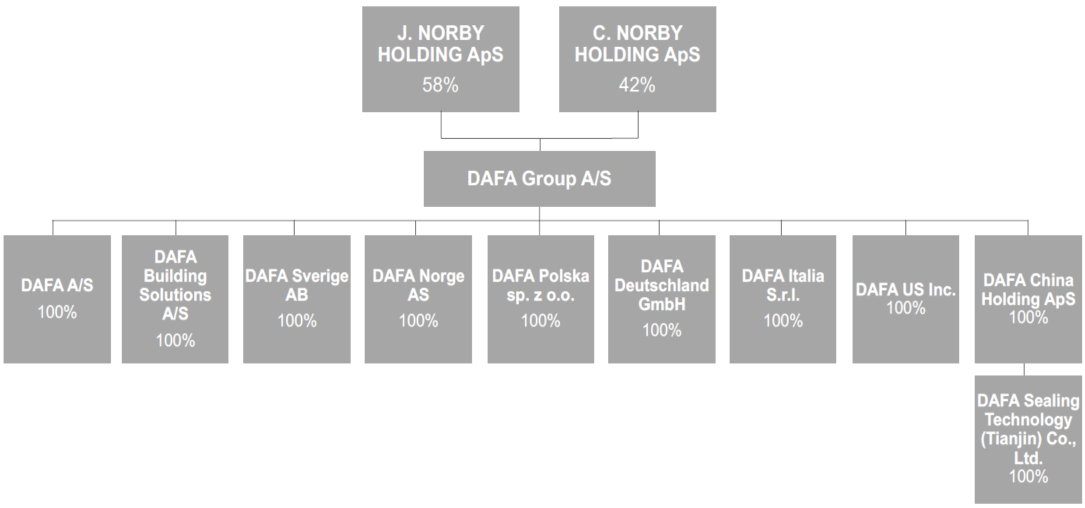
KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
DK-8210 Aarhus V

Management's review

Group structure

In November 2020, DAFA Building Solutions A/S was established, and from 1 January 2021, the construction dealer activities in the building materials segment was split from DAFA A/S into the newly established DAFA Building Solutions A/S entity. The group chart below reflects the legal structure end of the year.

Group chart



Management's review

Financial highlights for the Group

DKK'000	2020	2019	2018	2017	2016
Revenue	515,471	517,609	463,315	427,626	362,932
Gross profit	212,278	207,353	169,039	156,877	132,370
EBITDA	68,723	59,352	29,402	10,585	28,384
Operating profit (EBIT)	68,723	59,352	28,827	13,174	28,060
Profit/loss from financial income and expenses	9,922	3,689	-1,715	2,783	1,733
Profit before tax	78,645	63,041	27,687	13,368	30,115
Profit for the year	59,844	46,773	20,085	8,261	23,537
Total assets	449,319	423,617	415,995	430,467	409,655
Investments in property, plant and equipment	12,976	17,500	14,540	10,724	44,981
Equity	296,814	256,731	218,516	205,212	195,872
Cash flows from operating activities	67,515	89,063	56,080	595	41,304
Cash flows from investing activities	-18,553	-18,148	-15,949	-26,776	-166,887
Cash flows from financing activities	-37,537	26,861	-19,069	-18,155	57,580
Total cash flows	11,425	97,776	21,062	-44,336	-68,003
Return on invested capital	15.7%	14.1%	6.8%	3.1%	8.9%
Return on equity	21.6%	19.7 %	9.5%	4.1%	12.5%
Solvency ratio	48.9%	44.7%	39.7%	37.0%	37.3%
Average number of full-time employees	310	303	319	316	231

The financial ratios have been calculated as follows:

Return on invested capital $\frac{\text{Operating profit x 100}}{\text{Average invested capital}}$

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

The Group's main activities produce sustainable, long-lasting foam and rubber solutions which seal, absorb and protect through DAFA Group and investments in securities and properties.

Management's review mainly focus on the activities of DAFA Group.

DAFA Group sells its products to the industrial segment and building segment.

DAFA Group's business model is through a global footprint to follow our customers development and requirements by offering high service and quality in sustainable, long-lasting foam and rubber solutions which seal, absorb and protect. We want to grow together with our customers by focusing on close customer relations and development of innovative quality products and solutions.

The solutions are produced and distributed through divisions in Denmark, Poland, Italy and China. In addition, there are sales offices in USA, Sweden, Norway and Germany.

Development in activities and financial position

2020 has been a satisfactory year taking the COVID-19 situation into consideration. The planned movement of DAFA Norway into new location and implementation of new ERP system in DAFA Polska were both succeeded.

Overall financial performance shows a satisfactory development for 2020. However budgeted revenue growth was lower than expected due to the COVID-19, but increased earnings and continued solid cash flows were in line with expectations.

Revenue and results for the year

The income statement of the Group for 2020 shows a profit of DKK 59.8 million, which is an increase compared to 2019. In local currencies, revenue is increased slightly compared to 2019, but by conversion to reporting currency (DKK), a slightly decrease in revenue is recognised.

Consolidated EBIT amounted to DKK 68.7 million in 2020, which was an improvement of DKK 9.4 million compared to 2019.

EBT was DKK 78.6 million, which was an increase of DKK 15.6 million compared to 2019.

Cash flows

Cash flows from operating activities totalled DKK 67.5 million (2019: DKK 89.1 million) which is considered satisfactory. Total investment costs in 2020 reached DKK 18.6 million (2019: DKK 18.1 million).

