Valcon Business Development A/S

Meldahlsgade 5, 2
1613 København V
CVR no. 28 68 10 11

Annual Report

1 July 2018 – 30 June 2019

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 1 October 2019

Lars Kallestrup

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Valcon Business Development A/S for the financial year 1 July 2018 - 30 June 2019.

The Annual Report is 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 financial position of the Group and the Company at 30 June 2019 and of the results of the Group and Company operations as well as the consolidated cash flows for the financial year 1 July 2018 – 30 June 2019 in accordance with the Danish Financial Statements Act.

In our opinion, the Management's Review gives a true and fair view of the financial position of the Group and the Company and of the results of the Group and Company operations and consolidated cash flows.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 1 October 2019

Executive Board:

Poul Præstegaard Skadhede

Board of Directors:

Poul Præstegaard Skadhede

Thomas Arne Fischer

Peter Kåre Groes Christiansen

Independent Auditor's Report

To the Shareholders of Valcon Business Development A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2019, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 July 2018 - 30 June 2019 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Valcon Business Development A/S for the financial year 1 July 2018 - 30 June 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, in our view, 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 in Management's Review.

Management's Responsibilities for the 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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report

In preparing the 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 financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of 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 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 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 Parent Company to cease to continue as a going concern.

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

- 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.

Independent Auditor's Report

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.

Hellerup, 1 October 2019

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jacob Fromm Christiansen
State Authorised Public Accountant
mne18628

Kim Danstrup
State Authorised Public Accountant
mne32201

Company Information

Valcon Business Development A/S
Meldahlsgade 5, 2.
1613 København V

Telephone:	45802037
Web site:	www.valconconsulting.com
CVR no.:	28 68 10 11
Founded:	22 March 2005
Financial year:	1 July 2018 – 30 June 2019
Municipality of reg. office:	Copenhagen

Bank
Danske Bank
Holmen Kanal 2
1090 København K

Audit
PriceWaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup
CVR NO.: 33771231

Financial Highlights

	2018/19	2017/18	2016/17	2015/16	2014/15
Key figures					
Net revenue	366,415	376,926	492,554	500,617	529,282
Gross profit/loss	244,690	233,976	278,163	306,535	317,664
Operating profit/loss	13,487	131	40,059	57,636	55,010
Net financials	-3,458	-9,226	-415	-3,577	-3,841
Profit/loss before tax	**9,679**	**-9,095**	**39,644**	**54,059**	**51,169**
Parent Company's share of profit/loss for the year	**-109**	**-7,787**	**15,946**	**18,720**	**10,903**
Fixed assets	31,555	23,768	21,191	20,702	24,187
Current assets	158,090	203,595	250,556	232,739	231,745
Total assets	**189,645**	**227,363**	**271,747**	**253,441**	**255,932**
Investment in property, plant and equipment	3,200	1,280	373	847	48
Equity	**61,699**	**79,474**	**106,451**	**108,479**	**81,380**
Key figures					
Profit margin	3.7%	0.0%	8.1%	11.5%	10.4%
Return on invested capital	8.2%	0.1%	23.3%	31.2%	29.2%
Gross margin	66.8%	61.8%	56.5%	61.2%	60.0%
Solvency ratio	32.5%	35.0%	39.2%	42.8%	31.8%
Return on equity	13.7%	-9.8%	36.9%	56.9%	74.2%
Average number of full-time employees	239	237	278	256	302

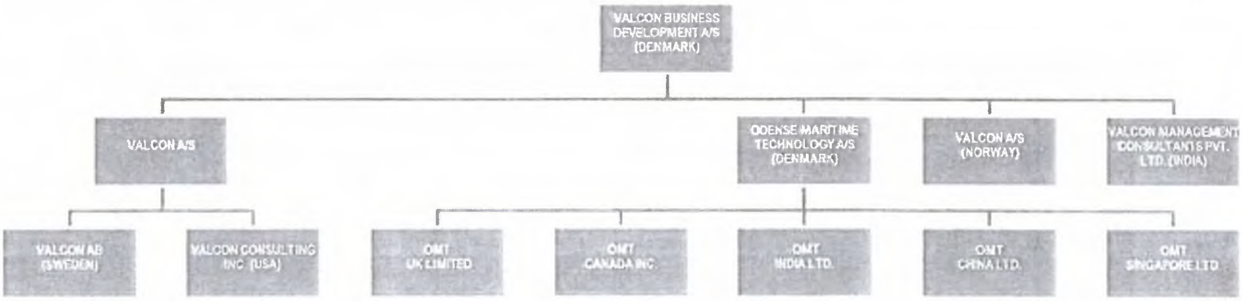
The ratios have been prepared in accordance with the recommendations and guidelines issued in 2015 by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Vision: Valcon group is getting closer to its *Vision* of setting significant footprints in the business world.

The target group are enterprises and organisations in the private and public sectors. Geographically, the Group has about 75% of its revenues in Scandinavia, and about 25% globally (primarily North America, APAC and Europe).

The Group's clients are assisted to help them respond to globalisation, growth, transparency, innovation and efficiency. Our services create results through conventional consulting models and technical services within product development.
Valcon is a group consisting of the following knowledge-based companies:



The Group's shared characteristics are its vision, value foundation, the quality of our services, management system and shared clients.

The Group consists of two strong corporates that are poised for more growth:

- Valcon, a management consulting company focused on connecting strategy with operations. Valcon's service lines spans from Technology to Sales and Marketing – and everything in-between. Its home market is Scandinavia but with substantial activities in Rest of World.

- Odense Maritime Technology (OMT) is a maritime technology, product development and consulting group. It operates globally serving Navies, fleet owners and –operators and shipyards, and is a global leader in its niches.

The activities in Valcon Norway, Valcon India and OMT China are discontinued and the legal entities are being closed down.

