

SELMONT A/S

Havneøen 1

7100 Vejle

Central Business Registration

No 29815992

Annual report 2019

The Annual General Meeting adopted the annual report on 05.05.2020

Chairman of the General Meeting

Name: Bettina Winther Christensen

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Entity details

Entity

SELMONT A/S

Havneøen 1

7100 Vejle

Central Business Registration No (CVR): 29815992

Registered in: Vejle

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Anders Peter Geismar Christoffersen, chairman

Casper Kirk Johansen

Christina Rothmann Johansen

Executive Board

Casper Kirk Johansen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of SELMONT A/S for the financial year 01.01.2019 - 31.12.2019.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations and cash flows for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Vejle, 05.05.2020

Executive Board

Casper Kirk Johansen

Board of Directors

Anders Peter Geismar
Christoffersen
chairman

Casper Kirk Johansen

Christina Rothmann Johansen

Independent auditor's report

To the shareholders of SELMONT A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of SELMONT A/S for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2019, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of 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.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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

Independent auditor's report

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 consolidated financial statements and these parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent 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's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Independent auditor's report

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 05.05.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Thomas Rosquist Andersen
State Authorised Public Accountant
Identification No (MNE) mne31482

Søren Alsen Lauridsen
State Authorised Public Accountant
Identification No (MNE) mne40040

Management commentary

	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000	2015 DKK'000
Financial highlights					
Key figures					
Operating profit/loss	(16.925)	(26.279)	(44.281)	(6.150)	5.538
Net financials	85.288	(13.805)	144.888	78.584	76.268
Profit/loss for the year	60.680	(34.296)	31.992	73.294	82.531
Total assets	1.638.451	1.609.534	2.000.888	2.019.127	1.635.496
Investments in property, plant and equipment	527	-	-	3.322	17.512
Equity	1.393.168	1.378.495	1.439.757	1.432.503	1.375.970
Cash flows from (used in) operating activities	47.976	(24.773)	75.398	(30.996)	23.885
Cash flows from (used in) investing activities	40.875	72.175	106.824	707.805	(105.165)
Cash flows from (used in) financing activities	(39.523)	(347.267)	(51.151)	(96.882)	38.423

Ratios

Return on equity (%)	4,4	(2,4)	2,2	5,2	6,0
Equity ratio (%)	85,0	85,6	72,0	70,9	84,1

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Calculation formula reflects
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities

The purpose of the Company is to perform investing activities, own shares in other companies and perform administration activities.

Development in activities and finances

The Selmont Group invest in a wide portfolio of listed and unlisted equities, interest-bearing receivables and properties. In 2017 the Group decided to discontinue activities in seafreight and the vessel, Christina Kirk, was sold in 2018.

In 2019 the Group has realized a profit of DKK 60,680k and equity as at 31.12.2019 of DKK 1,393,168k. The Executive Board and Board of Directors consider the result in 2019 as satisfactory.

Outlook

The management of the company consider the Group well equipped for the future. However, the result will significantly depend on the development in the financial markets as described in note 1 and under event after the balance sheet date.

Particular risks

Operations

We have not taken any risks that could be referred as special considering the extent of our activities as an investment company.

External environment

Selmont and its directly controlled subsidiaries, has only a minimal impact on the external environment and therefore we have not implemented any special measures to prevent, reduce or remedy our impact.

Events after the balance sheet date

In light of the COVID-19 situation, it is not possible to provide any guidance on our expectations to Selmont's financial performance for 2020. We are currently in an unfortunate turbulent environment, with volatile financial markets and an uncertain business climate. The potential negative implications on the financial performance for 2020 are unknown but can be significant.

Besides the COVID-19, no events have occurred after the balance sheet date which is considered to have a material impact on the assessment of the Annual Report.

