

# LIND CAPITAL

Årsrapport

2018


1. januar - 31. december

Årsrapporten er fremlagt og godkendt på selskabets ordinære  
generalforsamling, den 10/4 2019.



Henrik Lind  
Dirigent

CVR-NR.: 30353064

The image shows the cover of the Lind Capital Annual Report 2018. The background is a photograph of a modern office building with a grid of windows, viewed from an elevated position. In the foreground, two men in business suits are seen from behind, looking out at the building. The overall color palette is a cool blue. The title 'Lind Capital Annual Report 2018' is printed in a bold, dark blue, sans-serif font in the upper right quadrant.

# Lind Capital Annual Report 2018



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"We are ready to unfold the potential of Lind Capital and turn vision into concrete actions"

## Financial highlights

Key figures	DKK 000	2018	2017	2016	2015	2014
Trading income		57,085	72,664	38,796	44,259	30,682
Gross profit		48,120	62,885	29,160	34,317	22,437
EBIT		23,825	35,075	10,458	15,615	5,092
Financial expenses		-536	-54	-38	-54	-18
Pre-tax profit		23,189	35,021	10,300	15,561	5,074
Net profit		18,207	27,301	8,090	11,893	3,830
Total assets		56,423	492,596	614,812	533,061	457,599
Investments in property, plant & equipment		97	856	203	110	116
Equity		9,153	77,546	50,644	47,634	37,741
<b>Financial ratios</b>						
Return on equity		21.53%	42.5%	16.3%	27.9%	10.4%
Return on assets		4.24%	7%	1.7%	2.9%	1.8%
Solvency		18.16%	15.6%	8.2%	8.9%	8.2%
Average number of employees		35	32	28	29	29

## Unfolding the potential of Lind Capital

Throughout 2018, we have focused on succeeding with our Dynamic Challenger 2018 strategy as well as developing our new 2021 strategy. Most of the ambitious goals set forth in Dynamic Challenger 2018 have been reached. For the past year, the key focus-point has been scaling our business, specifically through the development of a new risk management framework for our entire portfolio. This framework is to be implemented at the beginning of 2019, and will be an important enabler for further scaling.

Although we did not completely meet our own expectation of mirroring the financial results of 2017, the result of 2018 is still satisfying. The main reasons behind the result are both less favourable market conditions as well as increased investments in the organisation. In light of this, we realised a trading income of DKK 57.1m, a pre-tax profit of DKK 23.4m, and a return on equity of 21.5%.

### The heart of Lind Capital is our people

Our biggest asset is our people, and the development of our people has always been a top priority for Lind Capital. Therefore, it is highly satisfactory to experience a thriving workplace environment on a daily basis, as well as consistently positive annual results from our internal satisfaction survey. The culture and environment we have at Lind Capital allow our employees to set high standards for us as an employer and vice versa. We will continue focusing greatly on employee development going forward – whether you are newly qualified or an experienced employee.

### Technology and data comprise our future

We are as much a technology company as we are a trading company; a fact that becomes clearer by each passing year, 2018 being no exception. Two of the greatest enablers for our platform are our technology efforts, where we continuously generate high-quality software for our in-house trading setup, as well as our research and modelling efforts where we generate customized analyses and models. Going forward, the importance of our focus on technology and data-handling is evident, and has prompted us to highlight these particular areas as core capabilities for the coming strategic period.

### A new strategic outlook

We have officially concluded the Dynamic Challenger 2018 strategy, and during this strategic period we have developed Lind Capital into a highly professional technology-driven trading company with a platform that supports substantial future growth. Looking forward, our new strategy will focus on the development of Lind Capital by widening our trading horizon, enabling us to apply our business model to other business areas of interest in the semi-liquid segment. We will develop our pricing ability, focus on our data capabilities to become truly data-driven, and continue to invest in scaling. In short: we are ready to unfold the potential of Lind Capital.

For the year of 2019, we expect to deliver a result at least as strong as in 2018.

Martin Fisker Markussen  
CEO

## 2018 in numbers



Our innovative approach to business makes us a different and dynamic player in the markets.

4.14

Portfolio average holding period (days)

57,085 tdkk

Trading income

21,5396

Return on equity

Technology is a prerequisite for our ability to trade effectively.

