Annual report 2018

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The Annual Report was presented and adopted at the Annual General Meeting of the company on June 6th, 2019

Karsten Poulsen

Chairman

2018 ANNUAL REPORT

Allianceplus Holding A/S

Facility solutions,
for and by
people who care

Allianceplus Holding A/S

ALLIANCE

Contents

ALLIANCE+ IN NUMBERS

1,000
Revenue DKK, million

3,400
Employees

3,000
Customers

76
Employee engagement score 2018

93.2%
of the results show a satisfied or very satisfied level of quality. Based on 5,512 quality reportings.

More than ...

When the objective is to create a stimulating working environment.

All businesses have their own core competences and what is merely support services to many businesses is our core competence. We help our customers to focus on their business and create employee satisfaction by ensuring that the conditions for work are right. Because cleaning and catering is at the core of what we do. But ALLIANCE+ is much more than that. We offer a range of facility services like reception, handyman and outdoor services.

But first and foremost, ALLIANCE+ is about people who know that letting us work for you, we become part of the promise you have made to your employees and customers.

You can't manipulate or produce competent and engaged employees. It's about DNA. Our DNA is that in every corner of our organization you will meet Dedicated people who seek Novel ideas and are Ambitious. Not difficult to say, but something we work on every day.

Our leaders ensure the daily follow-up and feedback to the employees with their hands-on, result oriented and energizing approach. They look for potential and development opportunities and ensure a passion among our employees to meet our customers with a smile and to deliver an outstanding service. These are key measures in our annual employee engagement surveys, as is the measurement of the performance of our leaders.

Expect more from us.

CEO Letter

2019 a year with focus on successful transition.

The efforts to getting back on track and aligned for growth continued during 2018. A significant number of strategic initiatives were successfully executed and forms a good basis for alignment of the businesses in Denmark, Norway and Sweden. At the same time, the ISO certifications, the Nordic Eco Swan Label and Servicenormen were all renewed.

Continuous negative development in the beginning of 2018 underlined the need to establish a new baseline and a rightsized organization that can be sustained by the current business portfolio, which resulted in several initiatives during the year. Focus has been on profitability, increasing customer satisfaction, employee engagement and to continue the establishment of the best possible platform for future growth.

The 2018 result is significantly impacted by the Swedish results. In November 2018, the Swedish company Allianceplus AB went into reconstruction in order to establish a sustainable business going forward. With a large drop in revenue over the past years, the company has not been able to adjust the costs in a sufficiently fast pace.

The reconstruction focused on establishing the right cost structure for the future, which includes focusing our business towards the larger cities. During the reconstruction there has been a close dialogue with our customers and focus on continuing the deliverance of high-quality service. The reconstruction in Sweden has just been concluded and is expected to meet the overall objective.

The Group functions and the business in Denmark have also gone through a number of changes in organization, structure, systems and processes. The objectives have been to strengthen and develop the relationships to our customers while ensuring that the organizational structure, competences and costs are right for the size of business we operate.

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Anders Egehus
Group CEO

CEO LETTER (CONTINUED)

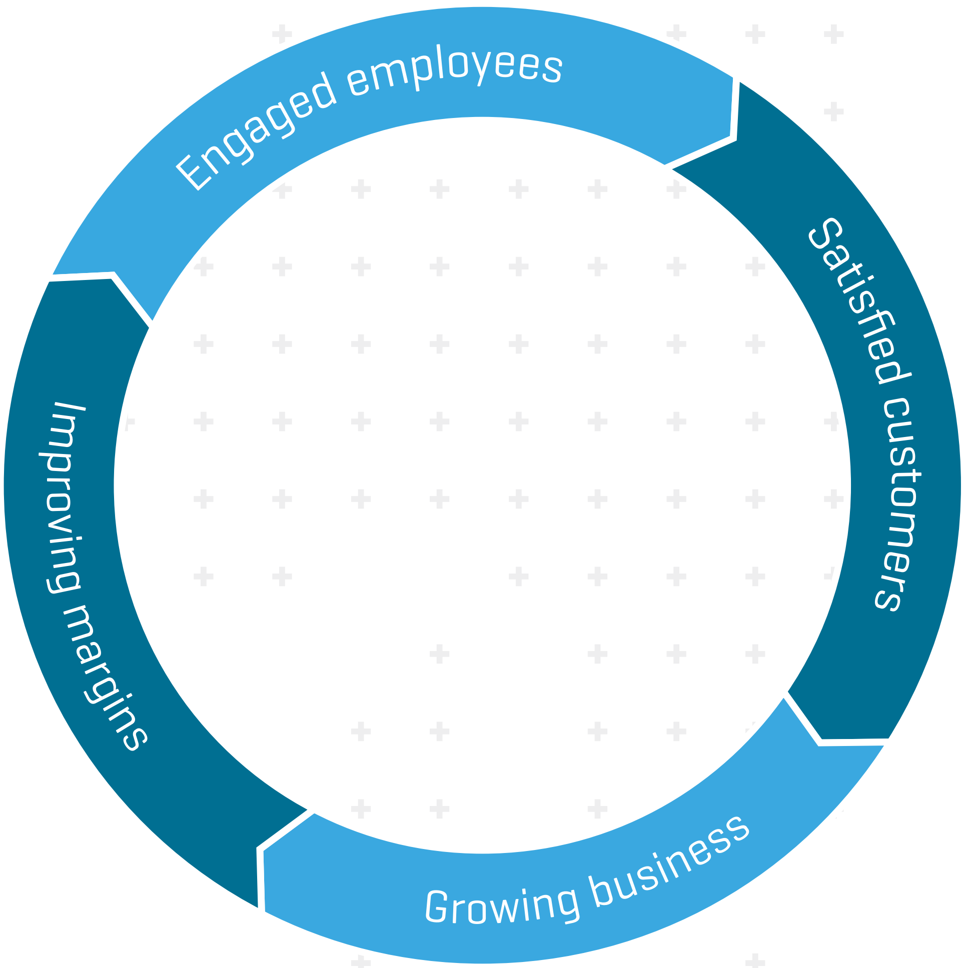
APPETIZE+, our staff restaurant segment, remains in positive development with several new customers now enjoying our daily serving of homemade food and take-away.

The Norwegian business continues to develop positively and contributes positively to the Group result. Additional Oslo customers were secured during the end of 2018 forming the basis for a build-up towards a strong footprint.

The annual Employee Engagement Survey had a satisfactory participation ratio of 72% and showed encouraging improvements on almost all most topics including the traditional engagement score that increased from 76 to 80.