Consolidated income statement for 2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Gross loss		(16.433)	(25.897)
Depreciation, amortisation and impairment losses		(492)	(382)
Operating profit/loss		(16.925)	(26.279)
Income from investments in associates		45.282	45.839
Other financial income	2	94.379	113.453
Impairment losses on financial assets		0	(300)
Other financial expenses	3	(54.373)	(172.797)
Profit/loss before tax		68.363	(40.084)
Tax on profit/loss for the year	4	(7.683)	(9.950)
Profit/loss from continuing operations		60.680	(50.034)
Profit/loss from discontinued operations	5	0	15.738
Profit/loss for the year	6	60.680	(34.296)

Consolidated balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019</u> <u>DKK'000</u>	<u>2018</u> <u>DKK'000</u>
Other fixtures and fittings, tools and equipment		2.561	2.526
Property, plant and equipment	7	2.561	2.526
Investments in associates		297.432	259.326
Receivables from associates		109.038	165.169
Other investments		305.724	331.518
Fixed asset investments	8	712.194	756.013
Fixed assets		714.755	758.539
Manufactured goods and goods for resale		105.867	113.502
Inventories		105.867	113.502
Deferred tax		0	262
Other receivables		3.516	39.732
Income tax receivable		0	1.798
Receivables		3.516	41.792
Other investments		803.090	621.562
Other investments		803.090	621.562
Cash		11.223	71.667
Current assets		923.696	848.523
Assets regarding discontinued operations	5	0	2.472
Assets		1.638.451	1.609.534

Consolidated balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Contributed capital		5.000	5.000
Retained earnings		1.218.781	1.227.012
Proposed dividend		30.000	20.000
Equity attributable to the Parent's owners		1.253.781	1.252.012
Share of equity attributable to minority interests		139.387	126.483
Equity		1.393.168	1.378.495
Debt to other credit institutions		50.000	60.000
Non-current liabilities other than provisions	10	50.000	60.000
Current portion of long-term liabilities other than provisions	10	5.900	10.000
Payables to other credit institutions		172.764	153.919
Trade payables		282	107
Payables to shareholders and management		8.515	2.455
Income tax payable		3.986	0
Other payables		3.836	4.159
Current liabilities other than provisions		195.283	170.640
Liabilities other than provisions		245.283	230.640
Liabilities regarding discontinued operations	5	0	399
Equity and liabilities		1.638.451	1.609.534
Events after the balance sheet date	1		
Associates	9		
Financial instruments	12		
Assets charged and collateral	13		
Transactions with related parties	14		

Consolidated statement of changes in equity for 2019

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000
Equity beginning of year	5.000	1.227.012	20.000
Ordinary dividend paid	0	0	(20.000)
Extraordinary dividend paid	0	(20.000)	0
Exchange rate adjustments	0	1.168	0
Fair value adjustments of hedging instruments	0	(667)	0
Profit/loss for the year	0	11.268	30.000
Equity end of year	5.000	1.218.781	30.000
		Share of equity attributable to minority interests DKK'000	Total DKK'000
Equity beginning of year		126.483	1.378.495
Ordinary dividend paid		0	(20.000)
Extraordinary dividend paid		0	(20.000)
Exchange rate adjustments		0	1.168
Fair value adjustments of hedging instruments		(6.508)	(7.175)
Profit/loss for the year		19.412	60.680
Equity end of year		139.387	1.393.168