Capital structure

J. Norby Holding ApS Group had a solvency ratio of 48.9% at 31 December 2020. The current capital structure and credit facilities provide the flexibility required to fully support the future strategy of the Group.

Management's review

Operating review

Outlook

By the end of 2020, DAFA Building Solutions A/S was established, and the construction dealer activities at 1 January 2021 were transferred from DAFA A/S into DAFA Building Solutions A/S. By splitting the activities in DAFA A/S into two entities, the Company will increase its customer focus in both the construction dealer segment and the industrial segment.

In 2020, DAFA Polska has implemented a new ERP system, and thereby all entities in the group are on the same IT platform.

In 2021, revenue is expected to increase at a range between 5% to 8%, and profit margin is expected to be at the same level as realised in 2020. The growth expectation is based on the continuing investment initiated in the last couple of years, when DAFA Group has moved from having a local footprint to being present with a global footprint to support both existing global key customers as well as to gain new customers and new markets.

Particular risks

In DAFA Group, risk is a natural part of the way the business is operating. Efficient risk management secures that the risk is revaluated and addressed daily to reduce the risk to a minimum. The Board of Directors of DAFA Group A/S has the overall responsibility for DAFA's risk management and for establishing, identifying and controlling the risk. Management has the daily responsibility to follow the overall guidelines and to report to the Board of Directors inside the most important risk areas.

Operating risks

The Group's key operating risks relate to the ability to maintain and develop its position at existing customers while increasing the market share. The Group's global footprint supports thereby the ability to minimise operating risks.

Market risks

Due to a relatively high solvency ratio and with a global presence, the Group is only to a limited extent exposed to major periodic fluctuations in sales.

Currency risks

Due to foreign activities, profit, cash flows and equity are affected by the exchange and interest rate developments for several currencies. It is the Company's currency policy not to hedge the currency risks as most transactions are naturally hedged through purchases and sales in the same currencies.

Interest rate risks

Due to its high solvency ratio and financial resources, the Group is exposed to interest rate changes only to a limited extent.

Credit risks

According to the Group's credit policy, all major customers are rated on a current basis.

Management's review

Operating review

Research and development activities

DAFA Group continuously develops and improves its products in cooperation with customers. The related costs are charged to the income statement as they are incurred. Resources spent on implementation of new technology is capitalised under the item completed development projects.

Intellectual capital

It is essential for DAFA Group's continued growth to retain and develop employees; therefore, significant resources are allocated to these efforts.

To ensure competitiveness and efficiency, new technology investments are made continuously alongside continued competence development.

Intellectual capital resources are of great importance to DAFA Group. In the construction segment, continuous product development is carried out based on knowledge of the market and our customers. In the industry segment, customised quality solutions are developed for which our employees' know-how of materials and possible solutions is a key factor.

Events after the balance sheet date

The split of the construction dealer activity from DAFA A/S into DAFA Building Solutions A/S took place at 1 January 2021. The closing balance sheet of DAFA A/S at 1 January was split into both DAFA A/S and DAFA Building Solutions, A/S and the split-off has been approved by the authorities.

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

Statutory declaration of Corporate Social Responsibility in accordance with section 99a of the Danish Financial Statements Act

DAFA Group conducts the business activities as described in the business model section with deep respect for all the stakeholders and constant focus on reducing our environmental impact. Currently, no formal social responsibility policy has been implemented at group level, but in 2010, DAFA Group acceded to the UN Global Compact, which provides ten principles concerning respect for human rights, labour, environment and anti-corruption. A set of guidelines to ensure that DAFA Group's employees, in cooperation with customers, suppliers, authorities and other stakeholders, create a responsible development of DAFA Group's business and surroundings. In 2020, DAFA Group submitted Communication of Progress No. 11 for publication on the website:

www.unglobalcompact.org

Management's review

Operating review

Environment

DAFA Group aims to live in harmony with our surroundings, neighbours as well as the environment. While maintaining and strengthening the company's competitiveness, we will actively work to reduce the environmental impact from our processes and products. In its decision making, management will consider environment and energy factors, via risk and opportunity management, so that no significant decisions are made before these factors have been assessed. We aim to refine our existing energy management in order to continually achieve better utilization. Changes in energy consumption are observed and monitored through records and measurements. Efforts will be made to reduce energy consumption every time plant or equipment is replaced, modernized or adapted. Wherever possible, xenobiotic substances will be replaced with environmentally neutral alternatives. We aim to expand collaboration with our suppliers to include environmental issues in relation to processes and products. Employees will be moved towards a high level of environmental awareness through training. We undertake to comply with all statutory environmental requirements, including pollution prevention.

We are committed to contributing to sustainable development: "Development that meets the present needs without compromising the ability of future generations to meet their own". In practice, sustainability means that we will respect and balance environmental, economic and social aspects, thereby continually improving DAFA Group's local environment, business and organization.

In 2016, the environmental system ISO 14001 was implemented, and once a year Management reviews the targets, actions and results.

In 2020, DAFA Denmark has carried out energy audit acc. EN 16247 by third party Energy Solution to meet the requirements of EU Energy Efficiency Directive. The audit report points out the processes with most energy consumption and the most efficient effort to reduce power consumption and carbon dioxide emission.