Management's Review

Valcon Business Development's development in the year

Our client portfolio has been expanded with respect to industries, sectors and geography.

Our strategy of maintaining functional expertise and execution knowledge and ability as our *differentiator* continues to prove it's sustainability. Combined with our relevant geographical presence, these are differentiating parameters which we believe will also be able to drive growth going forward.

Employee satisfaction continues to be leading in the industry.

The Valcon Group operates in *advisory, consulting* and *execution*. The combination of these elements has proven to be highly sustainable and leads to ground-breaking new assignments with global clients.

Financial development

The Income Statement for 2018/19 shows a revenue of DKK 366.4 million compared to a revenue of DKK 376.9 million for 2017/18 and a profit of DKK 7.0 million for 2018/19 of the group compared to loss of DKK 9.6 million for 2017/18. The Parent Company's share hereof is a loss of DKK 0.1 million compared with a loss of DKK 7.8 million last year.

The result for the year for the Group is not in line with the Management's ambition and unsatisfactory.

Valcon A/S has had a satisfactory year in terms of growth but with unsatisfactory profitability due to investments in growth areas whereas Odense Maritime Technology A/S, despite a significant improvement compared with previous year, has had an unsatisfactory year.

The cash position of the Group remains strong.

The subsidiaries' activities in the year

The management consulting company *Valcon* keeps focus on growth and continues to execute the "All the Way" strategy under the headlines, "One strong team", "Winning international trophies" and "Stronger at home". "All the Way" consists of an ambitious initiative portfolio aimed at both market and competence development to secure Valcon's continued development as one of the most successful strategy and operations management consultancies in Europe. Valcon is positioned as the premium operations consulting firm in Europe with Scandinavian roots and values. Based on our Scandinavian roots, Valcon has set an aspiration to become the happiest company in the world and will investigate and invest in how to achieve world-class well-being for all employees based on OECD metrics. During this year, we have delivered a long range of assignments in Scandinavia and outside Scandinavia. This year, Valcon have invested in Sweden and have had a 37% revenue growth in Sweden proving our position and our strategic direction. Further, Valcon has this year relocated the Danish head office to central Copenhagen and invested in creating a modern, productive and open space for our employees, our clients, our business partners and start-ups that can benefit from a helping hand.

Odense Maritime Technology has had a financial year slightly below expectations. The global position, especially in the Navy segment, has although become even stronger, and the pipeline is very satisfactory. The commercial ship design market continues to be strained.

Management's Review

Expected development

Valcon is expected to grow within the coming years.
The recruitment of leading consultants from competing enterprises continues on an ongoing basis.
Geographically, special focus is given to the growth of our Swedish market presence.

OMT is expected to have a much-improved year and a profit in 2019-2020. The pipeline is improved.
Management is confident in the long-term potential of the Company.

Statement of social responsibility

The Valcon Group's main operating model builds on being well positioned in all markets where we are delivering services. This requires that we are continuing our market- and customer focus and relation building activities, which are embedded in our culture and one company approach.

Valcon Group wants a workplace with good work conditions and the industry's highest level of welfare among employees. Valcon therefore carries out a workplace evaluation of the physical and mental work environment as well as annual employee welfare surveys/management evaluation to follow up on our employees' welfare.

All applicants and employees are treated the same irrespective of gender, nationality, religion or any other differences.

The disclosed policies, key actions and results applying to the Group meets the reporting requirements of the Danish Financial Statements Act on corporate responsibility and gender composition of management (§ 99a and §99b). In Group, we work on the basis of a global code of behaviour. This is a set of rules that guide us in how to run our business and help our employees maintain an ethical behaviour across the world, also with respect to human rights, social conditions, environmental and climate matters as well as the fight against corruption. We call this our Code of Conduct. We furthermore have a "Valcon Group Global Third Parties Code of Conduct" concerning our relationship with suppliers. The Group generally regards itself as not having essential risks with respect to social responsibility. Human rights are handled together with our Code of Conduct for suppliers and together with our work regarding diversity. In the work with human rights, Valcon are viewing the work from UN on human rights and believes it is the role of the State to protect, but the role as Employer to respect human rights. Relating to anti-corruption and bribery Valcon do not accept any activity relating to this and informing all employees that this is not accepted, and any activities related to this matter should be reported. During the financial year 2018/2019 we have not registered any cases of violation of human rights or anti-corruption and we believe that our work on this area has improved.

In the Group, we are aware that we play an important role as company, workplace and participant in society. Not only with respect to our role as designers and advisors in relation to many important decisions in the business world but also with respect to important global issues and challenges that we can only solve in cooperation as a society. In the Group, the human being and the talent are in focus, and we feel a special obligation to these in our society. This was why we got involved together with our employees on getting involved, and we carried out a charitable work for the Danish organisation for homeless people "Hus Forbi – pant4pant" in 2018.

Our focus on the human being and the talent is also expressed through our strong commitment to employee welfare and talent development. We focus on people and training, as it is crucial to the Group to be able to attract, develop and retain the strongest talents. The purpose of the Group's employee policy is therefore to create an attractive and flexible framework for the employees' career in the Group. In 2018/19, it has also been a natural extension of our position as a knowledge company to make our knowledge available through

Management's Review

participation in conferences, internal course activities, knowledge publications and reports. We also contribute to society with a highly educated workforce.

It is our believe that there are a low risk of any environmental effect on the environment from our business activities. Furthermore, due to the business activities and location of businesses there are a low risk for breaching human rights and anti-corruption law.

Our employees

Our continued success is conditioned by our ability to attract, develop and retain the most skilled talents in the industry. We make high demands of our employees, and it is essential that we can offer a challenging career platform in which competence development and flexibility are in focus. We are therefore proud to have employees that are among the best in Scandinavia. We acknowledge that in the consulting industry there are a higher risk for the employee's well-being as a consequence of the tendency of higher work load.