264,907

New lines of code written in 2018  
2017: 219,406

32

New in-house software systems deployed

54,015

Orders entered on our internally developed trading platform in 2018



## 2018 at a glance

2,158

Followers on social media



42

Lind Capital employees by  
the end of year



9,434

visited  
[www.lindcapital.com](http://www.lindcapital.com)



100%

Interns of 2018 are now  
fulltime employees or  
student associates



16%

Women



34

The average age



95%

of employees would recom-  
mend Lind Capital at workplace



5%

Employee turnover



4.32

years of seniority on avg. per  
employee



# Status on Dynamic Challenger 2018 strategy

"During the last two years, Lind Capital has developed into a highly professional and flexible market participant with a clear trading strategy."

For the past three years, we have acted in accordance with our Dynamic Challenger 2018 strategy. The main strategic goals – scaling the business and improving our platform – have sparked numerous strategic actions that have been carried out over the past 2 years. Now that 2018 has passed, it is appropriate (and essential) that we evaluate whether or not we succeeded with the strategic choices outlined in Dynamic Challenger 2018.

During the last two years, Lind Capital has developed into a highly professional and flexible market participant with a clear trading strategy. We have remained agile through major regulatory changes, created a solid and attractive business platform as well as a strong culture, which is evidenced by a remarkably high score in our annual employee satisfaction survey.

It is safe to say that we have largely succeeded with the Dynamic Challenger 2018 strategy. However, our greatest challenge has been finding new markets to penetrate with our business model. We are substantially better equipped to overcome this challenge in our new strategy, as we have increased our analytical and technology resources substantially. This ensures that we have the development capacity to succeed with both developing and implementing new concepts – a key competence for the 2021 strategy, where we will focus on expanding into carefully selected markets, and fully utilise the remaining potential in current markets.

We have developed three Must-Win Battles that will guide us into 2021: Exploit core markets, successful innovation & operational excellence. These focus areas highlight that the coming strategic period will aim at unfolding the potential of our business model and our most important asset: our people.

A key element of the Dynamic Challenger strategy was scaling, and a look at the numbers emphasises our focus on this. Since 2016, we have...

- Increased our trading activity by **50%** from 30 bDKK to 45 bDKK
- Averaged a yearly NTI **70%** greater than the 2016 baseline
- Only increased yearly total costs with approx. **16.4%** from 2016 through 2018 (Other external costs and staff costs)
- Averaged a yearly EBT **184%** greater than 2016
- Delivered an average yearly ROE of **32%**
- Grown the equity of the company with **40mDKK**



At Lind Capital we employ highly skilled professionals in order to bring great minds together.

**Mia, Senior HR Manager**





## The passion of our people

*"At Lind Capital we employ motivated people, and offer them an environment in which they can flourish".*

*Curious, empowered, and passionate - our people are the heart of Lind Capital*

*At Lind Capital, we focus on creating a company culture that inspires all of us to go that extra mile. In addition, we encourage the development and training of our employees while providing the best possible career opportunities.*

