



McGregor ApS

Skovbakken 1
3500 Værløse
CVR No. 30827457

Annual report 2019

The Annual General Meeting adopted the
annual report on 01.09.2020

Scott McGregor

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's extended review report	4
Management commentary	6
Income statement for 2019	7
Balance sheet at 31.12.2019	8
Statement of changes in equity for 2019	10
Notes	11
Accounting policies	14

Entity details

Entity

McGregor ApS

Skovbakken 1

3500 Værløse

CVR No.: 30827457

Registered office: Furesø

Financial year: 01.01.2019 - 31.12.2019

Executive Board

Scott McGregor

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

Statement by Management

The Executive Board have today considered and approved the annual report of McGregor ApS for the financial year 01.01.2019 - 31.12.2019.

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

In my 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 for the financial year 01.01.2019 - 31.12.2019.

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

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

Værløse, 01.09.2020

Executive Board

Scott McGregor

Independent auditor's extended review report

To the shareholders of McGregor ApS

Conclusion

We have performed an extended review of the financial statements of McGregor ApS 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. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, 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 for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 Management 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

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

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review 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 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.

Copenhagen, 01.09.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jan Larsen

State Authorised Public Accountant
Identification No (MNE) mne16541

Management commentary

Primary activities

The Entity's activities comprise consultancy and financing services as well as shareholding in other enterprises.

Development in activities and finances

The performance for the year is considered satisfactory.

Events after the balance sheet date

In early 2020, the outbreak of the coronavirus disease (COVID-19) has escalated, and on 11 March 2020 the WHO declared it a worldwide pandemic. The outbreak has led to a number of precautions that affect the planning and execution of day-to-day operations, and the Group's vendors and customers may be affected as well. Their financial impact cannot be determined at this point in time.

Aside from this, no material events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Revenue		241,020	234,000
Other external expenses		(37,602)	(50,974)
Property costs		(54,536)	(51,708)
Gross profit/loss		148,882	131,318
Depreciation, amortisation and impairment losses		(134,528)	(134,528)
Operating profit/loss		14,354	(3,210)
Income from investments in group enterprises		4,258,980	1,742,364
Income from investments in associates		3,789,869	2,243,144
Income from other financial assets		214,932	0
Other financial income		0	2,776
Impairment losses on financial assets		(99,487)	0
Other financial expenses	2	(77,736)	(160,239)
Profit/loss before tax		8,100,912	3,824,835
Tax on profit/loss for the year	3	(41,050)	(41,424)
Profit/loss for the year		8,059,862	3,783,411
Proposed distribution of profit and loss:			
Ordinary dividend for the financial year		300,000	1,000,000
Retained earnings		7,759,862	2,783,411
Proposed distribution of profit and loss		8,059,862	3,783,411

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Land and buildings		6,671,560	6,806,088
Property, plant and equipment	4	6,671,560	6,806,088
Investments in group enterprises		0	2,640,590
Investments in associates		5,897,557	1,218,252
Other investments		1,254,798	0
Other receivables		457,482	54,316
Other financial assets	5	7,609,837	3,913,158
Fixed assets		14,281,397	10,719,246
Trade receivables		404,846	19,500
Receivables from group enterprises		0	509,624
Other receivables		8,940	55,677
Income tax receivable		0	486,000
Receivables		413,786	1,070,801
Other investments		525,757	0
Other investments		525,757	0
Cash		4,396,206	795,553
Current assets		5,335,749	1,866,354
Assets		19,617,146	12,585,600

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		125,000	125,000
Reserve for net revaluation according to the equity method		5,382,453	3,068,544
Retained earnings		11,347,290	5,827,817
Proposed dividend		300,000	1,000,000
Equity		17,154,743	10,021,361
Mortgage debt		2,152,206	2,325,480
Non-current liabilities other than provisions		2,152,206	2,325,480
Current portion of non-current liabilities other than provisions		180,000	180,000
Payables to group enterprises		59,147	0
Income tax payable		41,050	3,971
Other payables		30,000	54,788
Current liabilities other than provisions		310,197	238,759
Liabilities other than provisions		2,462,403	2,564,239
Equity and liabilities		19,617,146	12,585,600
Events after the balance sheet date	1		
Contingent liabilities	6		
Assets charged and collateral	7		

