J. Norby Holding ApS

P. Heises Vej 10
DK-8000 Aarhus C

CVR no. 27 33 15 99

Annual report 2019

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

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 2019.

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 2019 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 2019.

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, 27 March 2020
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 2019 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 2019 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 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the 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, 27 March 2020
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

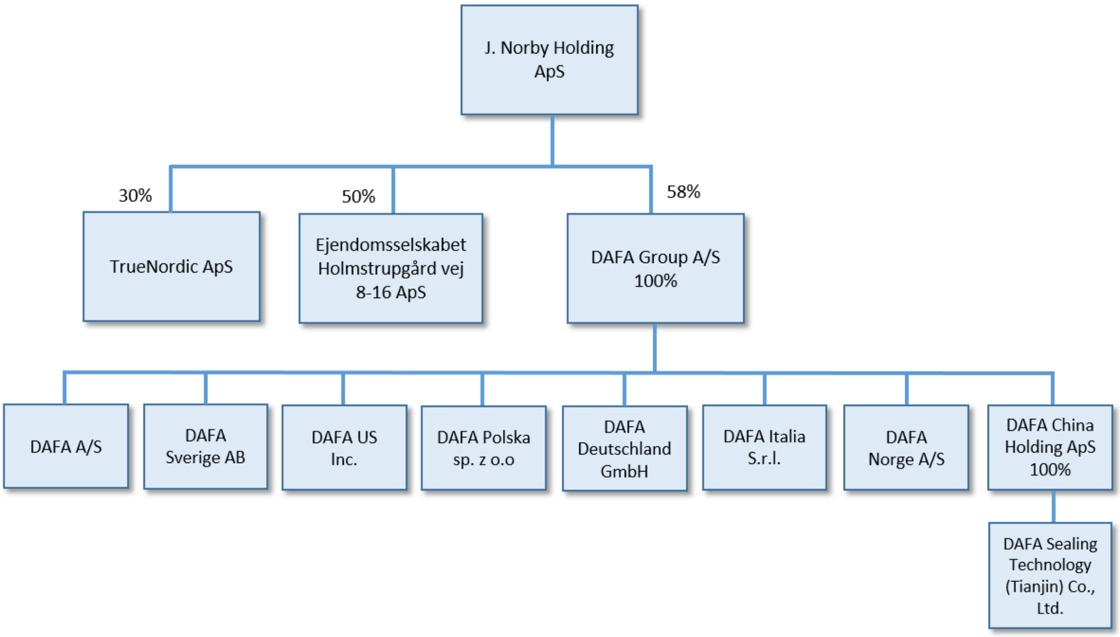
Jacob Norby

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
DK-8210 Aarhus V

Management's review

Group chart



Management's review

Financial highlights for the Group

DKK'000	2019	2018	2017	2016	2015
Revenue	517,609	463,315	427,626	362,932	340,296
Gross profit	207,353	169,039	156,877	132,370	111,178
EBITDA	59,352	29,402	10,585	28,384	28,168
Operating profit	59,352	28,827	13,174	28,060	28,311
Profit/loss from financial income and expenses	3,689	-1,715	2,783	1,733	3,624
Profit for the year	46,773	20,085	8,261	23,537	25,042
Total assets	423,617	415,995	430,467	409,655	220,169
Investments in property, plant and equipment	17,500	14,540	10,724	44,981	9,123
Equity	256,731	218,516	205,212	195,872	181,350
Cash flows from operating activities	89,063	56,080	595	41,304	8,458
Cash flows from investing activities	-18,148	-15,949	-26,776	-166,887	-9,571
Cash flows from financing activities	26,861	-19,069	-18,155	57,580	-7,768
Total cash flows	97,776	21,062	-44,336	-68,003	-8,881
Return on invested capital	14.1%	6.8%	3.1%	8.9%	13.6%
Return on equity	19.7 %	9.5%	4.1%	12.5%	16.0%
Solvency ratio	44.7%	39.7%	37.0%	37.3%	65.1%
Average number of full-time employees	303	319	316	231	152

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

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 A/S and investments in securities and properties.

