
SSG Group A/S

Knapholm 4, DK-2730 Herlev

Annual Report for 1 October 2018 - 30 September 2019

CVR No 34 59 91 65

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
18/11 2019

Lars Thorsgaard Jensen
Chairman of the General
Meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company Information	
Company Information	5
Management's Review	6
Financial Statements	
Income Statement 1 October - 30 September	15
Balance Sheet 30 September	16
Statement of Changes in Equity	18
Notes to the Financial Statements	19

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of SSG Group A/S for the financial year 1 October 2018 - 30 September 2019.

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 30 September 2019 of the Company and of the results of the Company operations for 2018/19.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Herlev, 18 November 2019

Executive Board

Sonny Hoffmann Nielsen
CEO

Uffe Iversen
CFO

Board of Directors

John Staunbjerg Dueholm
Chairman

Christian Engsted
Deputy Chairman

Gunilla Birgitta Ruth Spongh

Jesper Wadum Nielsen

Lars Thorsgaard Jensen

Sonny Hoffmann Nielsen

Independent Auditor's Report

To the Shareholder of SSG Group A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2019 and of the results of the Company's operations for the financial year 1 October 2018 - 30 September 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of SSG Group A/S for the financial year 1 October 2018 - 30 September 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements 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 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 misstate-

Independent Auditor's Report

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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 disclosures, and whether the Financial Statements represent the underlying transactions and events

Independent Auditor's Report

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.

Hellerup, 18 November 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jacob F Christiansen
State Authorised Public Accountant
mne18628

Henrik Ødegaard
State Authorised Public Accountant
mne31489

Company Information

The Company

SSG Group A/S
Knapholm 4
DK-2730 Herlev

CVR No: 34 59 91 65
Financial period: 1 October - 30 September
Incorporated: 11 May 2012
Financial year: 9th financial year
Municipality of reg. office: Herlev

Board of Directors

John Staunbjerg Dueholm, Chairman
Christian Engsted
Gunilla Birgitta Ruth Spongh
Jesper Wadum Nielsen
Lars Thorsgaard Jensen
Sonny Hoffmann Nielsen

Executive Board

Sonny Hoffmann Nielsen
Uffe Iversen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Principal activities

SSG is one of Scandinavia's leading providers of damage control and adjacent services. The Company's business model has been tailor-made to meet demands from insurance companies, including specialized repair-work not offered by traditional craftsmen. Damage control, which is SSG's core business and accounts for 75 percent of the Company's revenue for the financial year 2018/2019, primarily refers to services provided in acute situations to stop or limit damage following fire accidents, water leakage, mould or storm related incidents. Adjacent services, which account for 25 percent of the Company's revenue for the financial year 2018/2019, primarily refers to services provided in non-acute situations which require specialized skillsets tools. The offering within the adjacent services covers a wide array of services but is mainly divided into two sub-segments, industry services and property services.

SSG's two service segments, damage control and adjacent services, require similar skillsets and equipment, which allows for efficient resource allocation between the two segments. As demand for damage control services varies over the year, labour and tools can easily be reallocated between the two segments to secure a high utilization throughout the year. The two segments also complement each other well in the sense that, usually, damage control is required in acute situations, whereas adjacent services can be performed in non-acute situations. In periods of high demand for damage control services, the Company can build a pipeline of adjacent services projects which can then be executed during periods of lower demand for damage control, thereby further improving the resource utilization over the year.

Denmark is SSG's home market and is to date the Company's largest and most profitable market. As per 30/9-2019, SSG Denmark has 347 employees through 13 centers across Denmark, offering nationwide coverage. The Danish operations accounted for 43 percent of the Company's total revenue for the financial year 2018/2019.