Consolidated cash flow statement for 2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Operating profit/loss		(16.924)	(12.487)
Amortisation, depreciation and impairment losses		492	(4.652)
Other provisions		0	(3.036)
Working capital changes	11	49.763	(6.188)
Cash flow from ordinary operating activities		33.331	(26.363)
Financial income received		24.339	101.945
Financial expenses paid		(8.736)	(95.261)
Income taxes refunded/(paid)		(958)	(5.094)
Cash flows from operating activities		47.976	(24.773)
Acquisition etc of intangible assets		0	(3.986)
Acquisition etc of property, plant and equipment		(527)	0
Sale of property, plant and equipment		0	112.999
Acquisition of fixed asset investments		0	(69.617)
Sale of fixed asset investments		0	16.779
Dividends received from associates		0	16.000
Loans from associates		56.131	0
Other investments		(14.729)	0
Cash flows from investing activities		40.875	72.175
Loans raised		14.577	0
Dividend paid		(40.000)	(30.000)
Repayment of debt to credit institutions		(14.100)	(317.267)
Cash flows from financing activities		(39.523)	(347.267)
Increase/decrease in cash and cash equivalents		49.328	(299.865)
Cash and cash equivalents beginning of year		693.229	1.009.763
Currency translation adjustments of cash and cash equivalents		71.756	(16.669)
Cash and cash equivalents end of year		814.313	693.229
	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Cash and cash equivalents at year-end are composed of:			
Cash		11.223	71.667
Securities		803.090	621.562
Cash and cash equivalents end of year		814.313	693.229

Notes to consolidated financial statements

1. Events after the balance sheet date

In light of the COVID-19 situation, it is not possible to provide any guidance on our expectations to Selmont's financial performance for 2020. We are currently in an unfortunate turbulent environment, with volatile financial markets and an uncertain business climate. The potential negative implications on the financial performance for 2020 are unknown but can be significant.

Besides the COVID-19, no events have occurred after the balance sheet date which is considered to have a material impact on the assessment of the Annual Report.

	2019 DKK'000	2018 DKK'000
2. Other financial income		
Other financial income	94.379	113.453
	94.379	113.453
	2019 DKK'000	2018 DKK'000
3. Other financial expenses		
Exchange rate adjustments	12.287	23.815
Fair value adjustments	40.204	136.998
Other financial expenses	1.882	11.984
	54.373	172.797
	2019 DKK'000	2018 DKK'000
4. Tax on profit/loss for the year		
Current tax	5.994	0
Change in deferred tax	261	470
Adjustment concerning previous years	1.428	9.480
	7.683	9.950

Notes to consolidated financial statements

	2019 DKK'000	2018 DKK'000
5. Discontinued operations		
Income statement		
Gross profit	0	13.792
Depreciation, amortisation and impairment losses	0	148
Financial income	0	(2.230)
Profit/loss for the period	0	11.710
Tax on profit/loss from discontinued operations	0	4.028
Post-tax profit/loss from discontinued operations	0	15.738
Assets		
Financial assets	0	1.956
Receivables	0	397
Cash	0	119
Assets related to discontinued operations	0	2.472
Liabilities		
Provisions	0	261
Liabilities	0	138
Liabilities related to discontinued operations	0	399
	2019 DKK'000	2018 DKK'000
6. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	30.000	20.000
Extraordinary dividend distributed in the financial year	20.000	30.000
Retained earnings	(8.732)	(123.243)
Minority interests' share of profit/loss	19.412	38.947
	60.680	(34.296)
		Other fixtures and fittings, tools and equipment DKK'000
7. Property, plant and equipment		
Cost beginning of year		6.986
Additions		527
Cost end of year		7.513
Depreciation and impairment losses beginning of year		(4.460)
Depreciation for the year		(492)
Depreciation and impairment losses end of year		(4.952)
Carrying amount end of year		2.561

Notes to consolidated financial statements

	Investments in associates DKK'000	Receivables from associates DKK'000	Other investments DKK'000
8. Fixed asset investments			
Cost beginning of year	53.805	165.469	398.780
Additions	0	10.134	14.729
Disposals	0	(66.265)	0
Cost end of year	53.805	109.338	413.509
Revaluations beginning of year	205.521	0	0
Adjustments on equity	(7.176)	0	0
Share of profit/loss for the year	45.282	0	0
Revaluations end of year	243.627	0	0
Impairment losses beginning of year	0	(300)	(67.262)
Impairment losses for the year	0	0	(40.523)
Impairment losses end of year	0	(300)	(107.785)
Carrying amount end of year	297.432	109.038	305.724