Management review mainly focus on the activities in DAFA Group.

DAFA sells its products to the industrial, building and wind segments. The goal is that customers experience added value by collaborating with DAFA and that they choose DAFA as their preferred supplier.

In 2019, DAFA did celebrating its 80th years anniversary, and DAFA is proud that the solutions are produced and distributed through divisions in Denmark, Poland, Italy, USA and China. In addition, there are sales offices in Sweden, Germany and Norway.

Business model

DAFA'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.

Development in activities and financial position

2019 has been a satisfactory year with growth in all entities, and on Group level both revenue and earnings have improved significantly compared to 2018. In 2019, a new factory was fully implemented in DAFA China, and it has supported the positive development in both output and earnings for the Company.

Overall financial performance for 2019 was considerably up on 2018. Revenue grew by 11.7% compared to 2018. EBIT amounted to DKK 59.4 million in 2019, representing an improvement of DKK 30.6 million on 2018. EBT was DKK 63.0 million, representing an improvement of DKK 35.4 million on 2018.

Cash flows

Cash flows from operating activities totalled DKK 89.1 million (2018: DKK 56.1 million), which is considered satisfactory. Total investment costs in 2019 reached DKK 18.1 million (2018: DKK 15.9 million).

As of 31 December 2019, net interest-bearing debt was DKK 53.6 million (2018: DKK 110,351 thousand).

Capital structure

J. Norby Holding ApS Group had a solvency ratio of 44.7% at 31 December 2019. 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 2019, DAFA Norway was established, and the organisation to support the future growth in Norway was in place at the beginning of 2020. DAFA Norway will move into its new location with a local inventory during the first half year of 2020. Also in 2020, it is planned that DAFA Polska will implement a new ERP system, and thereby all entities in the group operate on the same IT platform.

In 2020, before outbreak of COVID-19, revenue was expected to increase at a range between 5% to 8%, and the profit margin was expected to be at the same level as in 2019. The growth expectation was based on the investment initiated during the last couple of years when the Group has moved from having a local footprint to a global footprint to support both existing global key customers as well as to gain new customers and new markets.

Due to the global COVID-19 outbreak, there is an increased uncertainty related to the expectations set forth, but Management still expects to reach a satisfying level of revenue and earnings for 2020 as result of the strong business model, which is supported by operations and the order book at the time for completing the group financial statements.

Particular risks

In the J. Norby Holding ApS Group, risk is a natural part of the way the business operates. Efficient risk management secures that the risk is revaluated and addressed daily to reduce it to a minimum. The Board of Directors has the overall responsibility for the Group'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 on 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 its 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 its 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 in 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 regularly credit rated.

Management's review

Operating review

Research and development activities

DAFA 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 the implementation of new technology are capitalised under the item completed development projects.

Intellectual capital

It is essential for the 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 continuously made alongside continued competence development.

Intellectual capital resources are of great importance to the Group. In the construction segment, ongoing product development is carried out based on insight into the markets 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

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 conducts all the activities with deep respect for all the stakeholders and constant focus on reducing our environmental impact. Currently, no formal social responsibility policy has been implemented in DAFA, but in 2010, DAFA 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's employees, in cooperation with customers, suppliers, authorities and other stakeholders, create a responsible development of DAFA's business and surroundings. In 2019, DAFA submitted Communication of Progress No. 10 for publication on the website:

www.unglobalcompact.org

Impact on environment

DAFA is a responsible group with a strong focus on reducing its environmental impact. In 2016, the environmental system ISO 14001 was implemented, and once a year Management reviews the targets, actions and results.

Management's review

Operating review

In 2019, DAFA China has also implemented the environmental management system ISO 14001, and it has successfully been assessed by the external third party certification body Bureau Veritas. The environmental management system in DAFA Poland is scheduled for implementation in 2021, and for the time being DAFA Poland works under the "Best of Class" certificate.

DAFA's environmental policy is to live in harmony with our surroundings, neighbours as well as the environment. In 2019, new LED lightning were implemented in DAFA Poland, and in DAFA Denmark new production pumps, new table cleaves machine and new water-jetting machine were installed with yearly savings of 40% in kWh.

