

Valcon Business Development A/S

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

Annual Report

1 July 2019 – 30 June 2020

The Annual Report was presented and adopted at the Annual
General Meeting of the Company on 30 September 2020



Lars Devantier Kallestrup

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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 2019 - 30 June 2020.

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 2020 and of the results of the Group and Company operations as well as the consolidated cash flows for the financial year 1 July 2019 – 30 June 2020.

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

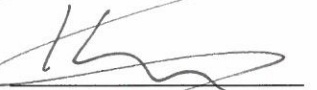
Copenhagen, 30 September 2020

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 2020, 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 2019 - 30 June 2020 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 2019 - 30 June 2020, 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

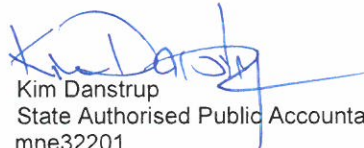
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 30 September 2020

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 2019 – 30 June 2020
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

	2019/20	2018/19	2017/18	2016/17	2015/16
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Key figures

Net revenue	463,897	366,415	376,926	492,554	500,617
Gross profit/loss	316,866	244,690	233,976	278,163	306,535
Operating profit/loss	89,333	13,487	131	40,059	57,636
Net financials	-6,256	-3,458	-9,226	-415	-3,577
Profit/loss before tax	83,077	9,679	-9,095	39,644	54,059
Parent Company's share of profit/loss for the year	26,616	-109	-7,787	15,946	18,720

Fixed assets	28,742	31,555	23,768	21,191	20,702
Current assets	280,674	158,090	203,595	250,556	232,739
Total assets	309,416	189,645	227,363	271,747	253,441
Investment in property, plant and equipment	298	3,200	1,280	373	847
Equity	114,181	61,699	79,474	106,451	108,479

Key figures

Profit margin	19.3%	3.7%	0.0%	8.1%	11.5%
Return on invested capital	50.3%	8.2%	0.1%	23.3%	31.2%
Gross margin	68.3%	66.8%	61.8%	56.5%	61.2%
Solvency ratio	36.9%	32.5%	35.0%	39.2%	42.8%
Return on equity	94.5%	13.7%	-9.8%	36.9%	56.9%

Average number of full-time employees	219	239	237	278	256
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The ratios have been prepared in accordance with the recommendations and guidelines issued 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 and in societies.

The target group are enterprises and organisations in the private and public sectors. Geographically, the Group has about 59% of its revenues in Scandinavia, and about 41% 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, technical services within product development and through IPR conversion to actual products.

Valcon is a group consisting of the following main active knowledge-based companies: Valcon A/S, Odense Maritime Technology A/S and IHAB Business Development A/S.

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

The Group consists of three 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.
- IHAB Business Development ApS markets Intellectual Property Rights (IPR) and licenses to Intellectual Property Rights (IPR Licenses) related to ship design within the maritime sector.

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.

Financial development

The Income Statement for 2019/20 shows a revenue of DKK 463.9 million compared to a revenue of DKK 366.4 million for 2018/19 and a profit of DKK 64.2 million for 2019/20 of the group compared to a profit of DKK 7.0 million for 2018/19. The Parent Company's share hereof is a profit of DKK 26.6 million compared with a loss of DKK 0.1 million last year.

The result for the year for the Group is in line with the Management's ambition and satisfactory. The cash position of the Group remains strong.

Management's Review

The subsidiaries' activities in the year

The management consulting company *Valcon* has this year launched a new strategic platform under the headline "growth from core", including an agile approach to how we structure leadership and development going forward to secure Valcon's continued development towards the position as one of the strongest strategy and operations management consultancies in Europe. Among other initiatives "Growth from Core" includes a strong focus on technology enabled strategic and operational development with a strong dedication to the needed sustainability agenda. Valcon is positioned as a premium operations consulting firm in Europe with Scandinavian roots and values. Based on their Scandinavian roots, Valcon has set an aspiration to become the happiest company in the world and will continue to investigate and invest in how to achieve world-class well-being for all employees based on OECD metrics. During this year, Valcon have delivered a long range of assignments in Scandinavia and outside Scandinavia. The 4th quarter of Valcons fiscal year is negatively impacted by the Covid-19 pandemic, but Valcon has also demonstrated its ability for a swift and agile response to a very challenging market and delivery situation. Given the Covid-19 impacts, management finds Valcon's annual result and financial situation satisfactory.