	Registered in	Equity inte- rest %
9. Associates		
da Enzo ApS	Vejle	50,0
Kirk & Thorsen A/S	Vejle	50,0
Racehall A/S	Viby J	20,0
Heli Leasing ApS	Vejle	50,0
Cosmo Ejendomme ApS	Århus	50,0

	Due within 12 months 2019 DKK'000	Due within 12 months 2018 DKK'000	Due after more than 12 months 2019 DKK'000	Outstanding after 5 years DKK'000
10. Liabilities other than provisions				
Debt to other credit institutions	5.900	10.000	50.000	20.000
	5.900	10.000	50.000	20.000

Notes to consolidated financial statements

	2019 DKK'000	2018 DKK'000
11. Change in working capital		
Increase/decrease in inventories	7.635	14.718
Increase/decrease in receivables	36.216	(1.374)
Increase/decrease in trade payables etc	5.912	(19.875)
Other changes	0	343
	49.763	(6.188)

12. Financial instruments

Agreements have been made for derivative financial instruments in the form of forward exchange transactions. The fair value of derivatives financial instruments constitute on the balance sheet DKK -1.093k as per 31.12.2019 against DKK -335k as per 31.12.2018.

The forward exchange transactions has been entered to secure future transactions in GBP, USD, CHF and EUR. The forward exchange transactions has a maturity of 2-3 months.

13. Assets charged and collateral

The Group has provided guarantees for associated companies' bank loans, amounting to 151.250 t.DKK as per 31 December 2019.

Contingent liabilities and residual commitments for participation in investment projects amounts to a maximum of DKK 215.833k.

The company has placed a value deposit, which as per 31 December 2019 consists of DKK 987.750k, as collateral for bank loans in Bank Syz, which as of December 31, 2019 amounts to DKK 133.501k.

14. Transactions with related parties

Apart from intra-group transactions and normal management remuneration, no transactions have been carried out with the Board of Directors, the Executive Board, senior executives, major shareholders, affiliates companies or other related parties. All transactions have taken place on market terms.

Parent income statement for 2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Gross loss		(5.209)	(10.057)
Depreciation, amortisation and impairment losses		(382)	(382)
Operating profit/loss		(5.591)	(10.439)
Income from investments in group enterprises		(3.429)	5.352
Income from investments in associates		22.067	1.538
Other financial income	1	94.377	114.129
Other financial expenses	2	(54.330)	(173.765)
Profit/loss before tax		53.094	(63.185)
Tax on profit/loss for the year	3	(11.828)	(10.058)
Profit/loss for the year	4	41.266	(73.243)

Parent balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Other fixtures and fittings, tools and equipment		2.230	2.526
Property, plant and equipment	5	2.230	2.526
Investments in group enterprises		167.531	224.025
Receivables from group enterprises		667	667
Investments in associates		97.339	75.272
Receivables from associates		109.039	165.169
Other investments		305.245	331.518
Fixed asset investments	6	679.821	796.651
Fixed assets		682.051	799.177
Receivables from group enterprises		6.735	3.019
Other receivables		1.016	37.482
Income tax receivable		0	1.798
Receivables		7.751	42.299
Other investments	7	803.089	621.562
Other investments		803.089	621.562
Cash		10.587	70.993
Current assets		821.427	734.854
Assets		1.503.478	1.534.031