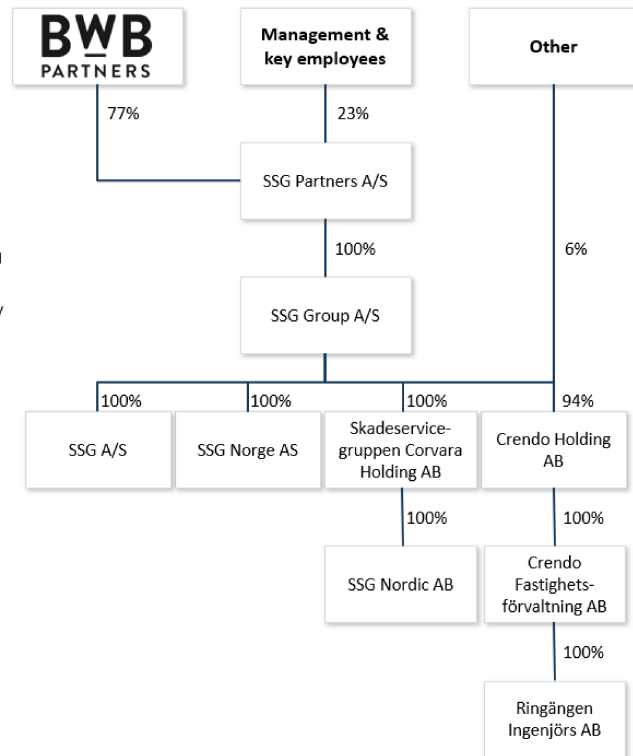
In Norway, SSG operates a total of 24 wholly-owned centers and four franchise centers and has 256 employees. Since the establishment of SSG Norway, focus has been on implementing The SSG Way and the operational excellence initiatives which underpin the strong operational and financial performance of SSG Denmark. The Norway operations account for 32 percent of the Company's total revenue in the financial year 2018/2019.

The Swedish operations are comprised of Crendo, which mainly offers adjacent services, and SSG Nordic, which primarily offers damage control services. Sweden has 293 employees working at its 7 centers. The Swedish operations account for 25 percent of the Company's total revenue in the financial year 2018/2019.

Management's Review

Corporate structure

- SSG Partners A/S owns ~11% of its own shares on a fully diluted basis. Treasury shares do not carry any voting rights.
- Percentages stated in the chart refer to share of votes on a fully diluted basis.



Development in the year

In financial year 2018/19, SSG group realized a total revenue of DKK 908.1 million compared to 766.8 million last year and profit before tax of DKK 18.4 million compared to DKK 15.5 million last year.

The results of are affected by the following:

SSG A/S (Denmark) continues to generate stable results in accordance with expectations in a year without any major cloudburst or industrial damage. The continuing progress of the efficiency processes and new innovative products also make a positive contribution. The Company has solid contracts with the majority of the large Danish insurance companies.

For SSG Norway AS, it was a stable performance where the new management team delivered the expected growth and margin. Continued high growth puts pressure on hiring and training new employees fast enough and this situation is expected to also impact financial year 2019/20. There were several significant new and renewed customer contracts signed in 2018/19, both in damage control and adjacent services.

Following the increase of ownership to a majority stake in Crendo in 2017 and the acquisition of SSG Nordic (previously named Corvara) in 2018, the Company acquired RIAB in November 2018. RIAB is located in Växjö and provides similar services to Crendo. Sweden is now better positioned to accelerate the growth and to take a similarly strong position within the Swedish damage control market and

Management's Review

adjacent services market as it holds within Denmark and Norway.

Crendo performed below expectations due to change of management team, while SSG Nordic contributed with a full year positive net profit after starting the year with a negative net margin run-rate. RIAB performed to expectations for the year.

Capital structure and resources

The SSG share capital is not divided into share classes. Management regularly assesses whether SSG has a capital structure that corresponds to the Company's need for the financing of working capital.

Together with the Company's banks, the Group's owners, Board of Directors and Executive Board assess the combination of equity, loans from shareholders and external financing on a recurring basis.

Management maintains an ongoing dialogue with the Group's most important lenders and share-holders, who show a high level of confidence in the Group. Management assesses that the Group's current capital structure and resources are adequate and sufficient to carry through the activities planned for financial year 2019/20.

Financial targets on Group level

The Group has an organic revenue growth target of five percent per year. The targeted growth is mainly attributable to entering additional framework agreements with insurance companies in Sweden and Norway, as well as growing the adjacent services segment in Denmark.

In addition to the organic revenue growth, the Group has a target of growing revenue through acquisitions by an additional five to seven percent per year. The goal is expressed as a run-rate number (pro forma). Depending on the market conditions the actual acquired revenue growth can be lower or higher than the target. In line with the M&A strategy, future acquisitions aim to increase inhouse competencies, increase the geographical presence or give quick access to service platforms in specific markets. Management has ongoing dialogues with a number of potential acquisition targets.