The efforts in 2018 have focused on the reconstruction in Sweden, rightsizing in Denmark and to continue our journey towards a scalable platform with system supported processes and digitalization where possible.

2019 will be a year with focus on a successful transition, stabilization and continued optimization, in order to achieve improved margins.



Financial Review

The 2018 result is significantly impacted by the Swedish results and reconstruction of the Swedish entity.

Income Statement
In 2018, the revenue amounted to DKK 1,036 million (DKK 1,198 million in 2017), a decline of 13.5%. The revenue in Denmark declined slightly with 3.4% and in Norway the revenue increased slightly with 0.8%. The revenue in Sweden, however, declined with 31.4% mainly due to continued customer portfolio review.

EBITDA before special items was DKK 5.2 million (DKK 2.6 million in 2017) corresponding to a margin of 0.5% (0.2% in 2017). The increase in EBITDA before special items is due to Denmark that has increased margins and lowered management cost.

Martin Amtoft-Christensen
CFO

The EBITDA was negative DKK 0.1 million (-31.6 million in 2017). EBITDA improved in all countries due to lower cost for redundant employees and better operational performance in Denmark.

Operating Profit (EBIT) was negative DKK 41.7 million (negative DKK 200.0 million in 2017). The Operating Profit is significantly impacted by amortizations of DKK 32.3 million. The improvement compared with 2017 is due to goodwill impairment losses in 2017.
Net financials were DKK 1.1 million (negative DKK 28.0 million in 2017) The Group's loan agreements were changed in 2017, which has reduced the interest payment significantly in 2018. Furthermore, foreign exchange rate gains were higher in 2018 than last year.

Net Profit for the year was negative DKK 48.1 million (negative 217.8 million in 2017). Despite the improvement to 2017 and the significant impact by the Swedish results, the overall result remains unsatisfactory.

For 2019, management expects a continued positive development of the Group's EBITDA and net result. The reconstruction of the Swedish entity has been finally approved by a majority of the creditors and the Swedish authorities with effect 31 May 2019 improving the financial situation of the Group.

Balance Sheet
Total assets amount to DKK 541.5 million (DKK 590.6 million in 2017). Assets were mainly decreased by amortizations of DKK 32.3m.

FINANCIAL REVIEW (CONTINUED)

Cash Flow

Free Cash Flow amounted to 6.5 million (DKK -12.0 million in 2017). The increase is mainly due to lower Financial Expenses of -1.1 million (DKK 28.0 million in 2017) due to the refinancing of interest bearing debt in autumn 2017 and working capital improvements as a consequence of the restructuring in Sweden. Operating Cash Flow amounted to 22.0 million (DKK -65.6 million in 2017).

Financing

Net Interest Bearing Debt (NIBD) amounted to DKK 234.8 million (DKK 253.2 million in 2017).

Capital Resources

The restructuring of the Swedish subsidiary was completed 31 May 2019. The effect hereof is that creditors of the Swedish subsidiary has waived debt improving the solvency of the Group and strengthening the Group's capital resources. The capital resources of the Group are closely monitored and optimized were possible. Based on the restructuring of the Swedish subsidiary, cash and cash equivalents and the existing credit facilities, it is the assessment of Management that the Group has sufficient capital resources to support the 2019 business initiatives and the activities of the Group.

Uncertainty in recognition and measurement

The Accounting estimates and judgements, which may entail a risk of material adjustments in subsequent years, are described in note 2.

Key figures - Group

	2018	2017	2016	2015	2014
Group	(t.kr)	(t.kr)	(t.kr)	(t.kr)	(t.kr)
Income statement					
Revenue	1.036.326	1.197.939	1.391.490	1.312.673	1.109.618
EBITDA before special items	5.242	2.634	25.733	45.568	82.354
EBITDA	-96	-31.601	23.360	42.768	78.178
EBITA before special items	-4.007	-9.235	12.405	32.001	67.148
EBITA	-9.345	-43.471	10.032	29.201	62.973
Operating profit/loss	-41.692	-200.003	-28.930	-9.833	29.630
Net financials	1.143	-27.969	-18.452	-16.841	-20.268
Profit/loss for the year	-48.105	-217.789	-45.672	-27.653	767
Balance sheet					
Balance sheet total	541.451	590.587	793.579	828.525	681.307
Assets excl goodwill	215.001	236.750	274.668	281.881	225.009
Equity	10.457	55.749	106.128	152.082	181.178
Cash flow statement					
Investment in property, plant and equipment	1.545	5.411	15.853	8.661	11.349
Ratios					
Return on assets	-7,7	-33,9	-3,6	-1,2	4,3
Solvency ratio	1,9	9,4	13,4	18,4	26,6
Return on equity	-145,3	-269,1	-35,4	-16,6	0,4
EBITDA-margin (%)	0,0	-2,6	1,7	3,3	7,0
EBITA- margin (%)	-0,9	-3,6	0,7	2,2	5,7
EBITDA/operating assets	0,0	-13,3	8,5	15,2	34,7
EBITA/ operating assets	-4,3	-18,4	3,7	10,4	28,0

Ratios are defined in accounting policies

Strategy

Back on track and aligned for growth.

2018 was still focused on getting back on track and aligned for growth based on the strategy defined in 2017. The common platform of systems and processes is almost in place, the organization has been aligned and restructured, and there is full focus on having engaged employees and delivering the best service possible to our customers. We continue our focus on a successful transition in 2019 and are looking forward to entering our final growth step in the strategy from 2020.

Back on track

Getting the business back on track while maintaining a strong focus on delivering solutions that meet or exceed customer expectations.

Aligned for growth

Align the business for growth by building a common platform of systems and processes that enables more efficient and better customer value propositions.

Growth

Grow based on satisfied customers, engaged employees and a scalable platform.

Management

A dedicated team.

GROUP MANAGEMENT TEAM

The daily operation of ALLIANCE+ is run by the Group Management Team consisting of the CEO, the CFO and the Director Business Support & Corporate Affairs.

Anders Egehus
Group CEO

Charlotte Steenstrup Hentzen
Director Business Support
& Corporate Affairs

Martin Amtoft-Christensen
Group CFO

BOARD OF DIRECTORS

Group Management reports to and is supported by the Board of Directors.