In 2020, DAFA will continue standardising dimensions of packaging cardboard boxes globally to increase efficient use. Additionally, it will be investigated whether the content of recycled cardboard can be increased and that bleaching can be avoided or performed in accordance with the best practices in the market. Investment to minimise and handle waste foam from production to new recycling product is planned for the first quarter of 2020.

In 2018, DAFA launched a new building system (Radon) to improve the climate inside Buildings, and during 2019 the system has been successfully introduced on the Nordic market.

Strategic supplier must follow ISO 14001, and in case the strategic supplier does not have an ISO 14001 certificate, DAFA performs a supplier audit where the supplier must explain and document its environmental policy. In 2019, seven supplier audits were carried out, which did not give rise to any remarks.

Impact on climate

Climate change is one of the most serious threats facing humanity. DAFA 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 Denmark has identified the most energy consuming process and has implemented new technologies to reduce the energy requirement by 40% in that process and overall CO2 emission. In 2020, DAFA Denmark will start to measure the CO2 consumption per production hour in line with Management's continuous focus on reduction of the CO2 consumption.

Anti-corruption and bribery

Bribery and corruption are taken very seriously at DAFA, 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 employees and the suppliers to underline that DAFA wants to appear as a responsible and credible partner focusing on ethical business principles which always comply with relevant legislation, regulations and guidelines in the applicable countries in which they operate. By 2020, as part of the code of conduct, DAFA is planning to formalise an anti-corruption and bribery policy.

Social and staff matters

The Group cares about its employees, and the employees are the most important assets 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 2019, DAFA celebrated its 80 anniversary by hosting an "open house" event in the headquarters for all employees, their families and business partners.

The Company has a safety policy, a 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 to the working environment. The employees' input is an important tool to improve social and staff matters and to improve job satisfaction.

Management's review

Operating review

A people survey was made in 2019, and based on the feedback, Management has decided to focus on management communication and visible management. In line with the input from the people survey, DAFA Group will also introduce a DAFA Academy in 2020. The Academy will offer a global management training programme to ensure good management at all levels. Furthermore, a global training and education programme will be structured and organised to continue human resource development.

Impact of human rights

DAFA'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 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 does not tolerate child labour, and a supplier working together with DAFA must ensure that he does not use child labour that is younger than the minimum age according to national law.

DAFA is pleased to say that we have not at any time experienced any violation of human rights or evaluated a risk of this in respect of the operation of our business. Furthermore, in our code of conduct, we have 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. Accordingly, the risk is low.

Non-financial KPIs

DAFA focuses 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 in DAFA A/S. Below is the development in the environmental KPI for DAFA A/S:

Environmental KPI	2015	2016	2017	2018	2019
Total electricity (thousand kWh)	801	787	754	753	815
Total CO_2 emission	162	159	152	152	165

Risk management

Risk management is part of our business, and below we have listed the identified CSR-related risks, which we focus 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.

Management's review

Operating review

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

DAFA acknowledges that diversity in Management and employees is a strength and as a part of this, equality in gender contributes to the business development. DAFA's target regarding the underrepresented gender is that both genders are to be represented on the Board of Directors, 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 25% due to a board composition of four members of which one is female. In the future, no new target is needed as long as the underrepresented gender stays at 25%.

Diversity in other management levels

DAFA is also considering diversity in other management levels than the Board of Directors. The long-term target 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 Company 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 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.

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

Income statement

DKK'000	Note	Group 2019	Group 2018	Parent Company 2019	Parent Company 2018
Revenue	2	517,609	463,315	2,247	2,335
Other operating income		39	215	0	0
Cost of sales		-258,917	-235,278	0	0
Other external costs		-51,378	-59,213	-803	-825
Gross profit		207,353	169,039	1,444	1,510
Staff costs	3	-127,400	-119,419	-409	-396
Depreciation, amortisation and impairment losses	4	-20,601	-20,793	-521	-476
Operating profit		59,352	28,827	514	638
Income from equity investments in group entities	5	0	0	24,739	11,569
Income from equity investments in associates	6	0	575	0	575
Financial income		5,208	2,942	4,848	1,713
Financial expenses		-1,519	-4,657	-76	-2,750
Profit before tax		63,041	27,687	30,025	11,745
Tax on profit for the year	7	-16,268	-7,602	-1,165	-38
Profit for the year	8	46,773	20,085	28,860	11,707