Parent balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Contributed capital		5.000	5.000
Retained earnings		1.218.779	1.227.012
Proposed dividend		30.000	20.000
Equity		<u>1.253.779</u>	<u>1.252.012</u>
Debt to other credit institutions		50.000	60.000
Non-current liabilities other than provisions	8	<u>50.000</u>	<u>60.000</u>
Current portion of long-term liabilities other than provisions	8	5.900	10.000
Payables to other credit institutions		172.530	153.919
Trade payables		265	107
Payables to group enterprises		1.554	52.458
Payables to shareholders and management		8.515	2.455
Income tax payable		8.395	0
Other payables		2.540	3.080
Current liabilities other than provisions		<u>199.699</u>	<u>222.019</u>
Liabilities other than provisions		<u>249.699</u>	<u>282.019</u>
Equity and liabilities		<u>1.503.478</u>	<u>1.534.031</u>
Contingent liabilities	9		
Assets charged and collateral	10		
Related parties with controlling interest	11		
Transactions with related parties	12		

Parent statement of changes in equity for 2019

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	5.000	1.227.012	20.000	1.252.012
Ordinary dividend paid	0	0	(20.000)	(20.000)
Extraordinary dividend paid	0	(20.000)	0	(20.000)
Exchange rate adjustments	0	1.168	0	1.168
Fair value adjustments of hedging instruments	0	(667)	0	(667)
Profit/loss for the year	0	11.266	30.000	41.266
Equity end of year	5.000	1.218.779	30.000	1.253.779

Notes to parent financial statements

	2019 DKK'000	2018 DKK'000
1. Other financial income		
Financial income arising from group enterprises	3	4
Other financial income	94.374	114.125
	94.377	114.129
	2019 DKK'000	2018 DKK'000
2. Other financial expenses		
Financial expenses from group enterprises	20	18
Exchange rate adjustments	12.288	23.815
Fair value adjustments	40.204	136.998
Other financial expenses	1.818	12.934
	54.330	173.765
	2019 DKK'000	2018 DKK'000
3. Tax on profit/loss for the year		
Current tax	10.400	0
Adjustment concerning previous years	1.428	10.058
	11.828	10.058
	2019 DKK'000	2018 DKK'000
4. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	30.000	20.000
Extraordinary dividend distributed in the financial year	20.000	30.000
Retained earnings	(8.734)	(123.243)
	41.266	(73.243)

Notes to parent financial statements

				Other fixtures and fittings, tools and equipment DKK'000
5. Property, plant and equipment				
Cost beginning of year				6.986
Additions				86
Cost end of year				7.072
Depreciation and impairment losses beginning of year				(4.460)
Depreciation for the year				(382)
Depreciation and impairment losses end of year				(4.842)
Carrying amount end of year				2.230
	Invest- ments in group enterprises DKK'000	Receivables from group enterprises DKK'000	Investments in associates DKK'000	Receivables from associates DKK'000
6. Fixed asset investments				
Cost beginning of year	321.310	6.617	9.482	165.469
Additions	0	0	0	10.134
Disposals	0	0	0	(66.264)
Cost end of year	321.310	6.617	9.482	109.339
Revaluations beginning of year	0	0	65.790	0
Share of profit/loss for the year	0	0	22.067	0
Revaluations end of year	0	0	87.857	0
Impairment losses beginning of year	(97.285)	(5.950)	0	(300)
Exchange rate adjustments	1.168	0	0	0
Share of profit/loss for the year	(3.429)	0	0	0
Dividend	(53.566)	0	0	0
Impairment losses for the year	0	0	0	0
Other adjustments	(667)	0	0	0
Impairment losses end of year	(153.779)	(5.950)	0	(300)
Carrying amount end of year	167.531	667	97.339	109.039

Notes to parent financial statements

	Other investments DKK'000
6. Fixed asset investments	
Cost beginning of year	398.780
Additions	14.250
Disposals	0
Cost end of year	413.030
Revaluations beginning of year	0
Share of profit/loss for the year	0
Revaluations end of year	0
Impairment losses beginning of year	(67.262)
Exchange rate adjustments	0
Share of profit/loss for the year	0
Dividend	0
Impairment losses for the year	(40.523)
Other adjustments	0
Impairment losses end of year	(107.785)
Carrying amount end of year	305.245