	Karsten Poulsen Chairman	Jesper Teddy Lok Deputy Chairman	Kim Gulstad Member	Henrik Bonnerup Member
Born:	15 February 1964	25 August 1968	9 March 1976	10 July 1966
Current employment:	Various Board positions	Various Board positions	CEO Kirk Kapital	Partner in Polaris Private Equity
Other positions:	Also on the Board of Directors of: Assure Wealth (Chairman)	Also on the Board of Directors of: Dagrofa (Chairman) NEWSEC PNO (Chairman) RelyOn Nutec Santa Fe Vestergaard Company (Chairman)	Also on the Board of Directors of: TACTON Systems AB Beck Pack Systems A/S TPS Rental Systems Ltd	Also on the Board of Directors of: RelyOn Nutec Holding A/S Jetpak Top Holding AB and a number of holding companies related to Polaris Private Equity

RISK MANAGEMENT

The Group has established a formal group reporting process, which comprises monthly reporting including budget follow-up, performance assessment and assessment of whether established targets have been met. Based on the reporting, monthly meetings of the Board of Directors are held at which the reporting submitted is reviewed. Moreover, key persons from the Company participate in the board meetings to describe and account for risks and controls in their area of responsibility.

The Group's risk management, including internal control in connection with the financial reporting process, is designed with a purpose of effectively minimizing the risk of misstatements and omissions.

Management assesses on a regular basis whether the Group has adequate access to capital, and the Board of Directors assesses continuously whether the Group's capital structure is in accordance with the interests of the Group and the shareholders. The overall objective is to secure a capital structure supporting a long-term profitable growth.

It is Management's assessment, that the current capital structure provides the flexibility necessary to address the Company's strategy going forward.
The Board of Directors and the Executive Board of the Group continuously aim at ensuring that the Group's management structure and control systems are appropriate and function satisfactorily. Management assesses on an ongoing basis whether this is the case.

The Board of Directors has no sub-committees. This is attributable to the size and complexity of the Group as well as the experience of the board members. This means that in connection with the financial reporting process the entire Board of Directors has special focus on accounting policies in significant areas as well as material accounting estimates, transactions with related parties, if any, and uncertainties and risks. The quality of the Group's internal control systems is considered regularly, and the independence of the auditors are verified on a current basis by the Board of Directors. Each month, the Executive Board submits a written report on the Group's financial position, development in profitability and capital resources to the Board of Directors.

The Danish Companies Act, the Danish Financial Statements Act, the articles of association of the Company and generally accepted practice for groups of the same size and with the same activities, among other things, form the basis of the planning of Management's work. In the Group's opinion, it observes the recommendations issued by DVCA (Danish Venture Capital and Private Equity Association). For further information about the guidelines, please visit www.DVCA.dk.

Knowledge resources & Corporate Social Responsibility

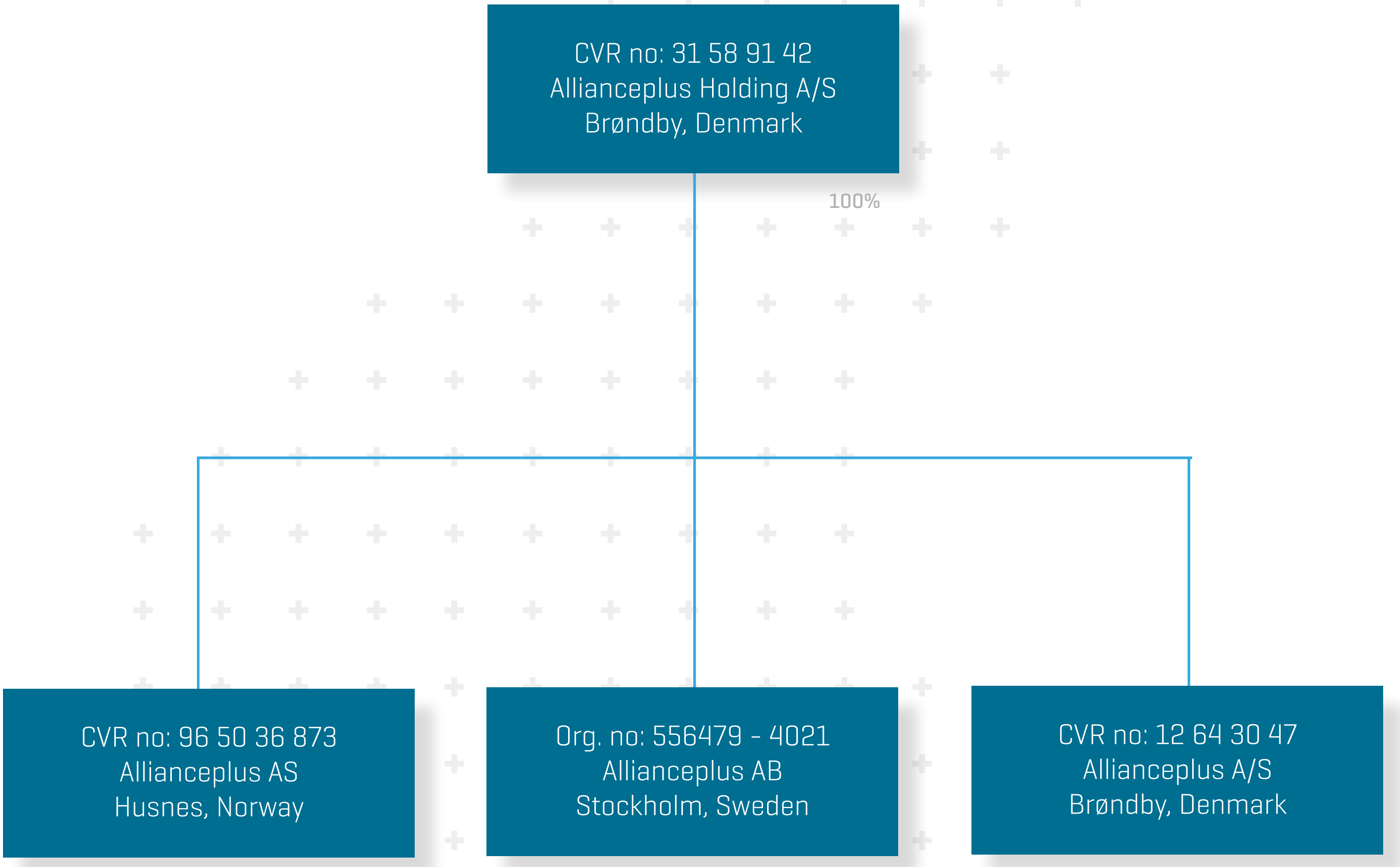
The Group had 2,114 full-time employees at the end of 2018. The Group focuses on retaining the best qualified and most motivated employees. Focus on retention and low employee turnover is important as qualified employees who know the Group's manuals, materials, machinery and routines are a precondition for the Group continuing its positive development.