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

Balance sheet

		Group		Parent Company	
DKK'000	Note	2019	2018	2019	2018
ASSETS					
Fixed assets					
Intangible assets	9				
Goodwill		44,271	51,059	0	0
Completed development projects		181	743	0	0
Acquired other similar rights		53	280	0	0
Software		1,766	1,961	0	0
		46,271	54,043	0	0
Property, plant and equipment	10				
Land and buildings		78,741	76,037	34,931	32,430
Plant and machinery		39,125	36,078	0	0
Fixtures and fittings, tools and equipment		3,876	4,409	0	0
Leasehold improvements		4,744	4,515	0	0
Prepayments for property, plant and equipment		798	860	0	0
		127,284	121,899	34,931	32,430
Financial assets					
Equity investments in group entities	5	0	0	93,259	73,659
Equity investments in associates	6	1,000	1,000	1,000	1,000
Other equity investments	11	0	5,550	0	5,550
Other receivables	11	2,999	3,268	0	0
		3,999	9,818	94,259	80,209
Total fixed assets		177,554	185,760	129,190	112,639

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

Balance sheet

		Group		Parent Company	
DKK'000	Note	2019	2018	2019	2018
ASSETS (continued)					
Current assets					
Inventories					
Raw materials and consumables		26,260	22,508	0	0
Work in progress		1,708	3,491	0	0
Finished goods and goods for resale		32,430	34,481	0	0
		60,398	60,480	0	0
Receivables					
Trade receivables		79,879	86,672	0	0
Receivables from group entities		0	0	268	1,669
Receivables from associates	12	4,590	6,399	4,590	6,399
Other receivables		3,472	1,916	2	85
Deferred tax asset	13	0	0	1,860	548
Prepayments	14	1,360	1,664	0	0
		89,301	96,651	6,720	8,701
Securities and equity investments		72,118	66,015	69,521	63,053
Cash at bank and in hand		24,246	7,089	3,419	776
Total current assets		246,063	230,235	79,660	72,530
TOTAL ASSETS		423,617	415,995	208,850	185,169

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

Balance sheet

		Group		Parent Company	
DKK'000	Note	2019	2018	2019	2018
EQUITY AND LIABILITIES					
Equity					
Contributed capital	15	213	213	213	213
Reserve for net revaluation according to the equity method		0	0	49,973	30,372
Reserve for development costs		181	743	0	0
Proposed dividends		4,000	2,000	4,000	2,000
Retained earnings		184,805	162,221	135,013	132,592
Shareholders in J. Norby Holding ApS share of equity		189,199	165,177	189,199	165,177
Non-controlling interests		67,532	53,339	0	0
Total equity		256,731	218,516	189,199	165,177
Provisions					
Provisions for deferred tax	13	2,858	3,948	0	0
Other provisions	16	0	184	0	0
Total provisions		2,858	4,132	0	0
Liabilities other than provisions					
Non-current liabilities	17				
Mortgage debt		55,725	27,550	13,976	15,050
Lease obligations		4,926	1,235	0	0
Other liabilities		248	0	0	0
		60,899	28,785	13,976	15,050
Current liabilities					
Mortgage debt	17	15,410	13,367	1,000	867
Lease obligations	17	1,609	766	0	0
Credit institutions		6	74,522	6	8
Trade payables		54,373	51,406	76	79
Payables to group entities		0	0	762	24
Corporation tax		4,136	3,863	2,361	2,096
Other payables		27,595	20,638	1,470	1,868
		103,129	164,562	5,675	4,942
Total liabilities other than provisions		164,028	193,347	19,651	19,992
TOTAL EQUITY AND LIABILITIES		423,617	415,995	208,850	185,169