Developing our employees' digital competences is in particular a top priority for us. In 2018/19, we have also invested in new technologies and tools, held training courses and created networks across the Group in which we explore together how technology can create value for our clients.

Based on our Scandinavian roots, Valcon has (for the consulting group) set an aspiration to become the happiest company in the world and will investigate and invest in how to achieve world-class well-being for all employees based on OECD metrics.

A shared path to diversity

In order to develop the Group in the right direction, it is critical that we promote diversity in all areas, including gender, ethnicity and educational background. We have as a society, industry and the Group a task in ensuring that we realise the full potential of the talent mass. This also means that we, in 2018/19, have strived to ensure that we can retain and develop our female talents, as their development enables them to take on greater management responsibility. At the end of the fiscal year, we had a gender distribution balance in the Group that was on a par with last year, with 24% women and 76% men.

Valcon and the climate

As a knowledge company, our climate footprint is relatively limited, but we nevertheless believe that caring for the environment is a natural part of running a business. We therefore take a targeted approach to reducing the negative effect on the environment from our business activities, for example by entering upon a new lease, etc. This move has reduced the use of private transportation and we encourage our employees to use public transportation or other ways of transportation to reduce CO2 consumptions. Further, plans are underway to integrate SDG goals in the majority of our service delivery models, an effort that we expect much from.

Management's Review

Statement of gender distribution in the management

It is the objective of the Group that the board should have a female member no later than 2022. At the end of the 2018/19 financial year, the status was zero women in the board as it has not been possible to identify and nominate any female candidates with the relevant competences to be elected at the annual general meeting. During the financial year 2018/2019 Valcon have continued to focus on recruiting, promote and retain female managers to increase the proportion of women in management positions with a slight improvement this year.

Special risks

The Group's and the Company's consultancy services are broadly based within operational and strategic consulting, and the risks the Group and the Company may be exposed to are consequently in essence the same risks found within consulting in general.

Foreign exchange exposure

The Group and the Company has implemented a currency hedging programme to reduce the exchange rate risks in connection with relevant sales.

Financial Statements 1 July 2018 - 30 June 2019

Accounting Policies

The Annual Report of Valcon Business Development A/S for 2018/19 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large class C enterprises.

The accounting policies applied remain unchanged from last year.

Valcon Business Development A/S has chosen to deviate from the form requirements of the Danish Financial Statements Act. Amortisation expenses related to property, plant and equipment and goodwill are shown separately in order to provide a fair view of the Group's operations.

The Financial Statements are presented in Danish kroner.

Recognition and measurement
Revenues are recognised in the Income Statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost price. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Consolidated Financial Statements
The Consolidated Financial Statements comprise the Parent Company Valcon Business Development A/S and subsidiaries, in which Valcon Business Development A/S directly or indirectly possess more than 50% of voting rights or in any other way has a controlling interest. Enterprises in which the Group has between 20-50% of voting rights and has a significant but not controlling influence are considered associates.

The consolidation eliminates group-internal earnings and costs, shareholdings, internal outstandings and dividends as well as realised and non-realised profits and loss from transactions between the consolidated enterprises.

Investments in subsidiaries are set off with the proportional share of subsidiaries' fair value of net assets and obligations at the time of acquisition.

Financial Statements 1 July 2018 - 30 June 2019

Accounting Policies

Business combinations

Recently acquired or recently founded enterprises are recognised in the Consolidated Financial Statements from the time of acquisition. Sold or dismantled enterprises are recognised in the Consolidated Financial Statements up until the time of relinquishment. Comparative figures are not adjusted for recently acquired, sold or dismantled enterprises.

Profit and loss in connection with the sale of subsidiaries and associates is measured as the difference between the sales price and the carrying amount of net assets at the time of the sale, including non-amortised goodwill and expected costs of sale or dismantling.

For acquisitions of new enterprises, the acquisition method is used, according to which the assets and obligations of the newly acquired businesses are measured at fair value at the time of acquisition. An amount is recognised under provisions for covering costs in connection with decided and published restructurings in the acquired business in connection with the acquisition. The taxation effect of the revaluations carried out are taken into account.

Any positive differences (goodwill) between cost and fair value of acquired identified assets and obligations, including provisions for restructuring, are recognised under intangible assets and are amortised systematically over the Income Statement according to an individual assessment of the useful life, maximum 20 years. Negative differences (negative goodwill) corresponding to an expected unfavourable development in the enterprises in question are recognised in the Balance Sheet under Prepayments and are recognised in the Income Statement at the rate of realisation of the unfavourable development. For negative goodwill not related to an expected unfavourable development, an amount is recognised in the Balance Sheet corresponding to the fair value of non-monetary assets, which are subsequently recognised in the Income Statement over the non-monetary assets' average useful life. Goodwill and negative goodwill from acquired enterprises can be regulated until the end of the year after the acquisition.

Intra-group business combinations

In connection with business combinations such as acquisition and disposal of equity interests, mergers, demergers, addition of assets and exchange of shares involving enterprises controlled by the Parent Company, the uniting-of-interests method is used. Differences between the agreed consideration and the carrying amount of the acquired enterprise are recognised in equity.

Minority interests

Items of the subsidiaries are recognised 100% in the Consolidated Financial Statements. The minority interests' result and equity are shown in "Statement of changes in equity".

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the Income Statement.

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Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the Income Statement.

If the foreign subsidiaries fulfill the criteria for independent units, the Income Statements are translated at the average exchange rate for the month, and the balance sheet items are translated at the exchange rate of the balance sheet date. Exchange rate differences, occurring in connection with translation of foreign subsidiaries' equity at the beginning of the year to the exchange rates of the balance sheet day and with translation of Income Statements from average exchange rates to exchange rates of the balance sheet day, are recognised directly in equity.