### *Bringing great minds together*

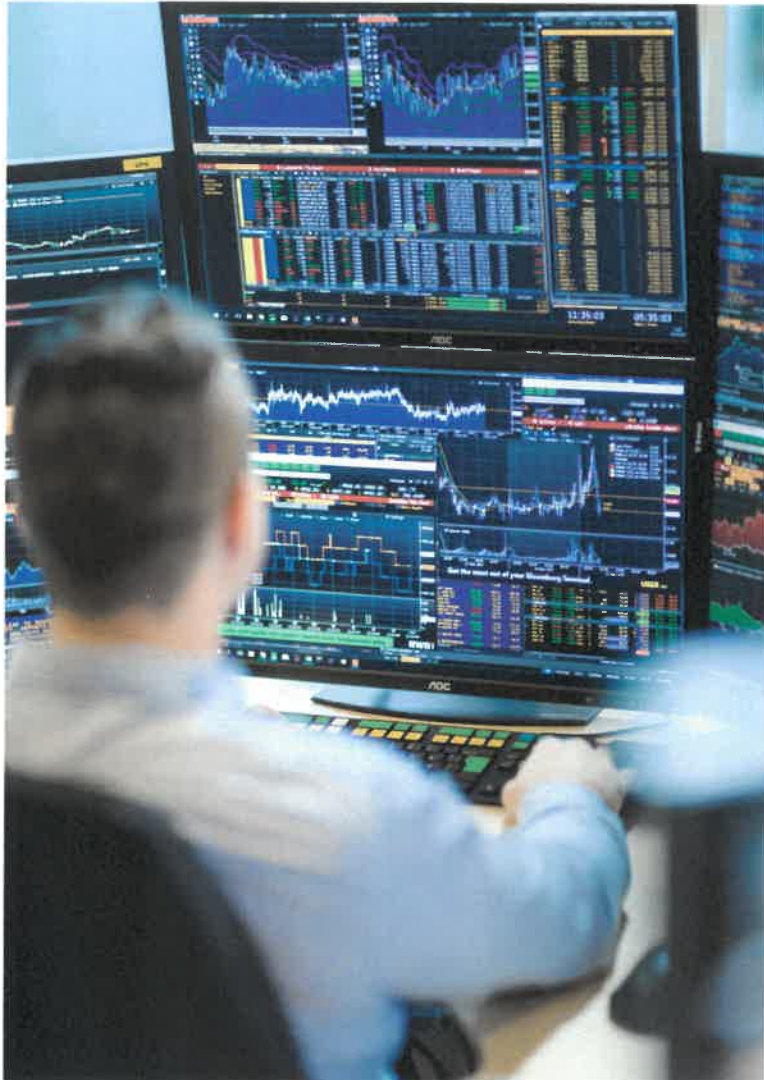
*As a knowledge-based company, attracting and retaining talent are key strategic focus points. A major priority to Lind Capital is investing in our people, and we encourage everyone to take responsibility for their own development in close co-operation with their direct manager.*

*By developing our employees, whilst simultaneously assessing their potential to take on more responsibility, we ensure that our people drive the organisational development of Lind Capital.*

### *Top in class employee satisfaction*

*Every year we conduct an employee satisfaction survey, and in 2018 we reached a record-high satisfaction and motivation score with a 95% participation rate. These results are also reflected in the low employee turnover we have experienced in the past year, as well as our ability to successfully attract new A-level talents.*

*The fact that 95% of our employees would recommend Lind Capital as an employer emphasises that our unique culture is an essential part of our company DNA, and a key element in bringing Lind Capital to the next level.*



## A Scalable Business Platform

The last year, especially Q4, was characterised by various geo-political events. Brexit, trade-war, US government shutdown, and rising interest rates have all contributed to a high volatility in general, challenging our ability to adapt to market changes. However, we always face challenges with great excitement, as we know that in the face of an ever-changing landscape, new market opportunities will arise. In light of these events, combined with an environment exhibiting low volatility in the first three quarters of 2018, the result for 2018 is satisfactory to us, despite it being slightly lower than our expectations. Moreover, we are very confident that the high volatility we experienced during the latter part of 2018 will contribute to an even stronger trading result for 2019.

Our main focus in 2018 was building on the success from 2017 by scaling our business and consolidating our positions in our most profitable markets. We have grown our core markets in terms of trading activity, while at the same time preparing our business for future growth. In the past year, we also launched a new strategy focusing on bringing new business into our market portfolio. We have strengthened our analytical resources in terms of personnel and through the continued education of our people. To facilitate the development of new trading strategies, we also launched a new project group, consisting of both Traders and Analysts. Finally, we have developed a much stronger capital base, emphasising that we are prepared to add new trading strategies to our portfolio.

2019 will bring new market challenges for us to face. Building on our development the past year, we will go into the new year with a focus on further scaling of our business as well as succeeding in adding new trading strategies to our portfolio. By doing this, as well as utilizing our strong trading- and technology setup, our expectation is that we can create a basis for further future growth whilst obtaining a great trading result for 2019.