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 2019	213	743	162,221	2,000	165,177	53,339	218,516
Ordinary dividends paid	0	0	0	-2,000	-2,000	-4,200	-6,200
Distributed extraordinary dividends	0	0	-3,500	0	-3,500	0	-3,500
Transferred over the profit appropriation	0	-562	25,422	4,000	28,860	17,913	46,773
Exchange rate adjustment, foreign subsidiary	0	0	662	0	662	480	1,142
Equity at 31 December 2019	213	181	184,805	4,000	189,199	67,532	256,731

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

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 2019	213	30,372	132,592	2,000	165,177
Distributed dividends	0	0	0	-2,000	-2,000
Distributed extraordinary dividends	0	0	-3,500	0	-3,500
Transferred over the profit appropriation	0	19,601	5,259	4,000	28,860
Exchange rate adjustment, foreign subsidiary	0	0	662	0	662
Equity at 31 December 2019	213	49,973	135,013	4,000	189,199

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

Cash flow statement

DKK'000	Note	Group 2019	Group 2018
Profit for the year		46,773	20,085
Other adjustments of non-cash operating items	21	33,721	29,122
Cash generated from operations before changes in working capital		80,494	49,207
Changes in working capital	22	21,965	12,292
Cash generated from operations		102,459	61,499
Financial income		5,208	2,942
Financial expenses		-1,519	-4,657
Corporation tax paid		-17,085	-3,704
Cash flows from operating activities		89,063	56,080
Acquisition of intangible assets		-705	-760
Disposal of intangible assets		-139	0
Acquisition of property, plant and equipment		-17,500	-14,540
Disposal of property, plant and equipment		731	776
Disposal of equity investments in associates		0	4,125
Acquisition of other investments		-535	-5,550
Cash flows from investing activities		-18,148	-15,949
External financing:			
Increase in external financing		30,218	0
Repayment of long-term debt		0	-13,427
Increase of lease obligations		4,534	0
Reduction of lease obligations		0	-896
Decrease in receivable from associates		1,809	-246
Shareholders:			
Distributed dividends J. Norby Holding ApS		-5,500	-4,500
Distributed dividends to minitory owners from DAFA Group A/S		-4,200	0
Cash flows from financing activities		26,861	-19,069
Cash flows for the year		97,776	21,062
Cash and cash equivalents at the beginning of the year		-1,418	-22,480
Cash and cash equivalents at year end	23	96,358	-1,418

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

Notes

1 Accounting policies

The annual report of J. Norby Holding ApS for 2019 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.

Minor reclassifications in the comparative financial statements for 2018 have been incorporated to enhance the presentation.

The consolidated and parent company financial statements for 2019 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.

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

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

Notes

2 Segment information

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

Geographical

DKK'000	Group			
	Scandi-navia	Rest of Europe	Rest of the world	Total
2019				
Revenue	218,381	177,921	121,307	517,609

DKK'000	Group 2019	Group 2018	Parent Company 2019	Parent Company 2018
3 Staff costs				
Wages and salaries	108,808	101,056	408	375
Pensions	5,980	5,250	1	1
Other social security costs	8,437	7,191	0	0
Other staff expenses	4,175	5,922	0	20
	127,400	119,419	409	396
Average number of full-time employees	303	319	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 2019	Group 2018	Parent Company 2019	Parent Company 2018
Amortisation of intangible assets	8,617	8,593	0	0
Depreciation of property, plant and equipment	11,984	12,200	521	476
	20,601	20,793	521	476

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

Notes

5 Equity investments in group entities

	Parent Company	
DKK'000	2019	2018
Cost at 1 January	43,286	43,286
Cost at 31 December	43,286	43,286
Value adjustments at 1 January	30,373	20,126
Profit for the year	24,739	11,569
Dividends to the Parent Company	-5,800	0
Exchange adjustment	661	-1,322
Value adjustments at 31 December	49,973	30,373
Carrying amount at 31 December	93,259	73,659

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 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%

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

Notes

6 Equity investments in associates

	Parent Company	
DKK'000	2019	2018
Cost at 1 January	1,020	5,145
Disposal	0	-4,125
Cost at 31 December	1,020	1,020
Value adjustments at 1 January	-20	-20
Value adjustments at 31 December	-20	-20
Carrying amount at 31 December	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%	-1,152	-139
Ejendomsselskabet Holmstrupgårdvej 8-16 ApS	Aarhus	2,000	50%	17,414	3,339

* Listed financial statement captions are from the financial statements for 2018.