Exchange adjustment of outstanding accounts with independent, foreign subsidiaries considered part of the total investment in the subsidiary are recognised directly in equity.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently re-measured at their fair values. Positive and negative fair values of derivative financial instruments are recognised in other receivables and other payables, respectively.

Changes in the fair values of derivative financial instruments, classified as and meeting the criteria for hedging the fair value of a recognised asset or liability, are recognised in the Income Statement together with changes in the fair value, if any, of the hedged asset or the hedged liability.

Changes in the fair values of derivative financial instruments, classified as and meeting the conditions of hedging future assets and liabilities, are recognised in receivables or payables and in equity. Income and expenses related to such hedging transactions are transferred from equity on realisation of the hedged item and recognised in the same item as the hedged item.

Income Statement

Net revenue

Net revenues from services are recognised at the rate of completion of the service, which means that the net revenue equals the selling price of the service completed (the percentage-of-completion method). 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 Company. Net revenue comprises re-invoicing of work carried out by subsuppliers and other expenses.

Segment information is presented for the Group's two main business areas as well as for geographical markets based on the location of the projects.

Remuneration to external consultants

Includes payments to subcontractors and costs associated with their work.

Financial Statements 1 July 2018 - 30 June 2019

Accounting Policies

Other external expenses
External expenses comprise expenses related to sales, advertising, administration, premises, bad debts and operating leases, etc.

Staff expenses
Staff expenses comprise wages and salaries as well as holiday pay and staff welfare expenses.

Income from investments in subsidiaries
The proportionate share of the individual subsidiaries' results after taxes and after full elimination of internal gains/losses and less amortisation of goodwill are recognised in the Parent Company's Income Statement.

Financial income and expenses

Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses on debt and transactions in foreign currencies as well as allowances and surcharges under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year
The Parent Company, Valcon Business Development A/S is jointly taxed with the Group's Danish and foreign subsidiaries. Subsidiaries are included in the joint taxation in the period when the Parent has controlling interest.

Any losses in the international subsidiaries can be offset in the Danish income tax return, while the corresponding balance of tax losses for future recapture for these enterprises are recognised as deferred tax.

The Parent Company acts as administration company in relation to the joint taxation and thus settles all corporate tax payments with the tax authorities.

The current Danish corporation tax is allocated among the Danish jointly taxed companies in proportion to their respective taxable income. Companies contributing a tax loss being set off against taxable income in another company receive a cash payment equal to the tax value of the loss from the company using the loss to reduce its own taxable income.

Tax for the year that comprises current tax, current joint taxation contributions and changes in deferred tax is recognised in the Income Statement.

Balance sheet

Intangible Assets
Intangible assets are initially measured at cost.

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the Company can be

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demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item "Reserve for Development projects".

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work.

Goodwill is amortised over its useful life, which is defined on the basis of Management's experience within the individual business areas. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at maximum 20 years.

Acquired patents and licenses (software) are measured at cost less accumulated amortisation. Patents are amortised over the remaining patent period, and licenses (software) are amortised over the period of the agreement, however, no more than 5 years.

Profit or loss deriving from the sales of intangible assets is measured as the difference between the sales price less selling costs and the carrying amount at the time of the sale and are recognised in the Income Statement as other operating income or other operating expenses.

Tangible assets
Other fixtures and fittings, tools, equipment and leasehold improvements are measured at cost less accumulated depreciation and less any accumulated impairment losses. The basis of depreciation is cost less any deducted residual value after the end of the useful life of the asset. Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. Cost of a total asset is divided into separate components that are depreciated separately if the useful life of the individual components are different.

Depreciation takes place on a straight line basis and any residual value, and based on an evaluation of the expected useful life:

Other fixtures and fittings, tools and equipment: 3-5 years.
Leasehold improvements: 2-5 years.

Profit or loss deriving from the sales of tangible assets is measured as the difference between the sales price less selling costs and the carrying amount at the time of the sale. Profits and losses are recognised in the Income Statement as other operating income or other expenses.

Investments in subsidiaries
Investments in subsidiaries are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits and losses and with addition and deduction of any remaining value of positive or negative goodwill determined in accordance with the acquisition method.

Investments in subsidiaries with negative net asset values are measured at DKK 0, and any amounts owed by such enterprises are written down by the Parent Company's share of the negative net asset value, if the

Financial Statements 1 July 2018 - 30 June 2019

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amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the Parent Company has a legal or a constructive obligation to cover the liabilities of the enterprise.

Net revaluation of investments in subsidiaries is recognised under equity in the reserve for net revaluation under the equity method to the extent that the carrying amount exceeds cost.

The acquisition method is used for acquisition of enterprises, cf. the above description under the Consolidated Financial Statements.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment as well as investments in subsidiaries are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If such indications are found, the recoverable amount of the asset or the group of assets is calculated to determine any need for an impairment write-down. If so, the asset or the group of assets is written down to its lower recoverable amount.

Recoverable amount for the asset is determined as the highest value of net sales price and the net present value. Net present value is measured as the present value of expected net cash flows from the use of the asset or the group of assets.

Leases

All other leases are considered operating leases. Payments made under operating leases or any other leases are recognised in the Income Statement over the lease term. The Group's total provisions regarding operating leases and any other leases are stated in contingent assets, liabilities and other financial obligations.

Receivables

Receivables are recognised at the lower of amortised cost.

Provisions for estimated bad debts are made based on an individual impairment assessment of a receivable or group of receivables.

Contract work in progress

Contract work in progress is recognised according to the production method at the selling price of the work carried out including expenses and less amounts invoiced on account.

Contract work in progress is recognised as financial income and expenses in the balance sheet.

The net asset comprises the sum of contract work in progress in which the selling price exceeds work carried out invoiced on account. Net payables comprise the sum of contract work in progress in which invoicing on account exceeds the selling price of work carried out.

Prepayments

Prepayments comprise prepaid expenses concerning the following financial year.