The Group has an impact on the surrounding world for which we want to take responsibility. As a facility management provider, we have the opportunity of contributing to a positive development for both the environment, employees and society. This has been formulated in our CSR policy. For further details, please see our CSR report 2018:

https://www.allianceplus.dk/media/1408/csr-rapport2018-en-web.pdf

Financial Statements

GROUP CHART



MANAGEMENT'S STATEMENT

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Allianceplus Holding A/S for the financial year 1 January – 31 December 2018.

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

In our opinion the Consolidated Financial Statements and the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Group and the Company, of the results of the Group and the Parent Company and of consolidated cash flows for the financial year 1 January - 31 December 2018.

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

Copenhagen, June 6, 2019

Executive Board

Anders Egehus Group CEO	Martin Amtoft-Christensen Group CFO

Board of Directors

Karsten Poulsen Chairman	Jesper Teddy Lok Deputy Chairman
Henrik Bonnerup	Kim Gulstad

THE INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Allianceplus Holding A/S.

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2018, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Allianceplus Holding A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("financial statements").

Basis for Opinion

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

Statement on Management's Review

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA's and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- 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 over-ride of internal control.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

THE INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Hellerup, June 6, 2019

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Bo Schou-Jacobsen
State Authorized Public Accountant
mne28703

Leif Ulbæk Jensen
State Authorized Public Accountant
mne23327

INCOME STATEMENT

Group

	Note	2018	2017
		(DKK' 000)	(DKK' 000)
Revenue	3	1.036.326	1.197.939
Cost of sales		-103.172	-120.478
Other operating income		3.384	3.533
Other external expenses	4	-54.772	-62.074
Gross profit		881.766	1.018.919
Staff expenses	5	-881.862	-1.050.520
Depreciation, property, plant and equipment	6	-9.249	-11.808
Impairment and amortisation of intangible assets	6	-32.347	-156.594
Operating profit/loss (EBIT)		-41.692	-200.003
Financial income	8	6.525	750
Financial expenses	9	-5.382	-28.719
Profit/loss before tax		-40.549	-227.972
Tax on profit/loss for the year	10	-7.556	10.183
Net Profit/loss for the year		**-48.105**	**-217.789**

Special items	7

BALANCE SHEET

Group
Balance sheet at 31 December

Assets	Note	2018	2017
		(DKK' 000)	(DKK' 000)
Intangible assets under construction		0	601
Software		10.434	2.684
Acquired rights		903	1.056
Goodwill		326.450	353.836
Intangible assets	11	337.787	358.177
Property, plant and equipment		13.983	22.137
Tangible assets	12	13.983	22.137
Other receivables	13	2.165	2.481
Fixed asset investments		2.165	2.481
Total fixed assets		**353.935**	**382.795**
Inventories		2.255	2.378
Trade receivables		121.038	131.855
Other receivables		8.226	11.572
Corporation tax		0	3.747
Deferred tax	14	8.855	15.429
Prepayments	15	2.015	4.167
Receivables		140.134	166.770
Cash at bank and in hand		45.127	38.643
Total current assets		**187.516**	**207.792**
Total assets		**541.451**	**590.587**

Group

Liabilities and equity	Note	2018	2017
		(TDKK)	(TDKK)
Share capital		3,601	3,601
Reserve for development costs		0	1,600
Retained earnings		6,856	50,548
Total equity		10,457	55,749
Other provisions			1,930
Total provisions		0	1,930
Credit institutions		276,200	285,104
Long-term debt	16	276,200	285,104
Lease liabilities		2,636	4,200
Trade payables		38,409	36,446
Corporation tax		3,481	0
Debt to group enterprises		1,060	2,522
Other payables	17	209,208	204,635
Short-term debt		254,794	247,804
Total debt		530,994	532,908
Total liabilities and equity		541,451	590,587

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STATEMENT OF CHANGES IN EQUITY

Group

2018	Share capital	Reserve for development costs	Retained earnings	Total equity
Equity at 1 January	3.601	1.600	50.548	55.749
Exchange rate adjustment relating to investments in Group entreprises			2.813	2.813
Development costs		-1.600	1.600	0
Net profit/loss for the year			-48.105	-48.105
Equity at 31 December	**3.601**	**0**	**6.856**	**10.457**

2017	Share capital	Reserve for development costs	Retained earnings	Total equity
Equity at 1 January	1.744	1.255	103.129	106.128
Fair value adjustment of hedging instruments trasferred to profit/loss for the year			843	843
Tax on adjustment of hedgning instruments for the year			-197	-197
Development costs		345		345
Exchange rate adjustment relating to investments in Group entreprises			1.324	1.324
Capital increases	2.000		160.691	162.691
Capital decreases	-143		143	0
Adjustments of investments taken directly to equity			2.404	2.404
Net profit/loss for the year			-217.789	-217.789
Equity at 31 December	**3.601**	**1.600**	**50.548**	**55.749**

CONSOLIDATED CASH FLOW STATEMENT

Group

Consolidated Cash Flow Statement

	Note	2018	2017
		(DKK' 000)	(DKK' 000)
Profit for the year before tax		-40.549	-227.972
Adjustments	21	38.761	219.490
Change in working capital	22	22.974	-32.800
Cash flows from operating activi-ties before financial items		21.185	-41.282
Interest income etc		2.490	748
Interest payments etc		-5.382	-24.746
Cash flows from operating activities before tax		18.293	-65.280
Corporation tax paid/received		3.747	-280
Cash flows from operating activities		**22.041**	**-65.560**
Purchase of intangible assets	11	-9.039	-1.837
Sale of intangible assets		0	921
Purchase of property, plant and equipment	12	-1.545	-5.412
Sale of property, plant and equipment		528	5.350
Acquisition of subsidaries		0	-79
Change in fixed assets receivables		316	-1.165
Cash flows from investing activities		**-9.740**	**-2.222**
Capital increases in the year, incl advisory costs		0	162.691
Other equity transactions		0	4.720
Intercompany Loans		-1.462	-4.745
Loans from credit institutions		-4.354	-106.933
Cash flows from financing activities		**-5.817**	**55.733**
Change in cash and cash equivalents		6.484	-12.049
Cash and cash equivalents at 1 January		38.643	50.692
Cash and cash equivalents at 31 December		**45.127**	**38.643**

NOTES

Group

Note 1: Summary of significant accounting policies

The Annual Report and the Consolidated Financial Statements of Allianceplus Holding A/S for the financial year 1 January – 31 December 2018 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The Annual Report is presented in TDKK.

The most significant elements of the accounting policies applied, which remain unchanged compared to last year, are as follows:

Recognition and measurement

Revenues are recognized in the income statement as earned. Value adjustments of financial assets and liabilities are also recognized in the income statement as well as all costs, including depreciation, amortization and impairment losses.