Odense Maritime Technology has worked on several major client projects in APAC and Europe throughout the financial year with an improvement in net profit for the year. The improvement is partly due to the cost reduction efforts initiated last year and partly due to OMT's involvement in several large projects within the Defence sector. Management finds the Company's annual result satisfactory. OMT has also been affected by the worldwide Covid-19 situation, but until now it has primarily resulted in postponement of projects.

OMT has continued its cost focus from last year and has among other things closed down the subsidiary in India. Management finds OMT's annual result and financial situation satisfactory.

In its first year of operation, *IHAB Business Development ApS* has entered agreements regarding IPR Licenses. Management finds the company's annual result and financial situation satisfactory.

Expected development

Valcon will in the coming financial year continue the development within all the areas in "Growth from Core" to support the growth in both turnover and an improved result. Valcon expects the results to be influenced by the Covid-19 pandemic and has therefore readied the business through a more lean and agile cost structure going into new fiscal year where revenue and operating profit forecast is difficult to predict.

OMT and IHAB expects a small positive result in the coming financial year. Both companies are poised for growth and have strong pipelines. The impacts of Covid-19 are, however, difficult to predict, and might lead to postponements or cancellations of major project opportunities.

Management's Review

Statement of social responsibility

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 2019/2020 we have not registered any cases of violation of human rights or anti-corruption.

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 is why we carried out a charitable work for the Danish organisation for homeless people "Hus Forbi – pant4pant" in 2018 which we continued in 2019/2020.

In 2019/2020, as a natural extension of our position as a knowledge company, we have made our knowledge available through participation in conferences, internal course activities, knowledge publications and reports. We also contribute to society with a highly educated workforce.

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, and we work actively to mitigate this

Developing our employees' digital competences is in particular a top priority for us. In 2019/2020 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.

Management's Review

Valcon and the climate

As a knowledge company, our direct climate footprint is relatively limited, but we nevertheless believe that caring for the environment is a natural part of running a business. Plans are underway to integrate SDG goals in the majority of our service delivery models, an effort that we expect much from. Further, Valcon will establish its CO2 baseline and strategy for scope 1+2 reductions in 2020/21.

OMT continues to investigate and develop solutions that will reduce energy consumption in the worlds navies (military and merchant). Further, specific projects are underway that will allow propulsion using less polluting fuels.

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. This also means that we, in 2019/2020, 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 22% women and 78% men. The Group currently employs 7 nationalities.

Statement of gender distribution in the management

It is the objective of the Group that the Groups Boards should have a female member no later than 2022. At the end of the 2019/2020 financial year, the status was one woman on the board of Valcon and one woman on the Board of IHAB.

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 2019 - 30 June 2020

Accounting Policies

The Annual Report of Valcon Business Development A/S for 2019/2020 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 2019 - 30 June 2020

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.

Financial Statements 1 July 2019 - 30 June 2020

Accounting Policies

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 fulfil 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 sub-suppliers and other expenses.

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Financial Statements 1 July 2019 - 30 June 2020

Accounting Policies

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.

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.

Financial Statements 1 July 2019 - 30 June 2020

Accounting Policies

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

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

Capitalised development projects 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.

Property, plant and equipment

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

Financial Statements 1 July 2019 - 30 June 2020

Accounting Policies

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

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.

Financial Statements 1 July 2019 - 30 June 2020

Accounting Policies

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.

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.

Financial Statements 1 July 2019 - 30 June 2020

Accounting Policies

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.

Other long-term provisions

Other long-term provisions include warranty obligations in respect of recognized revenue. Provisions are measured and recognised based on experience with similar work.

Prepayments

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

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 2019 - 30 June 2020

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	$\frac{\text{Operating profit/loss} \times 100}{\text{Average invested capital}}$

Consolidated Financial Statements as at 1 July 2019 – 30 June 2020

Income Statement

DKK'000	Note	2019/20	2018/19
Net revenue	1	463.897	366.415
Work performed for own account and recognised as intangible assets		1.687	7.959
External expenses		-148.718	-129.684
Gross profit/loss		316.866	244.690
Staff expenses	2	-222.716	-227.019
Depreciation and impairment losses, patents, licenses and property, plant and equipment	3, 8, 9	-3.681	-2.980
Operating profit before amortisation of goodwill		90.469	14.691
Amortisation, depreciation and impairment losses, goodwill	3, 8	-1.136	-1.204
Operating profit/loss		89.333	13.487
Income from investments in associates		0	-350
Financial income	4	4.042	2.211
Financial expenses	5	-10.298	-5.669
Profit/loss before tax		83.077	9.679
Tax on profit/loss for the year	6	-18.829	-2.671
Net profit/loss for the year		64.248	7.008
Proposed distribution of profit	7		