Financial Statements 1 July 2018 - 30 June 2019

Accounting Policies

Other securities and investments

Securities and investments are placed under current assets and includes listed bonds, which are measured at market price at the balance sheet date.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and short-term securities with a duration less than three months that are readily convertible to cash and are subject to an insignificant risk of changes in value.

Equity - Dividend

Proposed dividends for the year are recognised as a liability when approved by the Annual General Meeting (declaration date).

Reserve for net revaluation under the equity method

Reserve for net revaluation under the equity method comprises net revaluation of investments in subsidiaries and associates in proportion to cost. The reserve can be eliminated by loss, realisation of investments or changes in accounting estimates. The reserve cannot be recognised as a negative amount.

Corporation tax and deferred tax

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account.

Receivables and payable joint taxation contributions are recognised in the balance sheet in receivables/payables from group enterprises.

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the accounting and tax bases of assets and liabilities. However, deferred income tax of temporary differences related to non-deductible goodwill or other items where temporary differences occur at the time of acquisition without influencing results or taxable income is not recognised. In case the value for tax purposes can be determined following alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets including the tax base of tax losses to be carried forward are recognised at the expected value of their utilisation, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Debt

Financial debts are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, financial debts are measured at amortised cost. Other debts are measured at net realisable value.

Prepayments

Deferred income comprises payments received in respect of income in subsequent years.

Financial Statements 1 July 2018 - 30 June 2019

Accounting Policies

Cash Flow Statement

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

The cash flow effect of acquisition and sale of enterprises is shown separately under cash flows from investment activity. Cash flows from acquired enterprises are recognised in the cash flow statement from the time of acquisition, and cash flows from sold enterprises are recognised up until the time of sale.

Cash flows from operating activities

Cash flows from operating activities are measured as the Group's share of the result adjusted for non-cash operating items, change in working capital and paid corporate tax.

Cash flows from investing activities

Cash flows from investment activities comprise payment in connection with acquisition and sale of enterprises and activities as well as acquisition and sale of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in size or composition of the Group's share capital and related costs as well as raising of loans, repayments of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term securities with a term of less than 3 months, and which can without impediment be realised into cash at bank and in hand, and which are only subject to minor risks of exchange rate fluctuations.

Financial Statements 1 July 2018 - 30 June 2019

Accounting Policies

Financial highlights

Ratios stated in financial highlights have been prepared as follows:

Profit margin	$\frac{\text{Operating profit/loss} \times 100}{\text{Net revenue}}$
Invested capital	Total assets less cash and cash equivalents, other Interest-bearing assets (including assets) and investments in associates
Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Net revenue}}$
Solvency ratio	$\frac{\text{Equity end of the year} \times 100}{\text{Total liabilities and equity, end of the year}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$
Return on invested capital	$\frac{\text{Operating profit/loss} \times 100}{\text{Average invested capital}}$

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Income Statement

DKK'000	Note	2018/19	2017/18
Net revenue	1	**366,415**	**376,926**
Work performed for own account and recognised as immaterial assets		7,959	0
External expenses		-129,684	-142,950
Gross profit/loss		**244,690**	**233,976**
Staff expenses	2	-227,019	-230,968
Depreciation and impairment losses, patents, licenses and property, plant and equipment	3, 8, 9	-2,980	-1,586
Operating profit before amortisation of goodwill		**14,691**	**1,422**
Amortisation, depreciation and impairment losses, goodwill	3, 8	-1,204	-1,291
Operating profit/loss		**13,487**	**131**
Income from investments in associates		-350	0
Financial income	4	2,211	4,522
Financial expenses	5	-5,669	-13,748
Profit/loss before tax		**9,679**	**-9,095**
Tax on profit/loss for the year	6	-2,671	-513
Net profit/loss for the year		**7,008**	**-9,608**
Proposed distribution of profit	7		

Consolidated Financial Statements as at 1 July 2018 – 30 June 2019

Balance Sheet

DKK'000	Note	2018/19	2017/18
ASSETS			
Fixed assets			
Intangible assets			
Development projects	8	7,959	0
Goodwill	8	12,617	13,821
Acquired licenses (software)	8	3,036	4,540
Total intangible assets		**23,612**	**18,361**
Property, plant and equipment			
Leasehold improvements	9	3,491	1,280
Other fixtures and fittings, tools and equipment	9	100	0
Total property, plant and equipment		**3,591**	**1,280**
Fixed asset investments			
Deposits	10	2,452	3,777
Investment in associates		0	350
Other investment	11	1,900	0
Total fixed asset investments		**4,352**	**4,127**
Total fixed assets		**31,555**	**23,768**
Current assets			
Receivables			
Trade receivables		96,725	101,422
Contract work in progress	12	2,969	9,057
Corporation tax		2,998	4,310
Other receivables		2,191	11,969
Deferred tax assets	13	242	311
Prepayments		3,138	3,207
Total receivables		**108,263**	**130,276**
Other securities and investments		17,895	18,257
Cash at bank and in hand		31,932	55,062
Total current assets		**158,090**	**203,595**
TOTAL ASSETS		**189,645**	**227,363**

Consolidated Financial Statements as at 1 July 2018 – 30 June 2019

Balance Sheet

DKK'000	Note	2018/19	2017/18
EQUITY AND LIABILITIES			
Equity			
Share capital		777	777
Reserve for development project		7,959	0
Retained earnings		16,504	44,933
Minority interests		36,459	33,764
Total equity		**61,699**	**79,474**
Provisions			
Deferred tax	14	8,667	6,988
Total provisions		**8,667**	**6,988**
Debt			
Short-term debt			
Prepayments received from clients	12	7,744	8,499
Trade payables		13,072	20,754
Corporation tax		0	0
Loan and borrowings		2,416	0
Other debt		96,047	111,648
Total short-term debt		**119,279**	**140,901**
Total payables		**119,279**	**140,901**
TOTAL LIABILITIES AND EQUITY		**189,645**	**227,363**