Assets are recognized 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 recognized 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.

Certain financial assets and liabilities are measured at amortized cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortized cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortization of any difference between cost and the nominal amount.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report, which confirm or invalidate affairs and conditions existing at the balance sheet date.

Income Statement

Consolidated Financial Statements

The Consolidated Financial Statements comprise the Parent Company, Allianceplus Holding A/S, and subsidiaries in which Allianceplus Holding A/S directly or indirectly holds more than 50% of the votes or in which the Parent Company otherwise exercises control. Enterprises, in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control, are classified as associates.

On consolidation, elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realized and unrealized profits and losses on transactions between the consolidated enterprises.

Investments in subsidiaries are set off against the proportionate share of the market value of net assets and liabilities of subsidiaries at the time of acquisition.

Newly acquired or newly founded enterprises are recognized in the Consolidated Financial Statements as from the date of acquisition. Sold or wound up enterprises are recognized in the consolidated income statement until the date of disposal. Comparative figures are not restated in respect of newly acquired, sold or wound up enterprises.

On acquisition of new enterprises, the acquisition method is applied under which identified assets and liabilities of the newly acquired enterprises are measured at fair value at the date of acquisition.

Positive differences (goodwill) between cost and fair value of identified assets and liabilities taken over are recognized in intangible assets and amortized systematically over the income statement based on an individual assessment of the useful life.

Goodwill relating to acquired enterprises may be adjusted until the end of the financial year following the year of acquisition.

Profit or loss on sale or winding-up of subsidiaries and associates is stated as the difference between the selling price or the winding-up sum and the carrying amount of net assets at the time of sale as well as expected selling or winding-up costs.

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 at the dates of payment are recognized 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 rates at the balance sheet date and the transaction date rates are recognized in financial income and expenses in the income statement.

Revenue

Revenue comprises invoiced sale of goods and services as well as uninvoiced income relating to services in progress. Recognition is made when:

+ delivery has been made before year end;
+ a binding sales agreement has been made;
+ payment has been received or may with reasonable certainty be expected to be received.

Revenue is recognized exclusive of VAT and net of discounts relating to sales.

Cost of sales

Cost of sales comprises supplies consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for distribution, sale, advertising, administration, premises, bad debts, operating leases, etc.

Staff expenses

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

Other operating income and expenses

Other operating income and expenses comprise accounting items of a secondary nature to the main activity.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, realized and unrealized exchange adjustments of debts and transactions in foreign currencies as will as interests regarding extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year as well as adjustments to previous years. 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 other Danish group enterprises. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Intangible assets are measured at cost less accumulated amortization and impairment losses calculated on the basis of the expected useful lives of the assets.

The following useful lives are applied to the individual assets:

Goodwill	Up to 20 years
Completed development projects	Up to 5 years
Acquired rights	5 - 20 years

The amortization period of goodwill is assessed individually on the basis of a specific assessment of the customer composition of each acquired enterprise, the expected useful lives of contracts and the useful lives of business combination synergies. Based on this, goodwill on consolidation is considered to have an expected useful life of up to 20 years.

Development projects

Development projects comprise salaries, depreciations and amortization as well as other costs directly or indirectly attributable to the development activities.

Development projects that are clearly defined and identifiable, where the technical utilization rate, sufficient resources and a potential future market or development opportunity in the Group can be identified and where the intention is to manufacture, market or use the project, are recognized as intangible assets if there is sufficient comfort that the capital value of the future earnings can cover production, sales and administration costs as well as the actual development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognized as costs in the income statement as the costs are incurred.

Capitalized development costs are measured at cost less accumulated depreciation and write-downs or recoverable value, if this is lower. An amount corresponding to the capitalized development costs in the balance sheet incurred after 1 January 2016 is recognized in the item Reserve for development costs under equity. The reserve is reduced in value as a result of depreciation.

Capitalized development costs are depreciated from the date of completion linearly over the period in which development work is expected to generate economic benefits.

Tangible assets

Tangible assets are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Depreciation is based on cost less expected residual value at the end of the useful life. 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 is made on a straight-line basis over the following expected useful lives:

Property, plant and equipment 3-5 years.

Assets costing less than DKK 13k per unit are expensed in the income statement in the year of acquisition. Fixtures and fittings with expected useful lives of three years are capitalized even though the cost is below DKK 13k.

Annual evaluation of depreciation periods and scrap values are carried out.

Impairment of fixed assets

The carrying amounts of fixed assets, hereunder goodwill, are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortization and depreciation.

If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount. If so, the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment (Cash Generating Unit/CGU).

Leases

Leases relating to property, plant and equipment in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognized in the balance sheet as assets. On initial recognition, the assets are measured at cost which corresponds to fair value or (if lower) the net present value of the future lease payments. When calculating the net present value, the interest rate implicit in the lease or an approximated value is applied as the discount rate. Finance leases are then depreciated under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalized and recognized in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognized in the income statement over the term of the contract. The Company's total operating lease and rental obligations are disclosed under contingent assets and liabilities.

Deposits

Deposits are recognized at cost under "Fixed asset investments". If cost exceeds net realisable value, the asset is written down to its net realisable value.

Inventories

Inventories are measured at cost under the FIFO method. If the net realisable value is lower than cost, inventories are written down to the net realisable value.

Cost equals landed cost. Write-down for obsolescence is based on an individual assessment.

The net realisable value of inventories is stated as the selling price with deduction of costs of completion and selling expenses incurred to effect the sale and is determined allowing for marketability, obsolescence and development in expected selling price.

Receivables

Receivables are recognized at amortized cost, which generally corresponds to nominal value. The value is reduced by provisions for estimated bad debts based on an individual assessment of the receivables.

Prepayments

Prepayments comprise prepaid expenses relating to subsequent years.

Dividend

Proposed expected distribution for the year is shown as a separate equity item. Proposed dividend is recognized as a liability at the time of adoption by the Annual General Meeting.

Accrued tax and deferred tax

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

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities. In cases where the tax base may be calculated according to alternative tax rules, e.g. in respect of shares, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

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

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 crystallize as current tax. Changes in deferred tax due to changes in tax rates are recognized in the income statement.

The Company is jointly taxed with the Danish group enterprises. The tax effect of the joint taxation is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes.

Provisions

Provisions are recognized when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Debts

Financial liabilities are recognized initially at the proceeds received net of transaction expenses incurred. Subsequently, financial liabilities are measured at amortized cost corresponding to the capitalized value when applying the effective interest rate; the difference between the proceeds and the nominal value is recognized as an interest expense in the income statement over the loan period.