Also in 2020, Go Green DAFA sustainability report was prepared together with Aarhus Business Academy to focus on minimize use of fossil fuels and reduce energy consumption. Identified areas from the report where consumption can be reduced, will be review and actions will be initiated.

DAFA Denmark has in 2020 introduced active Waste Management to the production and innovation process, and it is the goal for the future to lift the lower fractions of the hierarchy to support circular economy. In 2020 the following actions were implemented:

- Installation of machine for shredding of waste material for recycle for reduction of transportation
- Increased recycling of paper in administrative processes
- Phase-out of disposable service in plastic
- Recycling of waste through participation in local Network, UPCYCLE.

In line with the target of 95% of DAFA Group's Building Materials are to be included in the Nordic Ecolabelling database of products that can be part of swan-labelled constructions, 200 new product variants were approved to be part of swan-labeled Building Materials.

In 2021, DAFA Group will set up project to merge and include DAFA sites into one common management system and eventually multisite certification to ISO 9001 and ISO 14001 by the external 3rd party certification body Bureau Veritas. Hence introducing Environmental Management system to ISO 14001 in DAFA Poland. The site currently works under “Best in Class” Environment Management certificate.

Strategic supplier must follow ISO 14001, and in case the strategic supplier does not have an ISO 14001 certificate, DAFA performs supplier audit, where the supplier must explain and document their environmental policy. In 2020 1 supplier audit was done without any remarks. All other supplier audits were cancelled because of the COVID-19 restrictions.

Climate impact

Climate change is one of the most serious threats facing humanity. DAFA Group considers ourselves responsible for contributing to fight the negative impacts on the climate, and we constantly work towards optimising our operation. Even though no formal policy has been drawn up regarding impact on climate, DAFA Group adopts the goal of the Danish Climate law to reduce greenhouse gas emission by 70% in 2030. The reference level will be 2019 Greenhouse Gases Protocol of Scope 1 and 2. Accounting principles adapted will be on Science Based Targets as the overall best practice. Results are presented in the non-financial KPI table.

Furthermore, DAFA Group's climate change strategy is based on SDG 12 Responsible Consumption and Production and SDG 13 Climate Action.

Anti-corruption and bribery

Bribery and corruption are taken very seriously at DAFA Group, and such behaviour is not permitted. We have not drawn up any formal policy within anti-corruption and bribery. DAFA Group has a code of conduct for DAFA Group employees and the suppliers to underline that DAFA Group wants to appear as a responsible and credible partner focusing on ethical business principles which always complies with the laws, regulations and guidelines in the applicable countries in which they operate. By 2021, as part of the code of conduct, DAFA Group is planning to formalise an anti-corruption and bribery policy.

In 2020 no incidents of anti-corruption and bribery are reported, and we expect the same result in 2021.

Social and staff matters

DAFA Group cares about its employees, and the employees are the most important asset of the business and its success. Every year, we organise different activities to show appreciation for our employees' efforts and their dedication to DAFA. In 2020 most of the planned activities have been cancelled or postponed due to COVID19 restriction, but in 2021 we will organise different activities again.

The Company has safety policy, staff policy and a management guideline in place, and a collaboration committee has been established to improve collaboration across functions, departments and seniority.

One of the key actions to reach the target is the biyearly people survey where employees are encouraged to share their opinions and suggest improvements in the working environment. The employees' input is an important tool to improve the social and staff matters and to improve job satisfaction. In 2021 the next people survey will take place, but in 2020 a workplace valuation was made together with a third party, and action plans from this survey are initiated.

In 2020, the DAFA Academy was introduced, and a management training program in DAFA Denmark took place, to ensure all DAFA employees receive good management. In 2021 the management program will continue in Denmark together with a global management training program for all other DAFA Group entities. DAFA Academy has also introduced other training sessions and to continue employee development, a global HR manager will be hired in beginning of 2021, to focus on this area.

Management's review

Operating review

Human rights

DAFA Group's policy is commitment to people, and it is the foundation of our work with human rights. Human rights are an essential part of the suppliers' and employees' code of conduct, and as part of UN Global Compact, DAFA Group follows those guidelines. Everyone dissociates oneself from all kinds of forced labour and child labour and respects and complies with applicable national laws and industry standards on working hours. Everyone respects employees' rights to join labour unions of their own choice. All wages and salaries comply with applicable national laws and industry standards. DAFA Group does not tolerate child labour, and a supplier working together with DAFA Group must ensure that the supplier does not use child labour that is younger than the minimum age according to national law.

DAFA Group is pleased to say that we have not at any time experienced any violation of the human rights or evaluated a risk of this in respect of the operation of our business, and we expect it will be the same for 2021. Furthermore, we have in our code of conduct stated that everyone who is covered by the code of conduct considers and respects internationally recognised conventions on human rights, which is supported by supplier audits. Thereby the risk is low.