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

Notes

		Group		Parent Company	
	DKK'000	2019	2018	2019	2018
7	**Tax on profit for the year**				
	Current tax for the year	17,510	8,028	2,477	141
	Deferred tax adjustment for the year	-1,090	-426	-1,312	-103
	Adjustment of tax concerning previous years	-152	0	0	0
		16,268	7,602	1,165	38

		Group		Parent Company	
	DKK'000	2019	2018	2019	2018
8	**Proposed profit appropriation**				
	Reserve for net revaluation according to the equity method	0	0	19,601	-23,798
	Reserve for development costs	-562	181	0	0
	Non-controlling interests	17,913	8,378	0	0
	Retained earnings	25,422	9,526	5,259	33,505
	Proposed dividends	4,000	2,000	4,000	2,000
		46,773	20,085	28,860	11,707

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Notes

9 Intangible assets

	Group				
DKK'000	Goodwill	Completed development projects	Software	Acquired other similar rights	Total
Cost at 1 January 2019	67,687	2,367	3,965	3,035	77,054
Additions	0	0	705	0	705
Disposals	0	0	-254	0	-254
Cost at 31 December 2019	67,687	2,367	4,416	3,035	77,505
Amortisation and impairment losses at 1 January 2019	-16,628	-1,623	-2,004	-2,755	-23,010
Amortisation	-6,788	-563	-1,039	-227	-8,617
Reversed amortisation and impairment losses on assets sold	0	0	393	0	393
Amortisation and impairment losses at 31 December 2019	-23,416	-2,186	-2,650	-2,982	-31,234
Carrying amount at 31 December 2019	44,271	181	1,766	53	46,271

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.

The projects were completed in 2017 and are amortised over three years.

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

Notes

10 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 2019	87,392	116,717	48,383	5,889	860	259,241
Foreign exchange adjustments in foreign entities	437	480	72	6	8	1003
Additions	3,883	10,933	1,582	655	446	17,499
Transferred	0	298	-298	0	0	0
Disposals	0	-26,024	-24,197	0	-516	-50,737
Cost at 31 December 2019	91,712	102,404	25,542	6,550	798	227,006
Depreciation and impairment losses at 1 January 2019	-11,355	-80,639	-43,974	-1,374	0	-137,342
Foreign exchange adjustments in foreign entities	-98	-256	-42	-6	0	-402
Depreciation	-1,518	-8,360	-1,680	-426	0	-11,984
Transferred	0	0	0	0	0	0
Reversed depreciation and impairment losses	0	25,976	24,030	0	0	50,006
Depreciation and impairment losses at 31 December 2019	-12,971	-63,279	-21,666	-1,806	0	-99,722
Carrying amount at 31 December 2019	78,741	39,125	3,876	4,744	798	127,284
Assets held under finance leases	0	5,200	0	0	0	5,200

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

Notes

10 Property, plant and equipment (continued)

	Parent Company
DKK'000	Land and buildings
Cost at 1 January 2019	34,083
Additions	3,022
Disposals	0
Cost at 31 December 2019	37,105
Depreciation and impairment losses at 1 January 2019	-1,653
Depreciation	-521
Depreciation and impairment losses at 31 December 2019	-2,174
Carrying amount at 31 December 2019	34,931

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

Notes

11 Other financial assets

	Group		
DKK'000	Other equity invest-ments	Other receiv-ables	Total
Cost at 1 January 2019	5,550	3,268	8,818
Additions	535	0	535
Disposals / adjustments for the year	0	-269	-269
Cost at 31 December 2019	6,085	2,999	9,084
Write-down at 1 January 2019	0	0	0
Write-down during the year	-6,085	0	-6,085
Write-down at 31 December 2019	-6,085	0	-6,085
Carrying amount at 31 December 2019	0	2,999	2,999

	Parent Company
DKK'000	Other equity invest-ments
Cost at 1 January 2019	5,550
Additions	535
Cost at 31 December 2019	6,085
Write-down at 1 January 2019	0
Write-down during the year	-6,085
Write-down at 31 December 2019	-6,085
Carrying amount at 31 December 2019	0

12 Receivables from associates

Of total receivables from associates of DKK 4,590 thousand, DKK 2,590 thousand falls due after 12 months.