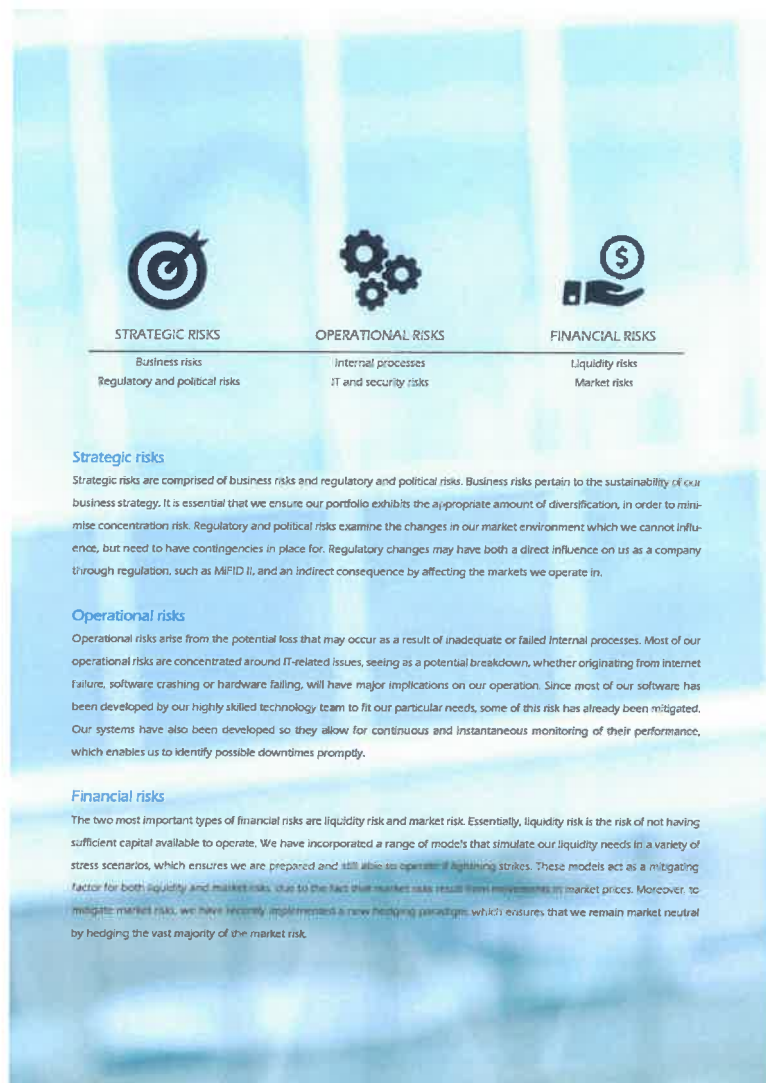
"We will go into the new year with a focus on further scaling of our business as well as succeeding in adding new trading strategies to our portfolio."