Auditors' fee	15
Contractual obligations and contingent liabilities	16
Collateral and assets charged as collateral	17
Events after the balance sheet date	18

Consolidated Financial Statements as at 1 July 2018 – 30 June 2019

Statement of changes in equity

DKK'000	Share capital	Reserve for develop-ment project	Retained earnings	Minority interests	Total
Equity as at 1 July 2018	**777**	**0**	**44,933**	**33,764**	**79,474**
Distributed dividends	0	0	-55,310	-14,698	**-70,008**
Allocation of profits	0	7,959	-7,956	7,005	**7,008**
Transactions with minority shareholders, etc.	0	0	34,949	10,388	**45,337**
Exchange adjustments, foreign subsidiaries	0	0	-112	0	**-112**
Equity as at 30 June 2019	**777**	**7,959**	**16,504**	**36,459**	**61,699**

Share capital
The share capital consists of 776,651 shares of a nominal value of DKK 1. No shares carry special rights.

The last five years' changes in share capital can be specified as follows:

DKK'000	2018/19	2017/18	2016/17	2015/16	2014/15
Share capital	777	777	812	812	812
Raising/Reduction of additional capital	0	0	-35	0	0
	777	**777**	**777**	**812**	**812**

Consolidated Financial Statements

Cash Flow Statement

DKK'000	Note	2018/19	2017/18
Profit/loss before tax		9,679	-9,095
Depreciation/amortisation	3	4,184	2,877
Income from investment in associates		350	0
Financial income		-2,211	-4,522
Financial expenses		5,669	13,748
Cash flow from operating activities before changes in working capital		**17,671**	**3,008**
Taxes paid		1,312	-21,310
Interest income, received		2,211	4,522
Interest expenses, paid		-5,669	-7,129
Change in receivables		22,026	17,769
Change in suppliers and other debt		-25,030	-661
Cash flows from operating activities		**12,521**	**-3,801**
Purchase of intangible assets	8	-587	-4,604
Development projects	8	-7,959	0
Purchase of property, plant and equipment	9	-3,200	-1,280
Cash flows from investment activities		**-11,746**	**-5,884**
Payments to and from minority interests		45,337	-8,401
Loan and borrowings		2,416	0
Distributed dividend		-70,008	-16,765
Buy and sale of other securities		-1,538	11,469
Cash flows from financing activities		**-23,793**	**-13,697**
Net cash flows for the year		**-23,018**	**-23,382**
Cash and cash equivalents at the beginning of the year		55,062	78,017
Exchange rate adjustments of cash and cash equivalents		-112	427
Cash and cash equivalents at the end of the year		**31,932**	**55,062**

The Cash Flow Statement cannot be derived directly from the entries in Consolidated Financial Statements or the Financial Statements.

Consolidated Financial Statements as at 1 July 2018 – 30 June 2019

Notes

	DKK'000	2018/19	2017/18
1	**Segment data**		
	Net revenue per business segment		
	Management consultancy services	295,303	292,010
	Maritime consultancy services	71,112	84,916
		366,415	376,926
	Net revenue geographically distributed		
	The Scandinavian countries	275,743	242,991
	The rest of Europe	47,898	61,255
	North America	6,291	1,548
	The rest of the world	36,483	71,132
		366,415	376,926
2	**Staff expenses**		
	Wages and salaries	-220,096	-225,105
	Other social security expenses	-6,190	-4,820
	Other staff expenses	-733	-1,043
		-227,019	-230,968
	Remuneration to the Executive Board and Board of Directors	2,316	2,316
	Average number of full-time employees	239	237
3	**Amortisation, depreciation and impairment losses**		
	Amortisation,goodwill	-1,204	-1,291
	Amortisation, other intangible assets	-2,091	-1,223
	Depreciation, property, plant and equipment	-889	-363
		-4,184	-2,877

Consolidated Financial Statements as at 1 July 2018 – 30 June 2019

Notes

	DKK'000	2018/19	2017/18
4	**Financial income**		
	Interest income	0	1,114
	Other financial income	2,211	3,408
		2,211	4,522
5	**Financial expenses**		
	Interest expenses	0	-2,921
	Other financial expenses	-5,669	-10,827
		-5,669	-13,748
6	**Tax on profit/loss for the year**		
	Expected taxable income for the year	-443	-226
	Changes in current tax previous years	-618	1,311
	Changes in deferred tax previous yaers	528	-1,311
	Adjustment of deferred tax asset	69	-351
	Adjustment of deferred tax	-2,207	64
		-2,671	-513
7	**Proposed distribution of profit**		
	Retained earnings	-7,956	-7,787
	Reserve for development project	7,959	0
	Minority interests	7,005	-1,821
		7,008	-9,608

	Intangible assets DKK'000	Development projects	Goodwill	Acquired licenses (software)
8	Cost as at 1 July 2018	0	32,825	16,297
	Disposals	0	0	-10,192
	Additions in the year	7,959	0	587
	Cost as at 30 June 2019	7,959	32,825	6,692
	Amortisation as at 1 July 2018	0	-19,004	-11,757
	Disposals			10,192
	Amortisation and impairment losses during the year	0	-1,204	-2,091
	Amortisation and impairment losses as at 30 June 2019	0	-20,208	-3,656
	Carrying amount as at 30 June 2019	7,959	12,617	3,036

Consolidated Financial Statements as at 1 July 2018 – 30 June 2019

Notes

9 Property, plant and equipment

DKK'000	Leasehold improve-ments	Other fixtures and fittings, tools and equipment
Cost as at 1 July 2018	3,764	6,559
Disposals	-2,484	-6,559
Additions in the year	3,072	128
Cost as at 30 June 2019	4,352	128
Depreciation as at 1 July 2018	-2,484	-6,559
Disposals	2,484	6,559
Total depreciation and impairment losses	-861	-28
Depreciation and impairment losses as at 30 June 2018	-861	-28
Carrying amount as at 30 June 2019	3,491	100