To reach its margin target, management will continue to focus on the implementation of The SSG Way, innovation, customer satisfaction and its operational excellence initiatives in Sweden and Norway.

Financial targets for Denmark

Management has a target of an organic revenue CAGR of two to three percent per year for Denmark. The revenue growth will primarily be attributable to increased revenue from existing customer based on new set of innovative services and continued dialog on taking more internal customer services to SSG.

Management's Review

Financial targets for Norway

Management has an organic revenue growth target of five percent per year for Norway. This will be largely driven by the continued focus on building strong relationships with insurance companies and increased sales efforts towards tier 2 customers with high revenue potential (the Company classifies its customers from tier 1 to tier 3 based on their geographical pan-Nordic vs. domestic presence and customer base).

Profitability will be driven by the initiatives implemented as part of the recent turnaround in form of operational improvement, competency redistribution, cost reductions, KPI measurements and ensuring end customer satisfaction.

Financial targets for Sweden

Management has an organic revenue growth target of seven percent per year for Sweden. The strategy in terms of organic growth is to leverage on inroads and experience from Denmark and Norway, thereby penetrating the large insurance segment.

The profitability is expected to increase as the service mix shifts to a larger share damage control following the acquisition of SSG Nordic, implementing The SSG Way, focusing on KPIs and driving operational excellence initiatives will also be important to ensure that the Companies meets their profitability target.

Uncertainty relating to recognition and measurement

Accounting estimates have been made in connection with the recognition and measurement of goodwill, deferred tax assets, work in progress and receivables. It is management's assessment that the estimates provide a true and fair view in the Annual Report.

Employees

Employees constitute the most important asset of SSG, which makes it important to ensure the required technical and human skills. During the year, SSG has therefore held a number of technical courses on humidity, mould and damage control as well as hygiene/environmentally related courses. At management level, training in finances and sale/services has been provided. Moreover, SSG invests in training in the management systems of the insurance companies, In4mo and ScalePoint, on an ongoing basis.

As of 30/9-2019, the Company had 890 full-time employees of whom two were part of the Group management, 55 were in regional management and 110 held other administrative tasks within the Company. The remaining 723 employees were responsible for the manual labour within damage control and adjacent services.

Management's Review

Reporting guidelines of DVCA

The Group is partly owned by private equity and follows certain reporting guidelines issued by the Danish Venture Capital and Private Equity Association. You may find the guidelines here www.DVCA.dk.

Shareholder information

The Company's shares are owned by BWB Partners II K/S (73%) and SH Service ApS (14%). Furthermore, the Company holds 11% of own shares.

Thus, BWB Partners has control over the Company.

Corporate social responsibility report

For the main operating model of SSG, please refer to section "Principal Activities"

SSG does not consider its operating activities to contain any significant risks with respect to the climate and the environment. The policies in this area sets objectives around the Company's desire to contribute to a better environment and prevent any unnecessary pollution and a set of Company obligations like full compliance with all legal requirement, strive for use of subcontractors with CSR policies, correct handling and disposal of waste etc. The specific activities are an ongoing focus on developing methods to reduce especially the use of fuel, electricity and chemicals. SSG management is satisfied with the progress made in this areas during the financial year.

SSG does operate in an environment where there are certain risks with respect to employee health and safety, for instance in connection with removal of asbestos and mould. The policies in this area establishes the rules for employees, for instance specific work instructions, required training levels, use of protective gear etc. Other policies take care of social aspects like respect for the individual, smoking and consumption of alcohol just to mention a few.

One of the main measures of a healthy, safe work environment is sick leave, here SSG has achieved its objective of maximum 3% absence.

Another key measure is work-related injuries. The results have improved from 26.8 to 22.4 accidents for each one million hours of work during last financial year which is in line with expectations.

Report on human rights and anti-corruption

SSG does not have a policy for human rights and anti-corruption, as SSG does not consider it critical to have specific initiatives in this area as employees, customers and suppliers are not regarded as being at risk of non-compliance, the area being regulated by relevant public legislation and trade union rules.

Management's Review

Report on gender representation in Management

The Company has an ongoing objective of at least one female board member. The Company's Board of Directors have hired one female member in 2019 and currently the Company has achieved its objective.

The Company has an objective of 25% female representation by 2025 in leadership positions. The % of females has increased from 20.8% to 21.7% during last financial year and the Company is satisfied with the progress made here towards the 2025 goal.