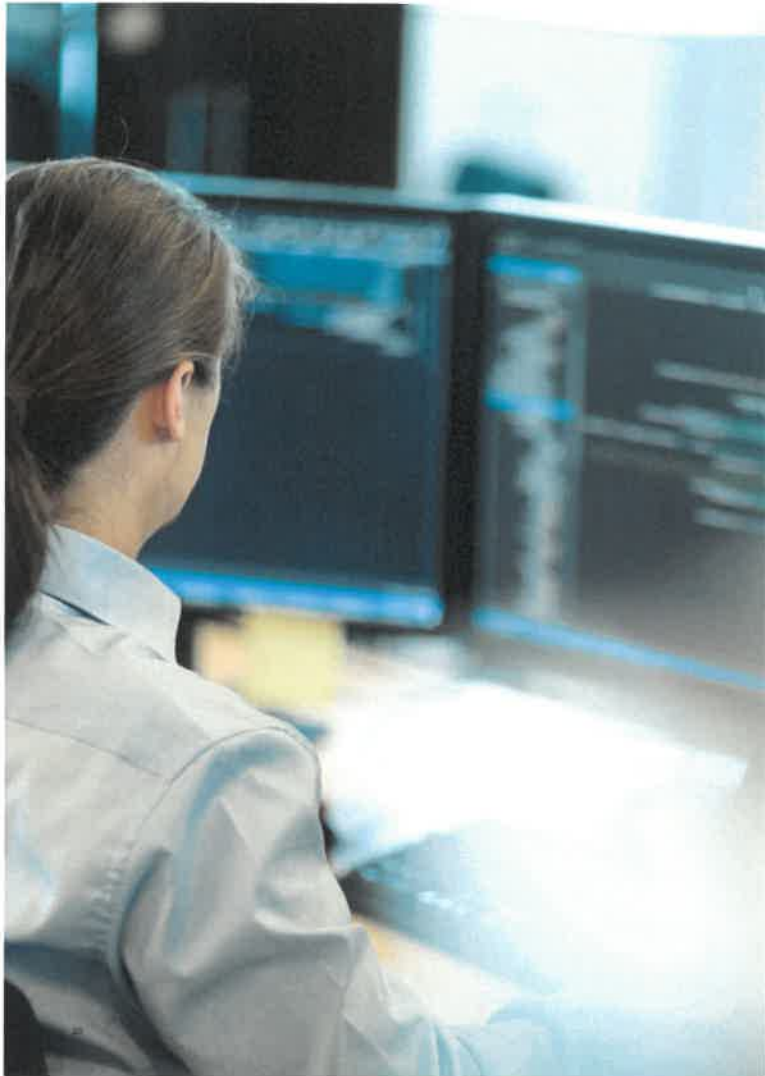
# Risk Management

At Lind Capital, rigorous risk management balances the risk and return of our trading activities. As such, risk management has become one of our core activities and a key enabler for the growth and scaling of Lind Capital. We continuously ensure that our actions reflect our risk profile, which in practice means identifying, evaluating, and overseeing possible risks distinctive to our market environment. This relates both to trading-related risks, but also financial and operational risks. We do this, because managing risks we are facing is essential to ensure the continued success of our unique platform. Essentially, the way we conduct risk management increases our risk-adjusted return and ensures that we remain solvent.

As part of our risk management efforts, we have established guidelines and procedures on how to handle the identified risk parameters in alignment with our pre-defined risk appetite. These guidelines are approved by the Board of Directors, and includes predetermined procedures for when exactly we require extraordinary board communication. In setting up contingencies and guidelines for handling relevant risks, we operate with three main categories of risks: Strategic risks, Operational risks and Financial risks. Key types of risks within these categories are outlined in the figure on the next slide.

"Risk management has become one of our core activities and a key enabler for the growth and scaling of Lind Capital"





## A cutting edge technology platform

Lind Capital's technology efforts allow for agile scalability of the core business. The fact that we develop our own software ensures durable and scalable solutions, which leads to permanent value creation and a scalable infrastructure that is indispensable for the development of Lind Capital. 2018 was devoted to unifying our technology resources to ensure continuous and sustainable growth. Regulatory projects occupied most of the resources in the technology team, resulting in the release of a suite of new software solutions, which was implemented in-house and enabled Lind Capital to enter 2018 without interruptions in our daily operations. Although this led to a satisfactory transition into 2018, our infrastructure and support operations were challenged from the rapid growth in software solutions. We had successfully pushed the limits of how much new software could be implemented with the available resources. It was time to take a step back to consolidate the team to ensure a continuous and sustainable growth of our future in-house software portfolio.

As a necessary extension to the massive growth our software systems experienced, the human resources of the technology team have grown as well. To facilitate this growth, and the continued seasoning of the team, we put a great deal of effort into improving the structure and management of ongoing projects in 2018. Our goal was to implement a project model that supported our competitive advantage of having in-house software development (particularly our unique agility and time-to-market), whilst simultaneously enable scaling of our resources and managing increasingly complex projects as efficiently as possible.

Combined, these initiatives have given us the best possible basis to turn our attention to our main priority: The development of software to, in line with our 2021 strategy, unfold the potential of Lind Capital.

"We have put a great deal of effort into improving the structure and management of ongoing projects in 2018".



Financial statements

## Management's statement

The Executive Board and Board of Directors have today discussed and approved the Annual Report of Lind Capital A/S for the financial year 1 January - 31 December 2018.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position at 31 December 2018 of the company and of the results of the company's operations in 2018.

Aarhus, 12. March, 2019.

In our opinion, Management's review gives a fair review of the matters addressed in the Management's review.

We recommend the Annual Report for approval at the Annual General Meeting.