Non-financial KPIs

DAFA Group has focus on non-financial KPIs to track our environmental, social and economic performance within defined KPIs. DAFA Group is planning to implement a global non-financial KPI structure in line with the one we have in DAFA A/S. In 2020, DAFA A/S has updated the non-financial KPIs based on Science Based Targets in line with UN Global Compacts recommendations. Below is the development in the environmental KPI for DAFA A/S:

Environmental KPIs	2016	2017	2018	2019	2020
CO2-emission (power and heating) [Ton]	248	218	241	240	248
Active operator time in production[hour]	60,335	68,205	74,829	72,740	78,975
Power and heating CO2-emission based on production operating activity [kg/hour], KPI <3,4 kg/hour]	4.11	3.2	3.22	3.3	3.14

Hierarchy	Waste 2020 [kg]	Pct.
Reuse	0	0%
Recycle	236.600	42%
Recover	306.470	54%
Deposit	23.180	4%
Total	***566.250***	***100%***

Management's review

Operating review

Risk management

Risk management is part of our business and below we have listed the identified CSR related risks, which we are focusing on in our CSR management:

- Impacts on environment: Waste management and recycling of material
- Impact on climate: CO_2 consumption in the production
- Anti-corruption and bribery: Policy for own gifts and bribery in the supply chain
- Social and staff matters: Safety policy and accidents at work
- Impact of human rights: Violation of humans right in the supply chain and especially in relation to discrimination and child labour.

Statutory statement regarding the underrepresented gender in accordance with the section 99b of the Danish Financial Statements Act

In DAFA Group, we acknowledge that diversity in Management and employees is a strength and as a part of this, equality in gender contributes to the business development. DAFA Group's target regarding the underrepresented gender is that both genders are to be represented on the Board of Directors in DAFA Group A/S, and no one is underrepresented. The target was met in 2006 and has remained representative since then with a representation of the underrepresented gender on the Board of Directors of DAFA Group A/S of 25% due to a board composition of four members of which one is female. In the future, no new target is needed if the underrepresented gender stays at 25%.

Diversity in other management levels

DAFA Group is also considering diversity in other management levels than the Board of Directors of DAFA Group A/S. The long-term aim is that the Company reflects the surrounding society and especially the Company's customers, not only in terms of gender, but also in terms of nationality and ethnicity. This reflection of the surrounding society is to contribute to the Company being an attractive choice for customers as well as present and future employees and in this way enabling the Company to achieve its long-term business goals.

The policy of the Group states that both genders are encouraged equally to apply for vacant positions in the Company. Both genders are also guaranteed the same rights and conditions during their employment. As DAFA Group strives for an equal gender representation in Management, we acknowledge that women are currently underrepresented. Therefore, we have placed special focus on ensuring that women are, where possible, included in the list of candidates for new hires and internal promotions. Moreover, we have in situations where more candidates are assessed to be equally qualified for a position selected the female candidate. In 2020, there has been no changes in Management.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Income statement

		Group		Parent Company	
DKK'000	Note	2020	2019	2020	2019
Revenue	2	515,471	517,609	2,195	2,247
Other operating income		386	39	0	0
Cost of sales		-257,348	-258,917	0	0
Other external costs		-46,231	-51,378	-1,046	-803
Gross profit		212,278	207,353	1,149	1,444
Staff costs	3	-122,708	-127,400	-429	-409
Depreciation, amortisation and impairment losses	4	-20,847	-20,601	-606	-521
Operating profit		68,723	59,352	114	514
Income from equity investments in group entities	5	0	0	29,296	24,739
Financial income		12,526	5,208	11,943	4,848
Financial expenses		-2,604	-1,519	-86	-76
Profit before tax		78,645	63,041	41,267	30,025
Tax on profit for the year	6	-18,801	-16,268	-2,638	-1,165
Profit for the year	7	59,844	46,773	38,629	28,860

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
ASSETS					
Fixed assets					
Intangible assets	8				
Goodwill		37,477	44,271	0	0
Completed development projects		58	181	0	0
Acquired other similar rights		0	53	0	0
Software		8,407	1,766	0	0
		45,942	46,271	0	0
Property, plant and equipment	9				
Land and buildings		76,007	78,741	36,012	34,931
Plant and machinery		39,318	39,125	0	0
Fixtures and fittings, tools and equipment		3,894	3,876	0	0
Leasehold improvements		2,274	4,744	0	0
Prepayments for property, plant and equipment		0	798	0	0
		121,493	127,284	36,012	34,931
Financial assets					
Equity investments in group entities	5	0	0	106,686	93,259
Equity investments in associates	10	1,000	1,000	1,000	1,000
Other equity investments	11	6,194	0	6,194	0
Other receivables	11	3,217	2,999	0	0
		10,411	3,999	113,880	94,259
Total fixed assets		177,846	177,554	149,892	129,190

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
ASSETS (continued)					
Current assets					
Inventories					
Raw materials and consumables		22,446	26,260	0	0
Work in progress		3,381	1,708	0	0
Finished goods and goods for resale		41,099	32,430	0	0
		66,926	60,398	0	0
Receivables					
Trade receivables		91,703	79,879	0	0
Receivables from group entities		0	0	268	268
Receivables from associates	12	3,230	4,590	3,230	4,590
Other receivables		1,737	3,472	62	2
Deferred tax asset	13	0	0	653	1,860
Corporation tax		2	0	0	0
Prepayments	14	76	1,360	0	0
		96,748	89,301	4,213	6,720
Securities and equity investments		84,609	72,118	82,479	69,521
Cash at bank and in hand		23,190	24,246	600	3,419
Total current assets		271,473	246,063	87,292	79,660
TOTAL ASSETS		449,319	423,617	237,184	208,850