Statement of changes in equity for 2019

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	125,000	3,068,544	5,827,817	1,000,000	10,021,361
Ordinary dividend paid	0	0	0	(1,000,000)	(1,000,000)
Value adjustments	0	73,520	0	0	73,520
Dividends from associates	0	(1,549,480)	1,549,480	0	0
Profit/loss for the year	0	3,789,869	3,969,993	300,000	8,059,862
Equity end of year	125,000	5,382,453	11,347,290	300,000	17,154,743

Notes

1 Events after the balance sheet date

In early 2020, the outbreak of the coronavirus disease (COVID-19) has escalated, and on 11 March 2020 the WHO declared it a worldwide pandemic. The outbreak has led to a number of precautions that affect the planning and execution of day-to-day operations, and the Group's vendors and customers may be affected as well. Their financial impact cannot be determined at this point in time.

Aside from this, no material events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Other financial expenses

	2019 DKK	2018 DKK
Other interest expenses	4,680	0
Exchange rate adjustments	0	10,686
Fair value adjustments	0	72,420
Other financial expenses	73,056	77,133
	77,736	160,239

3 Tax on profit/loss for the year

	2019 DKK	2018 DKK
Current tax	41,050	3,971
Change in deferred tax	0	37,453
	41,050	41,424

4 Property, plant and equipment

	Land and buildings DKK
Cost beginning of year	7,110,859
Cost end of year	7,110,859
Depreciation and impairment losses beginning of year	(304,771)
Depreciation for the year	(134,528)
Depreciation and impairment losses end of year	(439,299)
Carrying amount end of year	6,671,560

5 Financial assets

	Investments in group enterprises DKK	Investments in associates DKK	Other investments DKK	Other receivables DKK
Cost beginning of year	580,000	210,298	0	54,316
Disposals on divestments etc	(171,549)	0	0	0
Transfers	(408,451)	408,451	0	0
Additions	0	0	1,151,153	457,482
Disposals	0	0	0	(54,316)
Cost end of year	0	618,749	1,151,153	457,482
Revaluations beginning of year	2,060,590	1,007,954	0	0
Disposals on divestments etc	(609,470)	0	0	0
Transfers	(1,451,120)	1,451,120	0	0
Share of profit/loss for the year	0	3,789,869	0	0
Dividend	0	(1,043,655)	0	0
Revaluations for the year	0	0	103,645	0
Other adjustments	0	73,520	0	0
Revaluations end of year	0	5,278,808	103,645	0
Carrying amount end of year	0	5,897,557	1,254,798	457,482

Investments in associates	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
S-CUBED ApS	Værløse	ApS	40	10,462,523	4,853,602
S-CUBED Ltd	UK	Ltd	35	2,811,832	5,281,139
S-CUBED Biometrics Ltd	UK	Ltd	20	3,556,845	1,916,433

6 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. The Joint taxation arrangement was ended 28.02.2019.

7 Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties.

The Company has provided a mortgage registered to the mortgagor of DKK 39 thousand as security for Ejerforeningen Borgergade

The carrying amount of mortgaged properties is DKK 5.538

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

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.

Income statement

Revenue

Revenue comprises rental income from lease out of properties.

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.

Property costs

Property costs include costs incurred to operate the Entity's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

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, and gains and losses from the sale of intangible assets and property, plant and equipment.

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 intra-group 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 pro rata elimination of intra-group profits or losses.

Income from other fixed asset investments

Income from other fixed asset investments comprises gains in the form of interest, dividends, etc on fixed asset investments which are not investments in group enterprises or associates.

Other financial income

Other financial income comprises dividends etc received on other investments, 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, and 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, and 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 are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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:

Buildings	50 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.

Investments in group enterprises

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 plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

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 in equity.

Goodwill is the positive difference between cost of investments and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area.

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

Investments in group enterprises are measured at cost. Investments 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 associates' equity value plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses.

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 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 associates is transferred to reserve for net revaluation according to the equity method in equity.

Goodwill is the positive difference between cost of investments and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area.

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 equity investments measured at the lower of cost and net realisable value.

Income tax payable or receivable

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

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.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Other financial liabilities

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