Financial liabilities also include the capitalized remaining lease obligation relating to finance leases.
Other debt is measured at amortized cost corresponding to nominal value.

Derivative financial instruments

Derivative financial instruments are initially recognized in the balance sheet at cost and are subsequently remeasured at their fair values. Derivative financial instruments are recognized in other receivables and other payables, respectively.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of future cash flows are recognized in equity. On realization of the hedged transactions, gains and losses relating to such hedging transactions are transferred from equity and recognized in the same item as the hedged transaction.

Cash flow statement

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

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of net profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities as well as acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

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

Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise the item cash at bank and in hand.
The cash flow statement cannot be immediately derived from the published financial records.

Ratios

The ratios have been prepared in accordance with "Recommendations and Financial Ratios 2015" issued by Finansforeningen. The ratios provided in Financial Highlights have been calculated as follows:

Return on assets = Operating profit/loss x 100 / Assets

Solvency ratio = Equity x 100 / Assets

Return on equity = Net Profit for the Year x 100 / Average Equity

Other ratios

EBITDA-margin (%) = EBITDA / Revenue
EBITA-margin (%) = EBITA / Revenue

EBITDA/operating assets = Operating profit/loss before depreciation of fixed assets x 100/assets excl goodwill (operating assets)

EBITA/operating assets = Operating profit/loss before goodwill amortization x 100/assets excl good-will.

NIBD: Net Interest Bearing Debt = Interest bearing debt less cash at bank and in hand.

Note 2 Uncertainty in recognition and measurement

In connection with the preparation of the financial statements, Management perform estimates and judgements, which may entail a risk of material adjustments. In particular in the determination of the carrying amount of intangible assets and deferred tax assets, estimates are required. In case of any indication of impairment, an impairment test is prepared. The impairment test is based on an assessment how the parts of the Group businesses to which the assets relates will be able to generate sufficient cash flows in the future to support the value of goodwill and other assets in the relevant Cash Generating Units of the Group, defined as each subsidiary. Expected cash flows and net results are estimated over a number of years, which inherently produces some degree of uncertainty regarding expected market development and development in in macroecomic variables e.g. the interest rate and currency fluctuations. A sensitivity analysis on the key assumptions in the impairment tests is performed in order to reduce the uncertainty. Due to the development of the Group's financial figures, indications of impairment exists an impairment test has been prepared. The impairment test prepared as of 31 December 2018 shows that the estimated market value of the equity exceeds the carrying value of the booked equity as of 31 December 2018 and the future taxable results exceeds the booked value of defereed tax assets. The blended discount rate (WACC) applied in the impairment test of goodwill and other assets is 10.4%.

	2018	2017
	(DKK' 000)	(DKK' 000)

Note 3 - Revenue

Geographical segments:		
Denmark	545.375	564.386
Norway	175.694	174.315
Sweden	315.257	459.238
	1.036.326	**1.197.939**

The revenue relates to Facility Management which include cleaning, building maintenance and catering.

Note 4 - Other external expenses

Fee to auditors appointed by the General assembly		
Total Fee		
PwC	1.477	1.477
BDO	0	23
	1.477	**1.500**
Specification		
PwC		
Fee relating to statutory audit	845	730
Assurance engagements	0	34
Tax consulting services	56	245
Other services	576	468
	1.477	**1.477**
BDO		
Fee relating to statutory audit	0	23
	0	**23**

	2018	2017
	(DKK' 000)	(DKK' 000)

Note 5 – Staff expenses

Wages and salaries	699.468	833.969
Pension contributions	32.456	40.988
Social security expenses	121.900	143.672
Other staff expenses	28.038	31.891
	881.862	1.050.520
Average number of employees (full-time employees)	**2.114**	**2.873**
Fee to the Board of Directors	1.178	602
Remuneration to the Executive Board	5.081	18.655
	6.259	**19.267**

In the end of 2017, there were 3 members of the Executive Board, and remuneration to the Executive Board included remuneration and severance packages to resigned Executive Board members. One Executive Board member resigned in 2018, and comprise here after of 2 members.

Note 6 – Impairment, depreciation and amortisation

Goodwill	30.389	155.113
Acquired rights	318	23
Software	1.640	1.458
Property, plant and equipment	9.249	11.808
	41.596	**168.402**

Note 7 - Special items

Special items comprise costs, which is special due to their size or nature e.g redundancy costs, stranded costs due to re-organisations and impairment losses.

2018

The profit/loss for the year has been negatively affected by one-off costs in connection with restructuring of the business. One-off costs amount to TDKK 5,338 and comprise redundancy cost and stranded cost regarding re-organisation of business. The costs are included in line item "Other external expenses".

2017

The profit/loss for the year has been negatively affected by one-off costs in connection with restructuring of the business and impairment of goodwill. One-off costs amount to TDKK 150,518 and comprise redundancy cost, stranded cost regarding re-organisation of business and impairment of goodwill. The costs are included in line items "Other external expenses", "Staff expenses" and "Impairment, depresiation and amortisation".

Note 8 – Financial income

Interest income from Group Companies	0	34
Exchange rate gains	6.105	0
Other financial income	420	716
	6.525	**750**

Note 9 – Financial expenses

Other financial expenses	5.382	28.719
	5.382	**28.719**

	2.018	2017
	(DKK' 000)	(DKK' 000)

Note 10 – Tax on profit/loss for the year

Current tax for the year	1.084	3.119
Adjustment of deferred tax	6.472	-13.302
	7.556	**-10.183**

Note 11 – Intangible assets

	Acquired rights	Intangible assets under construction	Software	Goodwill
Cost at 1 January	2.863	793	11.296	745.579
Transfers	0	-793	793	0
Exchange rate adjustment	-123	0	-63	4.581
Additions during the year	191	0	8.848	0
Disposals during the year	0	0	-194	0
Cost at 31 December	2.931	0	20.680	750.160
Amortisation and impairment losses at 1 January	-1.807	-192	-8.613	-391.743
Transfers	0	192	-192	0
Exchange rate adjustment	97	0	58	-1.578
Amortization for the year	-318	0	-1.640	-30.389
Impairment adjustment	0	0	141	0
Amortization and impairment losses at 31 December	-2.028	0	-10.246	-423.710
Carrying amount at 31 December	**903**	**0**	**10.434**	**326.450**

Note 12 – Tangible fixed assets

	Property, plant and equipment
Cost at 1 January	66.546
Additions for the year	1.545
Disposals for the year	-450
Cost at 31 December	67.641
Depreciation at 1 January	44.409
Depreciation for the year	9.249
Disposals for the year	
Depreciation at 31 December	53.658
Carrying amount at 31 December	**13.983**
Including assets under finance leases	5.977

	2018
	(DKK' 000)

Note 13 – Other receivables

	2018
Cost at 1 January	2.481
Disposals for the year	-316
Cost at 31 December	2.165
Revaluation at 1 January	0
Revaluation for the year	0
Revaluation at 31 December	0
Carrying amount at 31 December	**2.165**

Note 14 – Deferred tax/deferred tax asset

Deferred tax primarily comprises deferred tax relating to tax deficits carried forward and differences between accounting values and taxable values of intangible and tangible assets. Management has prepraed inmpairmenttest and has recognised the tax asset based on budgets and forecasts for the coming 5 years and assessed it to be probable that the deferred tax asset can be utilized within the Danish joint taxation Group.