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
EQUITY AND LIABILITIES					
Equity					
Contributed capital	15	213	213	213	213
Reserve for net revaluation according to the equity method		0	0	63,400	49,973
Reserve for development costs		45	181	0	0
Proposed dividends		4,000	4,000	4,000	4,000
Retained earnings		215,301	184,805	151,946	135,013
Shareholders in J. Norby Holding ApS share of equity		219,559	189,199	219,559	189,199
Non-controlling interests		77,255	67,532	0	0
Total equity		296,814	256,731	219,559	189,199
Provisions					
Provisions for deferred tax	13	3,951	2,858	0	0
Other provisions	16	2,152	0	0	0
Total provisions		6,103	2,858	0	0
Liabilities other than provisions					
Non-current liabilities	17				
Mortgage debt		26,819	55,725	13,032	13,976
Lease obligations		7,632	4,926	0	0
Other liabilities		0	248	0	0
		34,451	60,899	13,032	13,976
Current liabilities					
Mortgage debt	17	15,500	15,410	1,000	1,000
Lease obligations	17	1,222	1,609	0	0
Credit institutions		16	6	16	6
Trade payables		63,158	54,373	54	76
Payables to group entities		0	0	762	762
Corporation tax		0	4,136	1,302	2,361
Other payables		32,055	27,595	1,459	1,470
		111,951	103,129	4,593	5,675
Total liabilities other than provisions		146,402	164,028	17,625	19,651
TOTAL EQUITY AND LIABILITIES		449,319	423,617	237,184	208,850

Consolidated financial statements and parent company financial statements 1 January – 31 December

Statement of changes in equity

	Group						
DKK'000	Contri-buted capital	Reserve for develop-ment costs	Retained earnings	Proposed dividends	Total	Non-con-trolling interests	Total equity
Equity at 1 January 2020	213	181	184,805	4,000	189,199	67,532	256,731
Ordinary dividends paid	0	0	0	-4,000	-4,000	-8,400	-12,400
Transferred over the profit appropriation	0	-136	34,765	4,000	38,629	21,215	59,844
Exchange rate adjustment, foreign subsidiary	0	0	-4,269	0	-4,269	-3,092	-7,361
Equity at 31 December 2020	213	45	215,301	4,000	219,559	77,255	296,814

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Statement of changes in equity

	Parent Company				
DKK'000	Contri-buted capital	Net reva-luation according to the equity method	Retained earnings	Proposed dividends	Total
Equity at 1 January 2020	213	49,973	135,013	4,000	189,199
Distributed dividends	0	0	0	-4,000	-4,000
Transferred over the profit appropriation	0	13,427	21,202	4,000	38,629
Exchange rate adjustment, foreign subsidiary	0	0	-4,269	0	-4,269
Equity at 31 December 2020	213	63,400	151,946	4,000	219,559

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Cash flow statement

DKK'000	Note	Group 2020	Group 2019
Profit for the year		59,844	46,773
Other adjustments of non-cash operating items	21	26,082	33,721
Cash generated from operations before changes in working capital		85,926	80,494
Changes in working capital	22	-6,487	21,965
Cash generated from operations		79,439	102,459
Financial income		12,526	5,208
Financial expenses		-2,604	-1,519
Corporation tax paid		-21,846	-17,085
Cash flows from operating activities		67,515	89,063
Acquisition of intangible assets		-7,735	-705
Disposal of intangible assets		0	-139
Acquisition of property, plant and equipment		-12,976	-17,500
Disposal of property, plant and equipment		2,267	731
Acquisition of other investments		-109	-535
Cash flows from investing activities		-18,553	-18,148
External financing:			
Increase in external financing		0	30,218
Repayment of long-term debt		-28,816	0
Increase of lease obligations		2,319	4,534
Decrease in receivables from associates		1,360	1,809
Shareholders:			
Distributed dividends J. Norby Holding ApS		-4,000	-5,500
Distributed dividends to minitory owners from DAFA Group A/S		-8,400	-4,200
Cash flows from financing activities		-37,537	26,861
Cash flows for the year		11,425	97,776
Cash and cash equivalents at the beginning of the year		96,358	-1,418
Cash and cash equivalents at year end	23	107,783	96,358

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Notes

1 Accounting policies

The annual report of J. Norby Holding ApS for 2020 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

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

The consolidated and parent company financial statements for 2020 are presented in DKK'000.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, DAFA Group A/S, and group entities in which the Parent Company directly or indirectly holds more than 50% of the votes or in some other way exercises control over. Entities in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are considered associates. A group chart is included on page 7.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains and losses on intra-group transactions are eliminated.

Equity investments in group entities are set off against the proportionate share of group entities' fair value of net assets and liabilities at the date of acquisition.

Business combinations

Acquisitions

On acquisition of group entities, the difference between cost and net asset value of the entity acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). Cost comprises the fair value of the consideration paid as well as expenses for consultants, etc. directly related to the acquisition. Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straight-line basis over its estimated useful life. Any remaining negative differences are recognised as income in the income statement at the date of acquisition.

Positive and negative differences from entities acquired may, due to changes to the recognition and measurement of net assets, be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made. Moreover, any change in contingent consideration is adjusted in the value of goodwill or negative goodwill.

Amortisation of goodwill is recognised in “Amortisation, depreciation and impairment losses”.

Non-controlling interests

Items of subsidiaries are fully recognised in the consolidated financial statements. The non-controlling interests' proportionate share of the subsidiaries' profit and of equity is included as part of the Group's profit and equity, respectively, but is presented separately.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses. Where foreign exchange transactions are considered hedging of future cash flows, value adjustments are recognised directly in equity.