Consolidated Financial Statements as at 1 July 2019 – 30 June 2020

Balance Sheet

DKK'000	Note	2019/20	2018/19
ASSETS			
Fixed assets			
Intangible assets			
Development projects	8	1.687	7.959
Ship Designs	8	7.229	0
Goodwill	8	11.481	12.617
Acquired licenses (software)	8	1.024	3.036
Total intangible assets		21.421	23.612
Property, plant and equipment			
Leasehold improvements	9	2.893	3.491
Other fixtures and fittings, tools and equipment	9	57	100
Total property, plant and equipment		2.950	3.591
Fixed asset investments			
Deposits	10	2.471	2.452
Other investment	11	1.900	1.900
Total fixed asset investments		4.371	4.352
Total fixed assets		28.742	31.555
Current assets			
Receivables			
Trade receivables		129.157	96.725
Contract work in progress	12	4.086	2.969
Corporation tax		0	2.998
Other receivables		6.007	2.191
Deferred tax assets	13	4.275	242
Prepayments		3.853	3.138
Total receivables		147.378	108.263
Other securities and investments		18.700	17.895
Cash at bank and in hand		114.596	31.932
Total current assets		280.674	158.090
TOTAL ASSETS		309.416	189.645

Consolidated Financial Statements as at 1 July 2019 – 30 June 2020

Balance Sheet

DKK '000	Note	2019/20	2018/19
EQUITY AND LIABILITIES			
Equity			
Share capital		777	777
Reserve for development projects		8.916	7.959
Retained earnings		31.944	16.504
Minority interests		72.544	36.459
Total equity		114.181	61.699
Provisions			
Deferred tax	14	0	8.667
Other long-term provisions		46.336	0
Other long-term payables		18.907	0
Total provisions		65.243	8.667
Debt			
Short-term debt			
Prepayments received from clients	12	7.613	7.744
Trade payables		7.981	13.072
Corporation tax		30.016	0
Loan and borrowings		0	2.416
Other debt		84.382	96.047
Total short-term debt		129.992	119.279
Total payables		129.992	119.279
TOTAL LIABILITIES AND EQUITY		309.416	189.645
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 2019 – 30 June 2020

Statement of changes in equity

DKK'000	Share capital	Reserve for development projects	Retained earnings	Minority interests	Total
Equity as at 30 June 2019	777	7.959	16.504	36.459	61.699
Distributed dividends	0	0	-16.442	-9.538	-25.980
Allocation of profits	0	957	22.095	41.196	64.248
Transactions with minority shareholders, etc.	0	0	9.153	4.427	13.580
Exchange adjustments, foreign subsidiaries	0	0	634	0	634
Equity as at 30 June 2020	777	8.916	31.944	72.544	114.181

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	2019/20	2018/19	2017/18	2016/17	2015/16
Share capital	777	777	777	812	812
Raising/Reduction of additional capital	0	0	0	-35	0
	777	777	777	777	812

Consolidated Financial Statements as at 1 July 2019 – 30 June 2020**Cash Flow Statement**

DKK'000	Note	2019/20	2018/19
Profit/loss before tax		83.077	9.679
Depreciation/amortisation	3	4.817	4.184
Income from investment in associates		0	350
Financial income		-4.042	-2.211
Financial expenses		10.298	5.669
Cash flow from operating activities before changes in working capital		94.150	17.671
Taxes paid		-1.671	1.312
Interest income, received		4.042	2.211
Interest expenses, paid		-10.298	-5.669
Change in receivables		-47.986	22.026
Change in suppliers and other debt		61.399	-25.030
Cash flows from operating activities		99.636	12.521
Purchase of intangible assets	8	0	-587
Development projects	8	-1.687	-7.959
Purchase of property, plant and equipment	9	-298	-3.200
Cash flows from investment activities		-1.985	-11.746
Payments to and from minority interests		13.580	45.337
Loan and borrowings		-2.416	2.416
Distributed dividend		-25.980	-70.008
Buy and sale of other securities		-805	-1.538
Cash flows from financing activities		-15.621	-23.793
Net cash flows for the year		82.030	-23.018
Cash and cash equivalents at the beginning of the year		31.932	55.062
Exchange rate adjustments of cash and cash equivalents		634	-112
Cash and cash equivalents at the end of the year		114.596	31.932