### Executive Board

**Martin Fisker Markussen**  
CEO

### Board of directors

**Michael Albrechtz Lund**  
Chairman

**Henrik Lind**  
Vice-chairman

**Kim Baile**

**Ulrik Fugmann**

# Independent auditors' report

## To the Shareholders of Lind Capital A/S

### Opinion

We have audited the financial statements of Lind Capital A/S for the financial year 1 January – 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity, notes and accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act. In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Manage-

ment determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the 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 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 as to 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 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 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 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 Company to cease to continue as a going concern.

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

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.

### Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, March 12, 2019

ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR-nr. 30 70 02 28

Lars Rhod Søndergaard  
State Authorised  
Public Accountant  
mne28632

Morten Østergaard Koch  
State Authorised  
Public Accountant  
mne35420

# Income statement

1 JANUARY - 31 DECEMBER

DKK 1000	Notes	2018	2017
<b>Trading income</b>		<b>57,085</b>	<b>72,664</b>
Other external costs		-8,955	-10,479
<b>Gross profit</b>		<b>48,130</b>	<b>62,185</b>
Staff costs	1	-23,620	-26,823
Depreciation of and impairment losses on property, plant, and equipment		-385	-267
<b>Profit before financial income and expenses</b>		<b>23,925</b>	<b>35,075</b>
Financial income		0	1
Financial expenses	2	-536	-55
<b>Pre-tax profit</b>		<b>23,389</b>	<b>35,021</b>
Tax on profit/loss for the year	3	-5,182	-7,720
<b>Net profit</b>		<b>18,207</b>	<b>27,301</b>

# Assets

31 DECEMBER

DKK 1000	Notes	2018	2017
<b>Non-current assets</b>			
Property, plant, and equipment	4	564	852
<b>Non-current assets</b>		<b>564</b>	<b>852</b>
<b>Current assets</b>			
Receivables from group enterprises		39,159	5,446
Other receivables		2,103	1,231
Deferred tax asset	3	230	215
Joint taxation contribution receivable		0	0
Prepayments	5	490	769
<b>Receivables</b>		<b>41,982</b>	<b>7,161</b>
<b>Current asset investment</b>	6	<b>521,554</b>	<b>467,185</b>
<b>Cash at bank and in hand</b>		<b>23</b>	<b>18,398</b>
<b>Current assets</b>		<b>563,559</b>	<b>492,744</b>
<b>Assets</b>		<b>564,123</b>	<b>493,596</b>



# Equity and liabilities

31 DECEMBER

DKK 000	Note	2018	2017
Share capital		20,000	20,000
Retained earnings		61,153	52,946
Proposed dividends for the year		10,000	5,000
<b>Equity</b>	7	<b>91,153</b>	<b>77,946</b>
Credit institutions	8	151,096	14,423
Trade payables		197	350
Joint taxation contribution payable	9	2,560	6,073
Other payables		6,292	8,309
Fair value of financial instruments		312,825	386,495
<b>Short term debt</b>		<b>472,970</b>	<b>415,650</b>
<b>Debt</b>		<b>472,970</b>	<b>415,650</b>
<b>Equity and liabilities</b>		<b>564,123</b>	<b>493,596</b>
Contingent assets and other financial obligations	10		
Related parties	11		
Security	12		
Ownership	13		

# Notes

	DKK 1000	2018	2017
1	<b>Staff costs</b>		
	Remuneration/fees to members of the Executive Board and the Board of Directors	1,286	1,262
	Wages and salaries	20,407	23,569
	Pensions	1,873	1,744
	Other social security costs	254	248
		<b>23,820</b>	<b>26,823</b>
	<b>Average number of employees</b>	<b>35</b>	<b>32</b>
2	<b>Financial expenses</b>		
	Other financial expenses	536	55
		<b>536</b>	<b>55</b>
3	<b>Tax on profit/loss for the year</b>		
	Current tax for the year	5,197	7,742
	Deferred tax for the year	-15	-22
		<b>5,182</b>	<b>7,720</b>
	Deferred tax at 1 January	215	193
	Adjustment of the deferred tax charge for the year	15	22
	<b>Deferred tax at 31 December</b>	<b>230</b>	<b>215</b>
	<b>Deferred tax relates to:</b>		
	Property, plant, and equipment	230	215

It is expected that DKK 230k of the deferred tax included by 31 December 2018, is included as current tax in 2019.