Receivables, payables and other monetary items 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 is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are measured at the transactions date rates.

Income statement

Revenue

Income from the sale of goods 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 economic benefits relating to the sale will flow to the group.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

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.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables consumed to achieve revenue for the year.

Other external costs

Other external costs comprise indirect production costs and expenses for premises, costs related to sales, distribution, office, etc.

Staff expenses

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Other operating income and costs

Other operating income and costs comprise items secondary to the activities of the Group, including losses on the disposal of intangible assets and property, plant and equipment.

Income from equity investments in group entities

The proportionate share of the individual group entities' profit/loss after tax is recognised in the Parent Company's income statements after elimination of a proportionate share of intra-group gains/losses and amortisation of goodwill.

Income from equity investments in associates

Dividends from investments in associates and profit/loss from sale of shares in invest in associates are recognised in the Group's and Parent Company's income statements.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, etc.

Tax on profit for the year

The Group is comprised by the Danish rules on compulsory joint taxation of the Group's Danish group entities. The group entities are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The ultimate parent, J. Norby Holding ApS, is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

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

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.

Balance sheet

Intangible assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience within the individual business areas. Goodwill is amortised on a straight-line basis over the remaining life of the patent, which is 10 years.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Gains and losses on the disposal of intangible assets are determined 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.

Development projects

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

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

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

Upon completion of development work, development costs are amortised on a straight-line basis over the estimated useful lives. The amortisation period is usually 3 years.

Acquired other similar rights

Acquired other similar rights are measured at cost less accumulated amortisation and impairment losses. Acquired other similar rights are amortised on a straight-line basis over the remaining life of the rights, which is 3-5 years.

Software

Acquired other similar rights are measured at cost less accumulated amortisation and impairment losses. Acquired other similar rights are amortised on a straight-line basis over 3 years.

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.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

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:

Buildings	40-50 years
Plant and machinery	5-10 years
Fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	10 years

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Investments

Investments in group entities are recognised and measured under the equity method.

The caption “Investments in group entities” in the balance sheet includes the proportionate ownership share of the net asset value of the entities calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the entities.

The total net revaluation of investments in group entities is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividends distributed to the Parent Company and adjusted for other equity movements in the group entities.

Group entities with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the entity is recognised in provisions.

Investments in associates and other investments are recognised and measured at cost.

Other financial assets

Other financial assets consist of deposits and are recognised and measured at cost.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as financial assets are 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.

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.

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Notes

1 Accounting policies (continued)

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.

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 equals landed cost.

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 in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less write-down for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning consumption taxes, licenses, insurance etc.

Current asset investments

Current asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Equity

Dividends

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

Net revaluation reserve according to the equity method

Net revaluation reserve according to the equity method comprises net revaluation of equity investments in group entities in proportion to cost.

Dividends expected to be received before the balance sheet date are not tied to the reserve.

Reserves may be eliminated in connection with loss, realisation of equity investments or changes in accounting estimates.

Reserves cannot be recognised at a negative amount.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Reserve for development costs

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividends, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the developments costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established.

The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

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. Extra payments and repayments under the on-account taxation scheme are recognised as an interest expense in the income statement and expenses.

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 goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

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.

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.

Other liabilities are measured at amortised cost, substantially corresponding to nominal value.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 **Accounting policies (continued)**

Cash flow statement

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

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

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

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand", "Overdraft facilities" and "current asset investments".

Segment information

Segment information is provided on business segments and geographical markets. The segment information is in line with the Group's accounting policies, risks and internal financial management.

Consolidated financial statements and parent company financial statements 1 January – 31 December

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2 Segment information

The Group has only one activity concerning sale of goods. The Group's geographical segments are as follows:

Geographical

	Group			
DKK'000	Scandi-navia	Rest of Europe	Rest of the world	Total
2020				
Revenue	240,802	164,213	110,456	515,471

3 Staff costs

	Group		Parent Company	
DKK'000	2020	2019	2020	2019
Wages and salaries	105,137	108,808	428	408
Pensions	5,941	5,980	1	1
Other social security costs	7,153	8,437	0	0
Other staff expenses	4,477	4,175	0	0
	122,708	127,400	429	409
Average number of full-time employees	310	303	1	1

With reference to the Danish Financial Statements Act Section 98b (2), no disclosure of remuneration to the Parent Company's Executive Board has been made.

4 Depreciation, amortisation of and impairment losses on intangible assets and property, plant and equipment

	Group		Parent Company	
DKK'000	2020	2019	2020	2019
Amortisation of intangible assets	8,064	8,617	0	0
Depreciation of property, plant and equipment	12,783	11,984	606	521
	20,847	20,601	606	521

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5 Equity investments in group entities

	Parent Company	
DKK'000	2020	2019
Cost at 1 January	43,286	43,286
Cost at 31 December	43,286	43,286
Value adjustments at 1 January	49,973	30,373
Profit for the year	29,296	24,739
Dividends to the Parent Company	-11,600	-5,800
Exchange adjustment	-4,269	661
Value adjustments at 31 December	63,400	49,973
Carrying amount at 31 December	106,686	93,259