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 2019 – 30 June 2020

Notes

DKK'000	<u>2019/20</u>	<u>2018/19</u>
1 Segment data		
Net revenue per business segment		
Management consultancy services	287.845	295.303
Maritime consultancy services	176.052	71.112
	<u>463.897</u>	<u>366.415</u>
Net revenue geographically distributed		
The Scandinavian countries	272.347	275.743
The rest of Europe	146.375	47.898
North America	11.119	6.291
The rest of the world	34.056	36.483
	<u>463.897</u>	<u>366.415</u>
2 Staff expenses		
Wages and salaries	-217.302	-220.096
Other social security expenses	-5.414	-6.190
Other staff expenses	0	-733
	<u>-222.716</u>	<u>-227.019</u>
Remuneration to the Executive Board and Board of Directors	<u>2.316</u>	<u>2.316</u>
Average number of full-time employees	<u>219</u>	<u>239</u>
3 Amortisation, depreciation and impairment losses		
Amortisation, goodwill	-1.136	-1.204
Amortisation, ship designs	-730	0
Amortisation, other intangible assets	-2.012	-2.091
Depreciation, property, plant and equipment	-939	-889
	<u>-4.817</u>	<u>-4.184</u>

Consolidated Financial Statements as at 1 July 2019 – 30 June 2020

Notes

DKK'000		2019/20	2018/19	
4 Financial income				
Other financial income		4.042	2.211	
		4.042	2.211	
5 Financial expenses				
Other financial expenses		-10.298	-5.669	
		-10.298	-5.669	
6 Tax on profit/loss for the year				
Expected taxable income for the year		-31.686	-443	
Changes in current tax previous years		335	-618	
Changes in deferred tax previous yaers		-89	528	
Adjustment of deferred tax asset		3.944	69	
Adjustment of deferred tax		8.667	-2.207	
		-18.829	-2.671	
7 Proposed distribution of profit				
Retained earnings		22.095	-7.956	
Reserve for development project		957	7.959	
Minority interests		41.196	7.005	
		64.248	7.008	
8 Intangible assets				
DKK'000	Ship Designs	Development projects	Goodwill	Acquired licenses (software)
Cost as at 1 July 2019	0	7.959	32.825	6.692
Disposals	0	-7.959	0	0
Additions in the year	7.959	1.687	0	0
Cost as at 30 June 2020	7.959	1.687	32.825	6.692
Amortisation as at 1 July 2019	0	0	-20.208	-3.656
Amortisation and impairment losses during the year	-730	0	-1.136	-2.012
Amortisation and impairment losses as at 30 June 2020	-730	0	-21.344	-5.668
Carrying amount as at 30 June 2020	7.229	1.687	11.481	1.024

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Notes

9 Property, plant and equipment

DKK'000	Leasehold improve- ments	Other fixtures and fittings, tools and equipment
Cost as at 1 July 2019	4.352	128
Additions in the year	298	0
Cost as at 30 June 2020	4.650	128
Depreciation as at 1 July 2019	-861	-28
Total depreciation and impairment losses	-896	-43
Depreciation and impairment losses as at 30 June 2020	-1.757	-71
Carrying amount as at 30 June 2020	2.893	57
	2019/20	2018/19

10 Deposits

Cost as at 1 July 2019	2.452	3.777
Addition	19	0
Disposals	0	-1.325
Cost as at 30 June 2020	2.471	2.452

11 Other investment

Cost as at 1 July 2019	1.900	0
Addition	0	1.900
Cost as at 30 June 2020	1.900	1.900

12 Construction contracts

Specification of ongoing services:		
Selling price of production	4.086	2.969
Payments on account	-7.613	-7.744
	-3.527	-4.775
Classified as follows:		
Contract work in progress	4.086	2.969
Prepayments received from clients	-7.613	-7.744
	-3.527	-4.775

13 Deferred tax asset

Deferred tax asset as at 1 July 2019	242	311
Annual adjustments of deferred tax	4.033	-69
Deferred tax asset as at 30 June 2020	4.275	242

Deferred tax relates primarily to provisions 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. The net tax asset is expected to be utilized within a short time period.