## Notes

	DKK 000	Other intangible and tangible assets, and equipment
<b>4</b>		
Property, plant, and equipment		
Cost at 1 January 2018		4,216
Additions for the year		97
Disposals for the year		0
<b>Cost at 31 December 2018</b>		<b>4,313</b>
Depreciation and impairment losses at 1 January 2018		3,364
Depreciation for the year		385
Reversed depreciation		0
<b>Depreciation and impairment losses at 31 December 2018</b>		<b>3,749</b>
<b>Carrying amount at 31 December 2018</b>		<b>564</b>

	DKK 000	2018	2017
<b>5</b>			
Prepayments			
Prepaid advisors		288	75
Other prepaid expenses		202	194
<b>Prepayments</b>		<b>490</b>	<b>269</b>

	DKK 000	2018	2017
<b>6</b>			
Current asset investment			
Stocks		411,456	381,180
Bonds		110,098	66,005
<b>Current asset investment</b>		<b>521,554</b>	<b>447,185</b>

## Notes

	DKK 000	Share capital	Retained earnings	Proposed dividends	Total
<b>7</b>					
Equity					
Equity at 1 January 2018		20,000	52,946	0	77,946
Dividends paid				-5,000	-5,000
Net profit for the year			8,207	10,000	18,207
<b>Equity at 31 December 2018</b>		<b>20,000</b>	<b>61,153</b>	<b>10,000</b>	<b>91,153</b>

The share capital consists of 20,000 shares of a nominal value of DKK 1k. No shares carry any special rights. No changes have occurred in the share capital during the last five years.

	DKK 000	Proposed profit appropriation	2018	2017
Proposed dividends of the year			10,000	5,000
Retained earnings			8,207	22,301
<b>Net profit</b>			<b>18,207</b>	<b>27,301</b>

	DKK 000	Debit to credit institutions	DKK 000	DKK 000	DKK 000
<b>8</b>					
Credit institutions		151,056	151,056		0

	DKK 000	2018	2017
<b>9</b>			
Joint taxation contribution payable			
Joint taxation contribution payable at 1 January		6,073	0
Current tax for the year		2,560	6,073
Income taxes paid during the year		-6,073	0
<b>Joint taxation contribution payable at 31 December</b>		<b>2,560</b>	<b>6,073</b>

## Notes

	2018	2017
DKK '000		
10	<b>Contingent assets, liabilities, and other financial obligations</b>	
	The company has entered into of derivative financial instruments with an underlying principal of DKK 298,054k. The value of these instruments is settled daily and included in the income statement, by which the fair value of the balance sheet date constitutes DKK 0k	
	<b>Rental agreements and leases</b>	
	Within 1 year	1,928
	Between 1 and 5 years	91
	After 5 years	0
		<b>2,019</b>
11	<b>Related parties</b>	
	Between the company and related parties only transactions within normal market conditions have taken place.	
12	<b>Security</b>	
	The following assets have been placed as security for bank loans: Securities and liquid assets at a total carrying amount of DKK 521,577k is placed as security for bank loans of DKK 151,096k and negative fair value of financial instruments of DKK 312,825k.	
	The company is jointly and severally liable for corporation income tax due within the joint.	
13	<b>Ownership</b>	
	The following shareholders are recorded in the company's register of shareholders as holding at least 5 % of the votes or at least 5 % of the share capital: LF Shares ApS, Værkmestergade 3, 2 8000 Aarhus C. LF Shares II ApS, Værkmestergade 3, 2 8000 Aarhus C. Lind Invest ApS, Værkmestergade 25, 14 8000 Aarhus C.	

## Accounting policies

### Basis of preparation

The annual report of Lind Capital A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class C.

The annual report for 2018 is presented in DKK '000.

In accordance with the provisions of the Danish Financial Statements Act, § 86, 4, the company does not prepare cash flow statement. The company's cash flow is included in the cash flow statement in the consolidated accounts of Lind Invest ApS, CVR-no. 26559243.

The accounting policies applied remain unchanged from last year.