Name/legal form	Registered office	Contributed capital	Votes and ownership
Subsidiaries:			
DAFA Group A/S	Denmark	5,000,000 (DKK)	58%
DAFA China Holding ApS (indirect ownership)	Denmark	125,000 (DKK)	100%
DAFA Building Solutions A/S (indirect ownership)	Denmark	400,000 (DKK)	100%
DAFA Sealing Technology (Tianjin) Co., Ltd. (indirect ownership)	China	5,184,548 (CNY)	100%
DAFA Sverige AB (indirect ownership)	Sweden	100,000 (SEK)	100%
DAFA Deutschland GmbH (indirect ownership)	Germany	25,000 (EUR)	100%
DAFA US Inc. (indirect ownership)	USA	20,000 (USD)	100%
DAFA Polska sp. Z o.o. (indirect ownership)	Poland	2,196,000 (PLN)	100%
DAFA Italia S.r.l (indirect ownership)	Italy	10,000 (EUR)	100%
DAFA A/S (indirect ownership)	Denmark	25,000,000 (DKK)	100%
DAFA Norway AS (indirect ownership)	Norway	500 (NOK)	100%

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		Group		Parent Company	
	DKK'000	2020	2019	2020	2019
6	**Tax on profit for the year**				
	Current tax for the year	18,444	17,510	1,431	2,477
	Deferred tax adjustment for the year	1,093	-1,090	1,207	-1,312
	Adjustment of tax concerning previous years	-736	-152	0	0
		18,801	16,268	2,638	1,165
7	**Proposed profit appropriation**				
	Reserve for net revaluation according to the equity method	0	0	13,427	19,601
	Reserve for development costs	-136	-562	0	0
	Non-controlling interests	21,215	17,913	0	0
	Retained earnings	34,765	25,422	21,202	5,259
	Proposed dividends	4,000	4,000	4,000	4,000
		59,844	46,773	38,629	28,860

Consolidated financial statements and parent company financial statements 1 January – 31 December

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8 Intangible assets

	Group				
DKK'000	Goodwill	Completed development projects	Software	Acquired other similar rights	Total
Cost at 1 January 2020	67,687	2,367	4,416	3,035	77,505
Additions	0	0	7,735	0	7,735
Cost at 31 December 2020	67,687	2,367	12,151	3,035	85,240
Amortisation and impairment losses at 1 January 2020	-23,416	-2,186	-2,650	-2,982	-31,234
Amortisation	-6,794	-123	-1,094	-53	-8,064
Amortisation and impairment losses at 31 December 2020	-30,210	-2,309	-3,744	-3,035	-39,298
Carrying amount at 31 December 2020	37,477	58	8,407	0	45,942

Completed development projects

Completed development projects relate to development and test of various concepts regarding our wind and building segments and development of AX integration in the Group, which has enhanced productivity.

Consolidated financial statements and parent company financial statements 1 January – 31 December

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9 Property, plant and equipment

	Group					
DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equip-ment	Leasehold improve-ments	Prepay-ments for property, plant and equipment	Total
Cost at 1 January 2020	91,712	102,404	25,542	6,550	798	227,006
Foreign exchange adjustments in foreign entities	-2,677	-3,170	-336	-37	-15	-6,235
Additions	1,902	8,838	1,808	428	0	12,976
Transferred	41	1,174	58	-490	-783	0
Disposals	0	-1,577	-2	-1,935	0	-3,514
Cost at 31 December 2020	90,978	107,669	27,070	4,516	0	230,233
Depreciation and impairment losses at 1 January 2020	-12,971	-63,279	-21,666	-1,806	0	-99,722
Foreign exchange adjustments in foreign entities	347	1,900	248	23	0	2,518
Depreciation	-2,347	-8,217	-1,760	-459	0	-12,783
Reversed depreciation and impairment losses	0	1,245	2	0	0	1,247
Depreciation and impairment losses at 31 December 2020	-14,971	-68,351	-23,176	-2,242	0	-108,740
Carrying amount at 31 December 2020	76,007	39,318	3,894	2,274	0	121,493
Assets held under finance leases	0	7,148	164	0	0	7,312

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

9 Property, plant and equipment (continued)

DKK'000	Parent Company Land and buildings
Cost at 1 January 2020	37,105
Additions	1,688
Disposals	
Cost at 31 December 2020	38,793
Depreciation and impairment losses at 1 January 2020	-2,175
Depreciation	-606
Depreciation and impairment losses at 31 December 2020	-2,781
Carrying amount at 31 December 2020	36,012

10 Equity investments in associates

	Group		Parent Company	
DKK'000	2020	2019	2020	2019
Cost at 1 January	1,020	1,020	1,020	1,020
Cost at 31 December	1,020	1,020	1,020	1,020
Value adjustments at 1 January	-20	-20	-20	-20
Value adjustments at 31 December	-20	-20	-20	-20
	1,000	1,000	1,000	1,000

Name/legal form	Registe-red office	Contri-buted capital DKK'000	Votes and owner-ship	Equity DKK'000	Profit/loss for the year DKK'000
Associates:					
TrueNordic ApS*	Thisted	80	30%	-1,228	-77
Ejendomsselskabet Holmstrupgårdvej 8-16 ApS	Aarhus	2,000	50%	3,444	20,858

* Listed financial statement captions are from the financial statements for 2019.