Note 15 - Prepayments

Prepayments comprise prepaid expenses relating to subsequent years.

Note 16 – Long-term debt

	Debt at 1 January	Debt at 31 December	Installments next year	Installments 1 - 5 years	Remaining debt after 5 years
Credit institutions	285.104	276.200	0	276.200	0
	285.104	276.200	0	276.200	0

Loan agreement with credit institution is subject to loan covenant regarding investment in tangible and intangible assets.

Note 17 – Other payables

	2018	2017
	(DKK' 000)	(DKK' 000)
Salary related debt	164.740	156.775
Other Payables	26.746	25.628
VAT	17.721	22.232
	209.208	**204.635**

Note 18 – Contingent liabilities

The Group is part to a few pending lawsuits. The Group and its legal advisors consider the claims unjustified and do not perceive that the Group will incur any losses as a result of the actions for damages.

At 31 December 2018, the Group has a total rental obligation of DKK 11,321k.

At 31 December 2018, the Group has operating lease obligations relating to vehicles and other equipment amounting to DKK 36,611k.

Note 19 – Mortgages and security, etc

The Group has issued guarantees of DKK 7,416k towards customers.

The Company has provided shares in group enterprises with a carrying amount of DKK 307,425k at December 31, 2018 as security for bank debt.

The Group has issued floating guarantees to credit insitution for a total of DKK 148,102k.

Moreover, the Group has entered into finance leases which have been recognised in fixed assets and debt obligations.

Note 20 - Related parties

Transactions

Transactions with related parties has been carried out at arm's length terms.

Consolidated financial statements

The Company is included in the Group Annual Report of P-A2017 Holding 1 ApS, Brøndby, Denmark.
The Consolidated Financial Statements can be obtained on the following addresses: Malmøgade 3, 2100 Copenhagen Ø, Denmark.

Related parties

The Group is controlled by the following entities:

P-A2017 Holding 2 ApS, Brøndby, Denmark	Immediate parent company
P-A2017 Holding 1 A/S, Brøndby, Denmark	Ultimate parent company

	2018	2017
	(DKK' 000)	(DKK' 000)
Note 21 - Cash flow statement, adjustments		
Financial income	6.525	-750
Financial expenses	-5.382	28.719
Amortisations and depreciations on fixed assets	41.596	168.402
Exchange rate adjustments	-2.079	
Changes in tax provisions	0	21.487
Changes in other provisions	-1.899	1.632
	38.761	**219.490**
Note 22 - Cash flow statement, changes in working capital		
Changes in receivables	16.315	11.146
Changes in inventory	123	3.367
Changes in other short term debt	6.536	-47.312
	22.974	**-32.799**

Note 23 - Subsequent events

The restructuring of the Swedish subsidiary was completed 31 May 2019. The effect hereof is that creditors of the Swedish subsidiary has waived debt improving the solvency of the Group and strengthening the Group’s capital resources. The capital resources of the Group are closely monitored and optimized were possible. Based on the restructuring of the Swedish subsidiary, cash and cash equivalents and the existing credit facilities, it is the assessment of Management that the Group has sufficient capital resources to support the 2019 business initiatives and the activities of the Group.

INCOME STATEMENT

Parent

	Note	2018	2017
		(DKK' 000)	(DKK' 000)
Revenue		16.500	25.162
Other external expenses	3	-5.317	-17.788
Gross profit		11.183	18.876
Staff expenses	4	-11.409	-17.721
Amortisation of intangible assets		-10	-6
Operating profit/loss (EBIT)		**-236**	**1.149**
Income from investments in group enterprises	11	-48.146	-185.591
Financial income	6	5.905	792
Financial expenses	7	-5.620	-26.821
Profit/loss before tax		-48.097	-221.972
Tax on profit/loss for the year	8	-8	4.183
Net profit/loss for the year		**-48.105**	**-217.789**
Proposed distribution of profit	9		

BALANCE SHEET

Parent

Balance sheet at 31 December

Assets	Note	2018	2017
		(DKK' 000)	(DKK' 000)
Software		7.852	601
Acquired rights		162	142
Intangible assets	10	8.014	743
Investments in group enterprises	11	307.425	398.852
Fixed asset investments		307.425	398.852
Total fixed assets		**315.439**	**399.596**
Receivables from group enterprises		3.055	11.981
Other receivables		323	30
Deferred tax asset	12	8.955	9.467
Prepayments	13	570	223
Receivables		12.903	21.702
Total current assets		**12.903**	**21.702**
Total assets		**328.342**	**421.297**

Parent

Liabilities and equity	Note	2018	2017
		(DKK' 000)	(DKK' 000)
Share Capital		3.601	3.601
Reserve for development costs		0	469
Retained earnings		6.856	51.679
Total Equity		10.457	55.749
Credit institutions		175.726	179.760
Long-term debt	14	175.726	179.760
Credit institutions		37.720	26.035
Trade payables		3.617	4.816
Debt to group enterprises		97.075	145.013
Other payables		3.747	9.925
Short-term debt		142.159	185.789
Total debt		**317.885**	**365.549**
Total liabilities and equity		**328.342**	**421.297**

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STATEMENT OF CHANGES IN EQUITY

Parent

(DKK' 000) 2018	Share capital	Reserve for development costs	Retained earnings	Total equity
Equity at 1 January	3.601	469	51.679	55.749
Exchange rate adjustment, subsidiaries	0	0	2.813	2.813
Development costs for the year		-469	469	0
Net profit/loss for the year	0	0	-48.105	-48.105
Equity at 31 December	**3.601**	**0**	**6.856**	**10.457**

(DKK' 000) 2017	Share capital	Reserve for development costs	Retained earnings	Total equity
Equity at 1 January	1.744	0	104.384	106.128
Fair value adjustment of hedging instruments trasferred to profit/loss for the year	0	0	843	843
Tax on adjustment of hedgning instruments for the year	0	0	-197	-197
Exchange rate adjustment, subsidiaries	0	0	1.325	1.325
Capital increases	2.000	0	160.691	162.691
Capital decreases	-143	0	143	0
Development costs for the year		469	-469	
Adjustments of investments taken directly to equity	0	0	2.748	2.748
Net profit/loss for the year	0	0	-217.789	-217.788
Equity at 31 December	**3.601**	**469**	**51.679**	**55.749**

NOTES

Parent

Note 1: Summary of significant accounting policies

In addition to the accounting policies for the consolidated financial statements the following applies to the parent company financial statement:

The Income statement of the Parent company includes the proportional share of the profits of the individual subsidiaries after full elimination of internal profit/loss.