### 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. Subsequently, assets and liabilities are measured as described for each item below.

### Translation policies

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

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 rate at the balance sheet date and the transaction date rate are recognised in financial income and expenses in the income statement.

Changes in fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualifies for hedge accounting.

### Income statement

#### Trading income

The trading income contains the purchase and sale of financial instruments, dividends received, payment in lieu of dividends of short sale, interest expenses of short sale as well as fees and commissions, etc.

# Accounting policies

## Other external costs

Other external costs comprise costs for premises, sales, and distributions as well as office expenses, etc.

## Staff costs

Staff expenses comprise wages and salaries as well as payroll expenses.

## Impairment losses and depreciations

Impairment losses and depreciation comprise impairment losses and depreciation of property, plant, and equipment.

## Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

## Tax on profit/loss for the year

Tax on profit/loss for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement whereas the tax attributable to equity transactions is recognised directly in equity.

The company is jointly taxed with Danish group enterprises. The Danish corporation tax is divided between the jointly taxed Danish companies in proportion to their taxable incomes.

## Balance sheet

### Property, plant, and equipment

Property, plant, and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools, and equipment	3-5 years.
Cars	3-5 years.

### Impairment of non-current assets

The carrying amount of property, plant, and equipment is reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

If so, the asset is written down to its lower recoverable amount. The recoverable amount for the asset is calculated as the highest value of the net sales price and capital value.

### Receivables

Receivables are measured in the balance sheet at amortised cost, which substantially corresponds to nominal value.

Receivables are written down to net realizable value to meet the expected loss amount.

# Accounting policies

## Prepayments

Prepayments comprise prepaid expenses and are measured at cost.

## Current asset investments

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

The value statement of the company's corporate bonds is associated with some uncertainty. This is due to the fact that they are traded on a less liquid market. The corporate bonds are included at fair value. The fair value is based on the latest closing prices or order price. The order price is based on the latest closing market prices or order price. The order price is based on a prudence concept and is based on the average order price in the market.

## Dividends

Dividend distribution proposed by management for the year is disclosed as a separate equity item.

## Deferred tax assets and liabilities

Deferred tax assets are measured using the balance sheet liability method in respect of temporary differences arising between the tax values of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry forwards, are measured at the value at which the asset is expected to be realised either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

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. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

## Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as tax calculated on the taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Surcharges and refunds under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

## Financial debts

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

## Accounting policies

### Fair value of financial instruments

The fair value of financial instruments is initially recognised in the balance sheet at cost and is subsequently re-measured at fair value. Positive and negative fair values of derivative financial instruments are classified as "fair value of financial instruments". Obligations with reference to "short sale" are included as negative fair value of derivative financial instruments.

### Financial highlights

Key figures and financial ratios are defined and calculated in accordance with "Recommendations & Financial Ratios 2010" issued by the Danish Society of Financial Analysts.

Return on equity (%)

$$\frac{\text{Net profit} \times 100}{\text{Average equity}}$$

Return on assets (%)

$$\frac{\text{Net profit before financial results} \times 100}{\text{Total assets}}$$

Solvency (%)

$$\frac{\text{Equity} \times 100}{\text{Total assets}}$$

Furthermore, trading activity is measured as gross value from sale of CFDs, futures, and securities, etc.

## Company information

### The company

Lind Capital A/S  
Værkmestergade 3, 2.  
8000 Aarhus C

CVR no. 30 35 30 64

Financial period: 1 January - 31 December

### Board of Directors

Michael Albrechtslund, chairman  
Henrik Lind, vice-chairman  
Kim Balle  
Ulrik Fugmann

### Executive Board

Martin Fokker Markussen

### Auditors

Ernst & Young P/S  
Værkmestergade 25  
DK-8000 Aarhus C

### Consolidated financial statement

The company is included in the group annual report of the parent company  
Lind Invest ApS.

Lind  Capital

Lind Capital A/S  
Værkmestergade 3,2  
DK-8000 Aarhus  
Danmark

Tlf.: +45 8730 0300  
[info@lindcapital.com](mailto:info@lindcapital.com)  
[www.lindcapital.com](http://www.lindcapital.com)  
CVR no.: 30353064