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

	Registered in	Corpo- rate form	Equity inte- rest %
Investments in associates comprise:			
da Enzo Aps	Vejle	ApS	50,0
Kirk & Thorsen A/S	Vejle	A/S	50,0
Racehall A/S	Viby J	A/S	20,0
Heli Leasing ApS	Vejle	ApS	50,0
Cosmo Ejendomme ApS	Århus	ApS	50,0

7. Other investments

Investments in private equity funds are previous years presented under other investments (DKK 539m) as fixed assets. This year it is presented as other investments (DKK 803m) as a current asset due to the characteristics of the investments. The presentation have no effect on the income statement. Comparative figures have been adjusted. Current assets was last year DKK 414m and after the adjustment current assets is DKK 622m. Total assets is unaffected from the adjustment.

Notes to parent financial statements

	Due within 12 months 2019 DKK'000	Due within 12 months 2018 DKK'000	Due after more than 12 months 2019 DKK'000
8. Liabilities other than provisions			
Debt to other credit institutions	5.900	10.000	50.000
	5.900	10.000	50.000

9. Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

10. Assets charged and collateral

The Group has provided guarantees for associated companies' bank loans, amounting to DKK 151.250k as per 31 December 2019.

Contingent liabilities and residual commitments for participation in investment projects amounts to a maximum of DKK 215.833k.

The company has placed a value deposit, which as per 31 December 2019 consists of DKK 987.750k, as collateral for bank loans in Bank Syz, which as of December 31, 2019 amounts to DKK 133.501k.

11. Related parties with controlling interest

Related parties with controlling influence - Casper Kirk Johansen, Vejle, owns all shares in the company and thus has a controlling influence on this.

12. Transactions with related parties

Apart from intra-group transactions and normal management remuneration, no transactions have been carried out with the Board of Directors, the Executive Board, senior executives, major shareholders, affiliates companies or other related parties. All transactions have taken place on market terms.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year except the presentation changes mentioned in the section for changes in accounting policies.

The Financial Statements for 2019 are presented in DKK.

Changes in accounting policies

Investments in private equity funds are previous years presented under other investments (DKK 539m) as fixed assets. This year it is presented as other investments (DKK 803m) as a current asset due to the characteristics of the investments. The presentation have no effect on the income statement. Comparative figures have been adjusted. Current assets was last year DKK 414m and after the adjustment current assets is DKK 622m. Total assets is unaffected from the adjustment.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and

Accounting policies

its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in group equity.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Discontinued operations

Discontinued operations are material business areas or geographical areas planned, or decided, to be disposed of, discontinued or abandoned and which may be separated from the entity's other operations.

Results from discontinued operations are presented in the income statement as a separate item consisting of profit/loss after tax of the relevant operation and any gains or losses from fair value adjustments or sale of the assets and liabilities related to the operation.

Assets relating to discontinued operations are presented separately in the balance sheet as assets related to discontinued operations. Liabilities related to the discontinued operations are presented separately in the balance sheet as liabilities related to discontinued operations.

The comparative figures in the income statement and the balance sheet are not restated.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries which are considered part of the total investment in the subsidiary in question are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated

Accounting policies

using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate of the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Fair value adjustments of investment property

Fair value adjustment of investment properties for the financial year of the Entity's investment properties measured at fair value at the balance sheet date.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

Accounting policies

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of internal profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Impairment losses on financial assets

Impairment losses on financial assets comprise impairment losses on financial assets which are not measured at fair value on a current basis.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	13 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Investments in group enterprises

In the parent financial statements, investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity values.

Associates with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant associate, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Other investments

Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date and unlisted investments measured at the lower of cost and net realisable value.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

Accounting policies

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other investments

Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date and unlisted investments measured at the lower of cost and net realisable value.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Minority interests

Minority interests consist of non-controlling interests' share of equity in subsidiaries not 100% owned by the Parent.

Other financial liabilities

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

Income tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale,

Accounting policies

etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.