Consolidated financial statements and parent company financial statements 1 January – 31 December

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11 Other financial assets

DKK'000	Group		
	Other equity investments	Other receivables	Total
Cost at 1 January 2020	6,085	2,999	9,084
Additions	109	218	327
Cost at 31 December 2020	6,194	3,217	9,411
Write-down at 1 January 2020	-6,085	0	-6,085
Reversal of previous write-down	6,085	0	6,085
Write-down at 31 December 2020	0	0	0
Carrying amount at 31 December 2020	6,194	3,217	9,411

DKK'000	Parent Company
	Other equity investments
Cost at 1 January 2020	6,085
Additions	109
Cost at 31 December 2020	6,194
Write-down at 1 January 2020	-6,085
Reversal of previous write-down	6,085
Write-down at 31 December 2020	0
Carrying amount at 31 December 2020	6,194

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

12 Receivables from associates

Of total receivables from associates of DKK 3,230 thousand, DKK 2,230 thousand falls due after 12 months.

13 Deferred tax

	Group		Parent Company	
DKK'000	2020	2019	2020	2019
Deferred tax at 1 January	-2,858	-3,948	1,860	548
Deferred tax adjustment for the year in the income statement	-1,093	1,090	-1,207	1,312
	-3,951	-2,858	653	1,860

14 Prepayments

Prepayments comprise the accrual of costs incurred relating to subsequent financial years, including insurance, IT licences, etc.

15 Contributed capital

All shares rank equally.

16 Other provisions

	Group	
DKK'000	2020	2019
Other provisions at 1 January	0	184
Adjustment for the year	2,152	-184
	2,152	0

Other provisions comprise anticipated costs related to pension provisions to employees.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

DKK'000	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
17 Non-current liabilities other than provisions				
Non-current liabilities other than provisions can be specified as follows:				
Mortgage debt:				
0-1 years	15,500	15,410	1,000	1,000
1-5 years	18,308	45,749	4,521	4,000
After 5 years	8,511	9,976	8,511	9,976
	42,319	71,135	14,032	14,976
Lease obligations:				
0-1 years	1,222	1,609	0	0
1-5 years	5,609	4,926	0	0
Due after 5 years	2,023	0	0	0
	8,854	6,535	0	0
Other liabilities:				
1-5 years	0	248	0	0
	0	248	0	0
Total non-current liabilities other than provisions	51,173	77,918	14,032	14,976
18 Fees to auditor appointed at the general meeting				
Total fees to appointed auditor	1,087	939	25	25
Statutory audit	667	766	10	10
Tax assistance	183	77	5	5
Non-audit services	237	96	10	10
	1,087	939	25	25

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19 Contractual obligations, contingencies, etc.

Operating lease obligations

	Group	
DKK'000	2020	2019
0-1 year	8,575	10,727
1-5 years	35,310	33,326
Due after 5 years	6,939	13,323
	50,824	57,376

19 Contractual obligations, contingencies, etc. (continued)

Other contingent liabilities

The Danish group entities are jointly and severally liable for tax on the Group's jointly taxed income.

Collateral

As guarantor, DAFA Group A/S is liable for all bank balances in DAFA Deutschland GmbH. The bank fund at 31 December 2020 represents EUR 16 thousand.

DAFA Group A/S has pledged the investment in DAFA Polska sp. Z.o.o. for all bank balances. The equity value of the investment totalled DKK 108,749 thousand at 31 December 2020.

DAFA Group A/S has provided guarantees for operations in DAFA Norway AS of NOK 319 thousand through bank institution.

DAFA Group A/S has provided guarantees to the Danish tax authorities of DKK 200 thousand to secure indirect import taxes.

For the mortgage of DKK 14,032 thousand, the Company has provided collateral secured upon its land and buildings with a carrying amount of DKK 30,034 thousand as of 31 December 2020.

The Parent Company has provided a mortgage on its building situated at Jyllands Allé 6, 8000 Aarhus C on behalf of a third party at a maximum amount of DKK 10 thousand.

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20 Related parties

J. Norby Holding ApS' related parties comprise the following:

Ownership

The following shareholder is registered in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the contributed capital:

Jacob Norby, Aarhus C, Denmark

Related party transactions

DKK'000	2020
Parent Company	
Dividends received from subsidiaries	11,600
Dividends paid to shareholders	4,000

With reference to the Danish Financial Statements Act Section 98b (2), no disclosure of remuneration to the Parent Company's Executive Board has been made.

Receivables from and payables to subsidiaries are disclosed in the balance sheet.

	Group	
DKK'000	2020	2019
21 Other adjustments		
Financial income	-12,526	-5,208
Financial expenses	2,604	1,519
Tax on profit for the year	18,801	16,268
Depreciation, amortisation and impairment losses	20,847	20,601
Exchange adjustments in equity	-7,361	1,142
Exchange adjustments of fixed assets	3,717	-601
	26,082	33,721

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Notes

DKK'000	Group 2020	Group 2019
22 Changes in working capital		
Change in inventories	-6,528	82
Change in receivables and other financial assets	-15,108	11,897
Change in other provisions	2,152	-184
Change in trade and other payables	12,997	10,170
	-6,487	21,965

23 Cash and cash equivalents

Cash and cash equivalents at 31 December comprise:

DKK'000	Group 2020	Group 2019
Cash at bank and in hand	23,190	24,246
Current asset investments	84,609	72,118
Credit institutions	-16	-6
Cash and cash equivalents at 31 December	107,783	96,358

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"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Jacob Norby
Direktør
På vegne af: J. Norby Holding ApS
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Steffen Sjørslev Hansen
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NEM ID

Jacob Norby
Dirigent
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