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

Notes

13 Deferred tax

	Group		Parent Company	
DKK'000	2019	2018	2019	2018
Deferred tax at 1 January	-3,948	-4,374	548	445
Deferred tax adjustment for the year in the income statement	1,090	426	1,312	103
Tax on equity transactions	0	0	0	0
	-2,858	-3,948	1,860	548

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	2019	2018
Other provisions at 1 January	184	784
Adjustment for the year	-184	-600
	0	184

Other provisions comprise anticipated costs related to product warranties.

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

Notes

	Group		Parent Company	
DKK'000	2019	2018	2019	2018
17 Non-current liabilities other than provisions				
Non-current liabilities other than provisions can be specified as follows:				
Mortgage debt:				
0-1 years	15,410	13,367	1,000	867
1-5 years	45,749	16,935	4,000	4,435
After 5 years	9,976	10,615	9,976	10,615
	71,135	40,917	14,976	15,917
Lease obligations:				
0-1 years	1,609	766	0	0
1-5 years	4,926	1,235	0	0
	6,535	2,001	0	0
Total non-current liabilities other than provisions	77,670	42,918	14,976	15,917
18 Fees to auditor appointed at the general meeting				
Total fees to appointed auditor	318	800	25	48
Statutory audit	208	330	10	10
Tax assistance	38	381	5	5
Non-audit services	72	89	10	33
	318	800	25	48

19 Contractual obligations, contingencies, etc.

Operating lease obligations

	Group	
DKK'000	2019	2018
0-1 year	5,352	6,466
1-5 years	2,801	1,045
	8,153	7,511

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

Notes

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

DAFA Group A/S is as guarantor liable for all bank balances in DAFA Deutschland GmbH. The bank fund at 31 December 2019 represented EUR 16 thousand.

DAFA Group A/S has provided the investment in DAFA Polska sp. Z.o.o. as collateral for all bank balances. The equity value of the investment totals DKK 122,937 thousand at 31 December 2019.

For the mortgage of DKK 14,976 thousand, the Company has provided collateral secured upon its land and buildings with a carrying amount of DKK 28,944 thousand as of 31 December 2019.

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.

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	2019
Parent Company	
Dividends received from subsidiaries	24,739
Interests received from associates	191
Receivable received from associates	2,000
Dividends paid to shareholders	5,500
Purchased assets from shareholders	3,000

Remuneration to the Parent Company's Executive Board and Board of Directors is disclosed in note 3.

Payables to subsidiaries are disclosed in the balance sheet.

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

Notes

		Group	
	DKK'000	2019	2018
21	**Other adjustments**		
	Financial income	-5,208	-2,942
	Financial expenses	1,519	4,657
	Tax on profit for the year	16,268	7,602
	Depreciation, amortisation and impairment losses	20,601	20,793
	Exchange adjustments in equity	1,142	-2,281
	Exchange adjustments of fixed assets	-601	1,293
		33,721	29,122

22	**Changes in working capital**		
	Change in inventories	82	9,304
	Change in receivables and other financial assets	11,897	-16,125
	Change in other provisions	-184	-600
	Change in trade and other payables	10,170	19,713
		21,965	12,292

23	**Cash and cash equivalents**		
	Cash and cash equivalents at 31 December comprise:		
	Cash at bank and in hand	24,246	7,089
	Current asset investments	72,118	66,015
	Overdraft facility	-6	-74,522
	Cash and cash equivalents at 31 December	96,358	-1,418

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

Jacob Norby
Direktør
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Jacob Norby
Dirigent
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