Consolidated Financial Statements as at 1 July 2019 – 30 June 2020

Notes

DKK'000

14 Deferred tax	2019/20	2018/19
Deferred tax as at 1 July 2019	8.667	6.988
Adjustment, deferred tax	-8.667	1.679
Deferred tax as at 30 June 2020	<u>0</u>	<u>8.667</u>

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	466	366
Tax assistance	396	370
Other assistance	888	749
Total expenses	<u>1.750</u>	<u>1.485</u>

16 Contractual obligations and contingent liabilities

Contractual obligations

Expires due within one year	8.912	7.699
Expires due later than one year but within 5 year	15.909	20.545
Expires due later than 5 years	<u>0</u>	<u>0</u>
Operating leases of office premises	<u>24.821</u>	<u>28.244</u>

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 2020 apart from the ones specified above.

17 Collateral and assets charged as collateral

The Group's bank has raised a performance bonds to one of Odense Maritime Technology A/S clients of CAD 14.503 thousand equalling DKK 70.5 million. Odense Maritime Technology A/S guarantees in full the performance bond to the bank. Other securities and investments of DKK 18.7 million have been pledged to cover the performance bonds.

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 2020 have occurred.

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Income Statement

DKK'000	Note	2019/20	2018/19
Net revenue		15.664	17.264
External expenses		-3.520	-4.095
Gross profit/loss		12.144	13.169
Staff expenses	1	-11.180	-11.666
Operating profit/loss		964	1.503
Income from investments in subsidiaries	2	25.759	-826
Financial income	3	0	87
Financial expenses	4	-35	-24
Profit/loss before tax		26.688	740
Tax on profit/loss for the year	5	-72	-849
Net profit/loss for the year		26.616	-109
Proposed distribution of profit	6		

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Balance Sheet

DKK'000	Note	2019/20	2018/19
ASSETS			
Fixed asset investments			
Deposits	7	187	187
Investments in subsidiaries	8	42.624	26.260
Total fixed asset investments		42.811	26.447
Total fixed assets		42.811	26.447
Current assets			
Receivables			
Trade receivables		114	162
Receivables from group enterprises		29.929	1.694
Corporation tax		0	2.998
Prepayments	9	430	362
Total receivables		30.473	5.216
Cash at bank and in hand		10.849	5.292
Total current assets		41.322	10.508
TOTAL ASSETS		84.133	36.955

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Balance Sheet

DKK'000	Note	2019/20	2018/19
EQUITY AND LIABILITIES			
Equity			
Share capital		777	777
Reserve for net revaluation under the equity method		5.121	0
Retained earnings		35.743	24.463
Total equity		41.641	25.240
Deferred tax	10	8.403	7.583
Other long-term payables		858	0
Other long-term debt		9.261	7.583
Debt			
Trade payables		28	360
Payables to group enterprises		1.057	7
Corporation tax		30.016	0
Other payables		2.130	3.765
Total short-term debt		33.231	4.132
Total payables		33.231	4.132
TOTAL LIABILITIES AND EQUITY		84.133	36.955

Contractual obligations	11
Contingent liabilities	12
Related parties and ownership	13
Events after the balance sheet date	14

Annual Report for 1 July 2019 – 30 June 2020

Statement of changes in equity

DKK'000

	Share capital	Net re-valuation under the equity method	Retained earnings	Total
Equity as at 30 June 2019	777	0	24.463	25.240
Allocation of profits	0	8.662	17.954	26.616
Distributed dividends	0	0	-16.442	-16.442
Exchange adjustments, foreign subsidiaries	0	-19	0	-19
Dividend from subsidiaries	0	-3.522	3.522	0
Reserve for internal group profit	0	0	-2.907	-2.907
Transactions with minority shareholders, etc.	0	0	9.153	9.153
Equity as at 30 June 2020	777	5.121	35.743	41.641

Share capital

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

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

DKK'000	2019/20	2018/19	2017/18	2016/17	2015/16
Share capital	777	777	777	812	812
Raising of additional capital	0	0	0	-35	0
	777	777	777	777	812