The main activities behind the goal of increased female representation is centered around internal and external recruiting as well as making sure that all female internal talents get the needed attention and support in their leadership development to compete for leadership positions.

Dividend policy

The payment of dividend is to take place with due consideration of the required consolidation of equity as a basis for the Group's continuing expansion.

Subsequent events

SSG was acquired by Polaris during October 2019. The deal is expected to close end of November, the deal has been approved by the authorities in Denmark, Norway and Sweden.

No other events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Other Management positions held by members of the Board of Directors and the Executive Board

Board of Directors

Name	John Staunbjerg Dueholm (chairman)	Lars Thorsgaard Jensen	Sonny Hoffmann Nielsen
Position	Senior advisor	Director & Partner - BWB Partners P/S	CEO - SSG Partners A/S
Chairman of the Board of Directors in:	Jetpak AB, SSG Partners A/S, SSG Group A/S and SSG A/S, Hydratech Industries A/S, Hydratech Industries Holdings A/S, Holmris A/S, Holmsris Holding A/S, HTHH ApS, Intermail A/S		SSG Norge AS, Crendo Fastighetsförvaltning AB, Crendo Holding AB, Handicap-Befordring A/S, AB Kabelteknik ApS, HB Care A/S, HWH Ejendomme A/S and Handicap-Befordringen Holding A/S
Deputy chairman of the Board of Directors in:	Scandinavian Brake System A/S, SBS Friction A/S, SBS Automotive A/S, DPF Svendborg A/S		
Member of the Board of Directors in:	Globus Wine A/S, BWBP Fonden	SSG A/S, SSG Group A/S, SSG Partners A/S, ZITON A/S, Jack-Up Holding A/S, SSG Norge AS, HXH International AB, Crendo Holding AB, Crendo Fastighetsförvaltning AB, Corvara Skadesanering AB, Skadeservicegruppen Corvara Holding AB, SSG Norge AS, Heatex A	SSG Group A/S and SSG Partners A/S
Member of the Executive Board in:	BWB Partners I K/S, BWB Partners II K/S	LTJ Investco ApS, JACK-UP Holding A/S	SH Service ApS and SG Beverage Services ApS

Other Management positions held by members of the Board of Directors and the Executive Board

Board of Directors

Name:	Jesper Wadum Nielsen	Gunilla Birgitta Ruth Spongh	Christian Engsted (deputy chairman)
Position:	Director & Partner - BWB Partners P/S	Board member	Board member
Chairman of the Board of Directors in:	Emka Holding ApS, Transmedica Holding 2007 A/S, BWB Partners P/S		ON THE SPOT A/S
Deputy chairman of the Board of Directors in:	JB Partners ApS, Holmris A/S, Holmris Holding A/S, Heatex AB		SSG Partners A/S, SSG Group A/S, SSG A/S
Member of the Board of Directors in:	SSG A/S, SSG Group A/S, SSG Partners A/S, Odin Equity Partners Management II K/S, Transmedica A/S, CIPP Technology Solutions A/S, CIPP Technology Solutions Holding A/S, MOEP A/S, STEMA Holding A/S, Jupiter Bach A/S, 14. oktober 2013 A/S, HXH International AB	SSG Group A/S, SSG A/S, AQ Group AB, Byggmax AB, Infranord AB, Lernia AB, Pierce AB, Momentum Group AB, Swedish Stirling AB, Systemair AB	RTX A/S
Member of the Executive Board in:	Anpartsselskabet af 7. juni 2007, Anpartsselskabet af 9. september 2010, Anpartsselskabet af 14. oktober 2013, Anpartsselskabet af 28. marts 2007, Anpartsselskabet af 31. oktober 2007, Anpartsselskabet af 4. juli 2008, Anpartsselskabet af 1. december 2011, Anpartsselskabet af 28. juni 2012, Lowani ApS, BWBP CIV GP ApS, Øserby Plantage ApS, Kawakolo ApS, Emwakolo ApS, Wakolo Invest ApS, MOEP A/S, Stema Holding A/S, Anpartsselskabet af 16. november 2015, Brovej 17, 4592 Sejerø ApS, SSG Norge AS, Pedax GmbH		UTURN2INNOVATION ApS, UTURN2 ApS

Other Management positions held by members of the Board of Directors and the Executive Board