Investments in group enterprises are measured under the equity method according to the accounting policies of the Parent Company with deduction or addition of unrealized intercompany profits and losses and with addition or deduction of the remaining value of positive or negative goodwill stated under the acquisition method.

Group enterprises with a negative net asset value are recognized at DKK 0, and any receivables from these enterprises are written down by the Parent Company's share of the negative net asset value to the extent they are considered irrecoverable. If the negative net asset value exceeds the receivables, the remaining amount is recognized under liabilities to the extent that the Parent Company has a legal or constructive obligation to cover the negative balance of the enterprise.

Net revaluation of investments in group enterprises is transferred to reserve for net revaluation in equity under the equity method to the extent the carrying amount exceeds cost less goodwill amortization.

On acquisition of investments in group enterprises, goodwill on consolidation is measured at cost less accumulated amortization and impairment losses. Goodwill is amortized on a straight-line basis over the expected useful life.

Note 2 Uncertainty in recognition and measurement

Refer to note 2 "Uncertainty in recognition and measurement" in the consolidated financial statements.

Note 3 - Other external expenses

The fee to external auditors is disclosed in note 4 in the consolidated finansial statements.

	2018	2017
	(DKK' 000)	(DKK' 000)
Note 4 – Staff expenses		
Wages and salaries	9.995	15.306
Pension contributions	1.357	1.787
Social security expenses	57	54
Other staff expenses	0	0
	11.409	17.147
Average number of employees (full-time employees)	8	9
Fee to the Board of Directors	1.178	600
Remuneration to the Executive Board	5.081	16.290
	6.259	**16.890**

In the end of 2017, there were 3 members of the Executive Board, and remuneration to the Executive Board included remuneration and severance packages to resigned Executive Board members. One Executive Board member resigned in 2018, and comprise here after of 2 members.

Note 5 - Special items

Special items comprise costs which is special due to their size or nature e.g redundancy costs, and stranded costs due to re-organisations.

2018

The profit for the year has been negatively affected by net one-off costs in connection with the restructuring of the business. One-off costs amount to net TDKK 584 and comprise redundancy cost and stranded cost regarding re-organisation of business. The net costs are included in line items "Other external expenses" and "Staff expenses".

2017

The profit for the year has been negatively affected by net one-off costs in connection with the restructuring of the business. One-off costs amount to net TDKK 127,784 and comprise redundancy cost, stranded cost regarding re-organisation of business and imapirment of goodwill. The net costs are included in line items "Staff expenses" and "income from investments in group enterprises".

	2018	2017
	[DKK' 000]	[DKK' 000]
Note 6 – Financial income		
Interest income from Group enterprises	0	498
Exchange gains	5.823	
Other financial income	82	294
	5.905	**792**
Note 7 – Financial expenses		
Interest expense, Group enterprises	1.543	745
Other financial expenses	4.077	26.075
	5.620	**26.821**
Note 8 – Tax on profit/loss for the year		
Current tax for the year	0	-6.203
Adjustment of deferred tax	8	-2.024
	8	**-8.227**
Note 9 – Proposed distribution of profit		
Net profit/loss for the year	-48.105	217.789
For distribution	**-48.105**	**217.789**
Retained earnings	-48.105	-218.257
At disposal	**-48.105**	**-218.257**

Note 10 – Intangible assets

	Acquired rights	Software
Cost at January 1	148	601
Additions for the year	30	7.251
Transfers	0	0
Cost at December 31	178	7.852
Accumulated amortisation at 1 January	-6	0
Amortisation for the year	-10	0
Accumulated amortisation at 31December	-16	0
Carrying amount at 31 December	**162**	**7.852**

Note 11 – Investments in group enterprises

	Group enterprises
Cost at 1 January	663.460
Additions for the year	0
Disposals for the year	0
Cost at 31 December	663.460
Value adjustments at 1 January	-264.607
Adjustment prior year	-1.095
Share of profit/loss after tax for the year	-32.736
Amortization of goodwill	-15.410
Dividend received	-45.000
Exchange rate adjustments	2.813
Value adjustments at 31 December	-356.035
Carrying amount at 31 December	**307.425**
Hereof goodwill	189.416

The investments comprise:

Company	Hjemsted	Ejerandel
Allianceplus A/S	Denmark	100%
Allianceplus AS	Norge	100%
Allianceplus AB	Sweden	100%

Note 12 – Deferred tax/deferred tax asset

Deferred tax primarily comprises deferred tax relating to tax deficits carried forward. The management has recognised the tax asset based on budgets and forecasts for the coming 5 years and assessed it to be probable that the deferred tax asset can be utilized within the Danish joint taxation Group.

Note 13 - Prepayments

Prepayments comprise prepaid expenses relating to subsequent years.

Note 14 – Long-term debt

(DKK' 000)	Debt at 1 January	Debt at 31 December	Installments next year	Installments 1 - 5 years	Remaining debt after 5 years
Credit institutions	179.760	175.726	0	175.726	0
	179.760	175.726	0	175.726	0

Loan agreement with credit institution is subject to loan covenant regarding investment in tangible and intangible assets.

Note 15 - Contingent liabilities etc

The Company is jointly taxed with Danish group enterprises. The Company is jointly and severally liable together with the jointly taxed enterprises for the tax which rests on the Company.

At 31 December 2018, the Company has operating lease obligations relating to vehicles amounting to DKK 979k.

Note 16 – Mortgages and security, etc

The Company has provided shares in group enterprises with a carrying amount of DKK 307,425k at December 31, 2018 as security for bank debt.

Note 17 – Related parties

Refer to note 20 "Related parties" in the consolidated financial statements.

Note 18 - Subsequent events

Refer to note 23 "Subsequent events" in the consolidated financial statements.


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