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Notes

DKK'000

	2019/20	2018/19
1 Staff expenses		
Wages and salaries	-11.107	-11.469
Other staff expenses	-73	-117
Other social security expenses	0	-80
	<u>-11.180</u>	<u>-11.666</u>
Remuneration to the Executive Board and Board of Directors	<u>2.316</u>	<u>2.316</u>
Average number of full-time employees	<u>14</u>	<u>13</u>
2 Income from investments in subsidiaries and associates		
Valcon A/S - income by holding companies		
Valcon-Holding ApS	4.928	2.912
Noclav Design ApS	292	-86
Valcon AS (Norge)	-3	146
Odense Maritime Technologies A/S	6.357	-2.503
IHAB Business Development A/S	15.478	0
Valcon India	-157	-159
Amortisation of goodwill, Valcon A/S	-1.136	-1.136
	<u>25.759</u>	<u>-826</u>

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Notes

DKK'000	2019/20	2018/19
3 Financial income		
Other financial income	0	87
	<u>0</u>	<u>87</u>
4 Financial expenses		
Other financial expenses	-35	-24
	<u>-35</u>	<u>-24</u>
5 Tax on profit/loss for the year		
Current tax	889	-197
Changes in current tax previous years	-141	-618
Changes in deferred tax previous yaers	141	528
Changes in deferred tax	-961	-562
	<u>-72</u>	<u>-849</u>
6 Proposed distribution of profit		
Retained earnings	17.954	-2.720
Reserve for net revaluation under the equity method	8.662	2.611
Net profit/loss for the year	<u>26.616</u>	<u>-109</u>
7 Deposits		
Cost as at 1 July 2019	187	0
Addition	0	187
Cost as at 30 June 2020	<u>187</u>	<u>187</u>

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Notes

DKK'000

2019/20

8 Investments in subsidiaries

Cost as at 1 July 2019	39.719
Additions and disposals, equity interest	157
Cost as at 30 June 2020	39.876
Value adjustment as at 1 July 2019	-13.459
Exchange adjustment, foreign subsidiaries	-19
Net profit/loss for the year	26.895
Dividend from subsidiaries	-3.522
Reserve for internal group profit	-2.907
Amortisation of goodwill	-1.136
Additions and disposals, equity interest	-3.104
Value adjustment as at 30 June 2020	2.748
Carrying amount as at 30 June 2020	42.624

Name and registered office	Owner- ship share in %	Share capital 100%	Net profit/loss for the year 100%	Carrying amount
				DKK'000
1) Valcon A/S (Danmark)	-	888	30.833	-
Valcon A/S Goodwill				11.481
Valcon-Holding ApS	28,0	456	16.302	10.732
Valcon AS (Norge)	100,0	150	-2	7
IHAB Business Development	58,3	100	26.563	15.537
Reserve for internal group profit				-2.907
OMT Naval	100,0	100	0	100
Odense Maritime Technology A/S	51,5	4.750	12.443	7.148
Noclav Design ApS	50,1	60	582	330
Valcon India Ltd	100,0	196	-157	196
Total				42.624

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 16%. The company has a controlling influence through the holding structure and shareholder agreements.

Name and registered office

Valcon A/S, Valcon-Holding ApS and Noclav Design ApS	Meldahlsgade 5,2 1613 Copenhagen V, Danmark
Odense Maritime Technology A/S	Sverigesgade 4, 5000 Odense C, Danmark
IHAB Business Development	Sverigesgade 4, 5000 Odense C, Danmark
OMT Naval	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

9 Prepayments	2019/20	2018/19
Insurance	361	344
Other prepayment	69	18
Prepayments at 30 June 2020	430	362
10 Deferred tax		
Goodwill	24	-170
Prepayments	124	80
Operating equipment	-903	-1.064
International re-taxation balance	9.158	8.737
Deferred tax as at 30 June 2020	8.403	7.583
11 Contractual obligations		
Expires due within one year	42	42
Expires due later than one year but within 5 years one year	11	66
Expires due later than 5 years	0	0
	53	108
12 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 9.2 million as at 30 June 2020. Any subsequent adjustments of the joint taxation income may increase the Parent Company's liability.

13 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 Dyrehavevej 58, 2930 Klampenborg
 Kuja Holding ApS, CVR-nr. 36939745, Hestehavevej 79, 4720 Præstø

14 Events after the balance sheet date

No events materially influencing the Company's financial position as at 30 June 2020 have occurred.