		2018/19	**2017/18**
10	**Deposits**		
	Cost as at 1 July 2018	3,777	4,547
	Disposals	-1,325	-770
	Cost as at 30 June 2019	2,452	3,777
11	**Other investment**		
	Cost as at 1 July 2018	0	0
	Addition	1,900	0
	Cost as at 30 June 2019	1,900	0
12	**Construction contracts**		
	Specification of ongoing services:		
	Selling price of production	2,969	9,057
	Payments on account	-7,744	-8,499
		-4,775	558
	Classified as follows:		
	Contract work in progress	2,969	9,057
	Prepayments received from clients	-7,744	-8,499
		-4,775	558
13	**Deferred tax asset**		
	Deferred tax asset as at 1 July 2018	311	1,973
	Annual adjustments of deferred tax	-69	-1,662
	Deferred tax asset as at 30 June 2019	242	311

Consolidated Financial Statements as at 1 July 2018 – 30 June 2019

Notes

DKK'000

14 Deferred tax	2018/19	2017/18
Deferred tax as at 1 July 2018	6,988	7,052
Adjustment, deferred tax	1,679	-64
Deferred tax as at 30 June 2019	8,667	6,988

Deferred tax relates primarily to intangible assets and property, plant and equipment as well as the balance of tax losses for future recapture occurring in connection with the international joint taxation is set off against the Danish joint taxation income.

15 Auditors' fee (elected by the general meeting)

Audit	366	366
Tax assistance	370	726
Other assistance	749	662
Total expenses	1,485	1,754

16 Contractual obligations and contingent liabilities

Contractual obligations

Expires due within one year	7,699	7,110
Expires due later than one year but within 5 year	20,545	27,051
Expires due later than 5 years	0	0
Operating leases of office premises	28,244	34,161

International joint taxation

The Group's Danish companies are jointly and severally liable for tax on the jointly taxed incomes, etc. of the Group and the joint VAT registration.

Other trading conditions

Apart from usual trading, the Group had no other contractual obligations or contingent liabilities as at 30 June 2019 apart from the ones specified above.

17 Collateral and assets charged as collateral

The Group's bank has raised 3 performance bonds to one of Odense Maritime Technology A/S clients of CAD 14.503 thousand equalling DKK 72.2 million. Odense Maritime Technology A/S guarantees in full the performance bond to the bank. The performance bonds expires on 30 June 2020 and 31 December 2019 with the possibility of two extensions of one year each.

By virtue of its business area, one of the Groups subsidiary, Odense Maritime Technology, is a party to disputes which are not unusual for the business. Management currently assesses and makes provision for such disputes locally.

18 Events after the balance sheet date

No events materially influencing the Group's financial position as at 30 June 2019 have occurred.

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Income Statement

DKK'000	Note	2018/19	2017/18
Net revenue		17,264	27,395
External expenses		-4,095	-11,999
Gross profit/loss		**13,169**	**15,396**
Staff expenses	1	-11,666	-10,154
Depreciation/amortisation	2	0	-13
Operating profit/loss		**1,503**	**5,229**
Income from investments in subsidiaries	3	-826	-6,432
Financial income	4	87	2,012
Financial expenses	5	-24	-7,425
Profit/loss before tax		**740**	**-6,616**
Tax on profit/loss for the year	6	-849	-1,171
Net profit/loss for the year		**-109**	**-7,787**
Proposed distribution of profit	7		

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Balance Sheet

DKK'000	Note	2018/19	2017/18
ASSETS			
Fixed asset investments			
Deposits	8	187	0
Investments in subsidiaries	9	26,260	54,321
Total fixed asset investments		**26,447**	**54,321**
Total fixed assets		**26,447**	**54,321**
Current assets			
Receivables			
Trade receivables		162	223
Receivables from group enterprises		1,694	7,438
Other Receivables		0	2,750
Corporation tax		2,998	4,433
Prepayments	10	362	380
Total receivables		**5,216**	**15,224**
Cash at bank and in hand		**5,292**	**2,357**
Total current assets		**10,508**	**17,581**
TOTAL ASSETS		**36,955**	**71,902**

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Balance Sheet

DKK'000	Note	2018/19	2017/18
EQUITY AND LIABILITIES			
Equity			
Share capital		777	777
Reserve for net revaluation under the equity method		0	14,827
Retained earnings		24,463	30,106
Total equity		**25,240**	**45,710**
Provisions			
Deferred tax	11	7,583	7,549
Total provisions		**7,583**	**7,549**
Debt			
Trade payables		360	1,015
Payables to group enterprises		7	13,858
Corporation tax		0	0
Other payables		3,765	3,770
Total short-term debt		**4,132**	**18,643**
Total payables		**4,132**	**18,643**
TOTAL LIABILITIES AND EQUITY		**36,955**	**71,902**

Contractual obligations	12
Contingent liabilities	13
Related parties and ownership	14
Events after the balance sheet date	15

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Statement of changes in equity

DKK'000

	Share capital	Net re-valuation under the equity method	Retained earnings	Total
Equity as at 30 June 2018	**777**	**14,827**	**30,106**	**45,710**
Allocation of profits	0	2,611	-2,720	**-109**
Distributed dividends	0	0	-55,310	**-55,310**
Dividend from subsidiaries	0	-17,438	17,438	**0**
Transactions with minority shareholders, etc.	0	0	34,949	**34,949**
Equity as at 30 June 2019	**777**	**0**	**24,463**	**25,240**

Share capital

The share capital consists of 776,651 shares of a nominal value of DKK 1. No shares carry special righ

The last five years' changes in share capital can be specified as follows:

DKK'000	**2018/19**	**2017/18**	**2016/17**	**2015/16**	**2014/15**
Share capital	**777**	**777**	812	812	812
Raising of additional capital	0	0	-35	0	0
	777	**777**	**777**	**812**	**812**