Executive Board

Name:	Sonny Hoffmann Nielsen	Uffe Iversen
Position	CEO - SSG Partners A/S	CFO - SSG Partners A/S, CEO - SSG A/S, CEO - SSG Group A/S
Chairman of the Board of Directors in:	SSG Norge AS, Crendo Holding AB, Crendo Fastighetsförvaltning AB, AB Kabelteknik ApS, HB Care A/S, HWH Ejendomme A/S, AB Kabelteknik ApS, Corvara Skadesanering AB, Skadeservicegruppen Corvara Holding AB	
Member of the Board of Directors in:	SSG Group A/S and SSG Partners A/S	Crendo Holding AB, Crendo Fastighetsförvaltning AB
Member of the Executive Board in:	SH Service ApS and SG Beverage Services ApS	Uffe Iversen Holding ApS, Corvara Skadesanering AB, Skadeservicegruppen Corvara Holding AB

Income Statement 1 October - 30 September

	Note	2018/19 TDKK	2017/18 TDKK
Other external expenses		-2,114	-913
Gross profit/loss		-2,114	-913
Staff expenses	2	-2,639	0
Profit/loss before financial income and expenses		-4,753	-913
Income from investments in subsidiaries		18,700	11,681
Financial income	3	215	212
Financial expenses	4	-6,363	-5,394
Profit/loss before tax		7,799	5,586
Tax on profit/loss for the year	5	1,997	1,157
Net profit/loss for the year		9,796	6,743

Distribution of profit

Proposed distribution of profit

Extraordinary dividend paid	8,000	5,000
Retained earnings	1,796	1,743
	9,796	6,743
Extraordinary dividend after year end	0	8,000

Balance Sheet 30 September

Assets

	Note	2018/19 TDKK	2017/18 TDKK
Investments in subsidiaries	6	205,116	194,190
Fixed asset investments		205,116	194,190
Fixed assets		205,116	194,190
Receivables from group enterprises		8,701	12,479
Deferred tax asset		0	1,157
Corporate tax joint taxation		1,997	1,475
Receivables		10,698	15,111
Cash at bank and in hand		3	0
Currents assets		10,701	15,111
Assets		215,817	209,301

Balance Sheet 30 September

Liabilities and equity

	Note	2018/19 TDKK	2017/18 TDKK
Share capital		13,844	13,844
Retained earnings		10,731	8,872
Equity		24,575	22,716
Other provisions		1,954	0
Provisions		1,954	0
Credit institutions		0	10,666
Long-term debt	8	0	10,666
Credit institutions	8	1,902	225
Payables to group enterprises		183,699	172,396
Other payables		3,687	3,298
Short-term debt		189,288	175,919
Debt		189,288	186,585
Liabilities and equity		215,817	209,301
Uncertainty with recognition and measurement	1		
Distribution of profit	7		
Contingent assets, liabilities and other financial obligations	9		
Related parties	10		
Accounting Policies	11		

Statement of Changes in Equity

	Share capital TDKK	Retained earnings TDKK	Total TDKK
Equity at 1 October	13,844	8,872	22,716
Extraordinary dividend paid	0	-8,000	-8,000
Exchange adjustments relating to foreign entities	0	441	441
Purchase from minority	0	-378	-378
Net profit/loss for the year	0	9,796	9,796
Equity at 30 September	13,844	10,731	24,575

Notes to the Financial Statements

1 Uncertainty with recognition and measurement

There is uncertainty associated with recognition and measurement of group goodwill and deferred tax assets, as recognition and measurement are based on expectations for future activities and results.

The group goodwill

The SSG Group has recognized group goodwill amounting to MDKK 117 (2017/18: MDKK 126). Group goodwill mainly relates to the acquisition of damage control activities in Denmark and Sweden and is amortized over 5-20 years. The group's Danish operations have achieved a satisfactory result for 2018/19, in line with expectations. One of the Group's Swedish operations performed below expectations for 2018/19 due to change of management and expect to achieve satisfactory results going forward. Management has performed impairment test of the subsidiary which shows fair value above carrying amount and no need for impairment.

Deferred tax asset

The SSG Group has recognized deferred tax asset related to the tax value of tax losses in the subsidiary in Norway with MDKK 13 (2017/18: MDKK 15) and in Sweden with MDKK 4 (2017/18 MDKK 0). Tax losses can be carried forward and used indefinitely in Norway and Sweden. Based on budgets and estimates, it is expected that positive results for the subsidiaries will be realized and the tax asset is expected to be used within a period of 5 years. Management believes that the assumptions used are realistic and achievable and there is no basis for writing down deferred tax asset.

2 Staff expenses

	<u>2018/19</u> TDKK	<u>2017/18</u> TDKK
Wages and salaries	2,639	0
	<u>2,639</u>	<u>0</u>
Including remuneration to the Board of Directors of:		
Board of Directors	375	0
	<u>375</u>	<u>0</u>
Average number of employees	<u>2</u>	<u>0</u>

No remuneration has been paid to the Executive Board of the company.

Notes to the Financial Statements

	<u>2018/19</u> TDKK	<u>2017/18</u> TDKK
3 Financial income		
Interest received from group enterprises	215	212
	<u>215</u>	<u>212</u>
4 Financial expenses		
Interest paid to group enterprises	5,784	5,101
Other financial expenses	579	293
	<u>6,363</u>	<u>5,394</u>
5 Tax on profit/loss for the year		
Current tax for the year	0	0
Deferred tax for the year	-1,997	-1,157
	<u>-1,997</u>	<u>-1,157</u>

Notes to the Financial Statements

	2018/19	2017/18
	TDKK	TDKK
6 Investments in subsidiaries		
Cost at 1 October	295,968	285,608
Additions for the year	2,163	10,360
Cost at 30 September	298,131	295,968
Value adjustments at 1 October	-101,778	-96,508
Exchange adjustment	441	1,454
Net profit/loss for the year	30,121	23,010
Dividend to the Parent Company	-10,000	-5,000
Amortisation of goodwill	-11,421	-11,329
Purchase from minority	-378	-13,405
Value adjustments at 30 September	-93,015	-101,778
Carrying amount at 30 September	205,116	194,190
Remaining positive difference included in the above carrying amount at 30 September	116,549	125,495

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
SSG A/S	Denmark	DKK 2,826	100%
SSG Norge AS	Norge	NOK 3,000	100%
Crendo Holding AB	Sweden	SEK 1,459	94%
Crendo Fastighetsförvaltning AB	Sweden	SEK 100	94%
Skadeservicegruppen Corvara Holding AB	Sweden	SEK 50	100%
SSG Nordic AB	Sweden	SEK 1,000	100%
Ringängen Ingenjör AB	Sweden	SEK 500	94%

All foreign subsidiaries are recognised and measured as separate entities.

Notes to the Financial Statements

	2018/19 TDKK	2017/18 TDKK
7 Distribution of profit		
Extraordinary dividend paid	8,000	5,000
Retained earnings	1,796	1,743
	9,796	6,743
Extraordinary dividend after year end	0	8,000

8 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Credit institutions

Between 1 and 5 years	0	10,666
Long-term part	0	10,666
Other short-term debt to credit institutions	1,902	225
	1,902	10,891

Notes to the Financial Statements

	2018/19 TDKK	2017/18 TDKK
9 Contingent assets, liabilities and other financial obligations		
Charges and security		
The following assets have been placed as security with bankers:		
Pledge in shares in SSG A/S with a nominal value of	2,825,724	2,825,724

Contingent liabilities

The Company has provided an unlimited guarantee against SSG A/S' outstanding balances in Jyske Bank.

The Company has provided an unlimited joint and several guarantee against a credit institution. The current outstanding amount covered by the guarantee amounts to 55.6 million.

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

10 Related parties

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company, SSG Partners A/S

Name	Place of registered office
SSG Partners A/S, CVR no 34 58 24 40	Herlev

Notes to the Financial Statements

11 Accounting Policies

The Annual Report of SSG Group A/S for 2018/19 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2018/19 are presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of SSG Partners A/S, CVR no 34 58 24 40, the Company has not prepared consolidated financial statements.

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. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt

Notes to the Financial Statements

11 Accounting Policies (continued)

arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Other external expenses

Other external expenses comprise costs relating to the key activities of the Company.

Staff expenses

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

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities as well as extra payments and repayment under the onaccount 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. 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 Companies within the group. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition.

Notes to the Financial Statements

11 Accounting Policies (continued)

tion of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Dividend

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

Provisions

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

Deferred tax assets and liabilities

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 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 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 or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

11 Accounting Policies (continued)

Current tax receivables and liabilities

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

Financial debts

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