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Notes

DKK'000	2018/19	2017/18
1 **Staff expenses**		
Wages and salaries	-11,469	-9,972
Other staff expenses	-117	-111
Other social security expenses	-80	-71
	-11,666	-10,154
Remuneration to the Executive Board and Board of Directors	2,316	2,316
Average number of full-time employees	13	12
2 **Depreciation/amortisation**		
Depreciation, property, plant and equipment	0	-13
	0	-13
3 **Income from investments in subsidiaries and associates**		
Valcon A/S - income by holding companies		
Valcon-Holding ApS	2,912	0
Valcon Holding 1 ApS	0	5,072
Valcon Holding 2 ApS	0	1,891
Valcon Holding 3 ApS	0	3,094
Valcon Holding 4 ApS	0	3,259
Valcon Holding 5 ApS	0	4,071
Noclav Design ApS	-86	-51
Valcon AS (Norge)	146	0
Odense Maritime Technologies A/S	-2,503	-22,459
Valcon India	-159	-168
Amortisation of goodwill, Valcon A/S	-1,136	-1,141
	-826	-6,432

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Notes

DKK'000	2018/19	2017/18
4 Financial income		
Gain on sale of minority shares	0	1,997
Other financial income	87	15
	87	2,012
5 Financial expenses		
Loss on sale/buy of minority shares	0	-6,154
Other financial expenses	-24	-1,271
	-24	-7,425
6 Tax on profit/loss for the year		
Current tax	-197	-673
Changes in current tax previous years	-618	0
Changes in deferred tax provious yaers	528	0
Changes in deferred tax	-562	-498
	-849	-1,171
7 Proposed distribution of profit		
Retained earnings	-2,720	-1,731
Reserve for net revaluation under the equity method	2,611	-6,056
Net profit/loss for the year	-109	-7,787
8 Deposits		
Cost as at 1 July 2018	0	0
Addition	188	0
Cost as at 30 June 2019	188	0

Notes

DKK'000	2018/19
9 Investments in subsidiaries	
Cost as at 1 July 2018	29,089
Additions and disposals, equity interest	-250
Capital increase, Valcon Norge, Valcon India and Noclav Design	10,880
Cost as at 30 June 2019	**39,719**
Value adjustment as at 1 July 2018	14,827
Exchange adjustment, foreign subsidiaries	95
Net profit/loss for the year	310
Dividend from subsidiaries	-17,438
Amortisation of goodwill	-1,136
Additions and disposals, equity interest	-10,117
Value adjustment as at 30 June 2019	**-13,459**
Carrying amount as at 30 June 2019	**26,260**

Name and registered office	Ownership share in %	Share capital 100%	Net profit/loss for the year 100%	Carrying amount DKK'000
1) Valcon A/S (Danmark)	-	888	12,542	-
Valcon A/S Goodwill				12,617
Valcon-Holding Aps	50.1	456	-13	12,332
Valcon AS (Norge) (2017-2018)	100.0	169	0	11
Odense Maritime Technology A/S	58.0	4,750	-38,981	890
Noclav Design ApS	50.1	60	-162	38
Valcon India Ltd	100.0	13,762	-163	372
Total				**26,260**

1) Holding companies have been established in which the Company together with the minority shareholders jointly owns shares in Valcon A/S. The Company's total ownership share in Valcon A/S amounts to 26%. The company has a controlling influence through the holding structure and shareholder agreements.

Name and registered office

Valcon A/S, Valcon-Holding ApS, Valcon Holding 1 ApS, Valcon Holding 2 ApS, Valcon Holding 3 ApS, Valcon Holding 4 ApS, Valcon Holding 5 ApS and Noclav Design ApS	Meldahlsgade 5,2 1613 Copenhagen V, Danmark
Odense Maritime Technology A/S	Sverigesgade 4, 5000 Odense C, Danmark
Valcon AS (Norge)	Dronning Eufemiasgt 16, 0191 Oslo, Norge
VALCON MANAGEMENT CONSULTANTS PRIVATE LTD (Indien)	6 TH FLOOR, PHASE I, SPENCER PLAZA , 768 / 769, ANNA SALAI, CHENNAI 600002

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Notes

DKK'000

10 Prepayments	2018/19	2017/18
Insurance	344	359
Other prepayment	18	21
Prepayments at 30 June 2019	362	380

11 Deferred tax	2018/19	2017/18
Goodwill	-170	-146
Prepayments	80	84
Operating equipment	-1,064	-856
International re-taxation balance	8,737	8,467
Deferred tax as at 30 June 2019	7,583	7,549

12 Contractual obligations

	2018/19	2017/18
Expires due within one year	42	0
Expires due later than one year but within 5 years one year	66	0
Expires due later than 5 years	0	0
	108	0

13 Contingent liabilities

The Parent Company is jointly taxed with other enterprises in the Valcon Group. As administration company, the Parent Company is unlimited, jointly and severally liable for Danish corporation taxes within the joint taxation group. Payable corporation taxes within the joint taxation group of companies amount to DKK 8.7 million as at 30 June 2019. Any subsequent adjustments of the joint taxation income may increase the Parent Company's liability.

The Parent Company has provided a guarantee to its subsidiary Valcon AS (Norway). Valcon AS is currently without activity.

14 Related parties and ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the share capital:

Poul Præstegaard Skadhede Holding ApS, CVR-nr. 25253345, Toeltvej 10, 3480 Fredensborg
Thomas Fischer Holding ApS, CVR-nr. 29776970 Krathusvej 17, 2920 Charlottenlund
Kuja Holding ApS, CVR-nr. 36939745, Hestehavevej 79, 4720 Præstø

15 Events after the balance sheet date

No events materially influencing the Company's financial position as at 30 June 2019 have occurred.