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# ***SSG Group A/S***

Knapholm 4, DK-2730 Herlev

## **Annual Report for 1 October 2017 - 30 September 2018**

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CVR No 34 59 91 65

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
13/11 2018

Lars Thorsgaard Jensen  
Chairman of the General  
Meeting



# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Auditor's Report	2
<b>Company Information</b>	
Company Information	5
Management's Review	6
<b>Financial Statements</b>	
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 2017 - 30 September 2018.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 30 September 2018 of the Company and of the results of the Company operations for 2017/18.

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, 13 November 2018

## Executive Board

Sonny Hoffmann Nielsen  
CEO

Uffe Iversen  
CFO

## Board of Directors

John Staunbjerg Dueholm  
Chairman

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 2018 and of the results of the Company's operations for the financial year 1 October 2017 - 30 September 2018 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 2017 - 30 September 2018, 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, 13 November 2018

**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: 7th financial year  
Municipality of reg. office: Herlev

### **Board of Directors**

John Staunbjerg Dueholm, Chairman  
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

## Key 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 80 percent of the Company's revenue for the financial year 2017/2018, 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 20 percent of the Company's revenue for the financial year 2017/2018, 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 subsegments, 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 30/9-2018, SSG Denmark has 323 employees through 13 centers across Denmark, offering nationwide coverage. The Danish operations accounted for 48 percent of the Company's total revenue for the financial year 2017/2018.

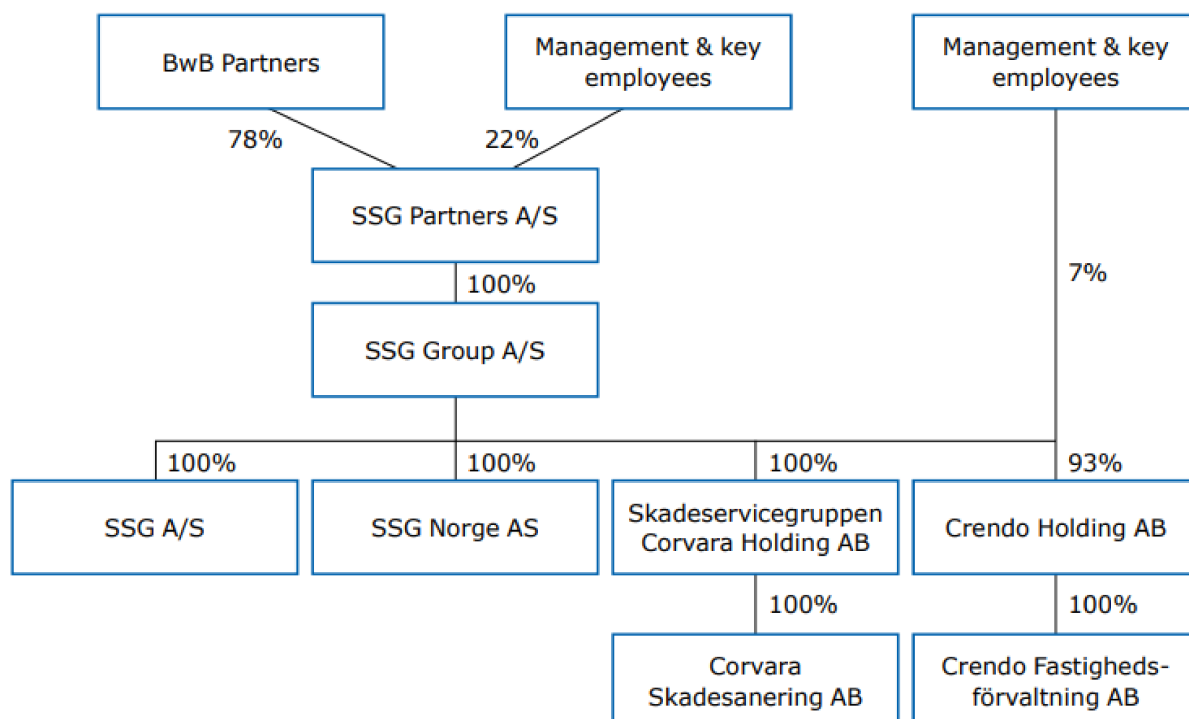
In Norway, SSG operates a total of 18 wholly-owned centers and four franchise centers and has 195 employees. Since the establishment of SSG Norway, focus has been on implementing The SSG Way and the operational excellence initiatives which underpin the strong operational and financial performance of SSG Denmark. The Norway operations account for 32 percent of the Company's total revenue in the financial year 2017/2018.

The Swedish operations are comprised of Crendo, which mainly offers adjacent services, and Corvara, which primarily offers damage control services. SSG Sweden has 250 employees working at its 7 centers. The Swedish operations account for 20 percent of the Company's total revenue in the financial year 2017/2018.



# Management's Review

## Organisational structure and ownership<sup>1)</sup>



Note: 1) Fully diluted and adjusted for SSG Partners A/S' own shares of approx. 11%.

# Management's Review

## Development in the year

In financial year 2017/18, SSG group realized a total revenue of DKK 766.8 million compared to 617.7 million last year and profit before tax of DKK 15.5 million compared to DKK 13.5 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, following operational difficulties encountered in four centers located in the Oslo area in the financial year 2016/2017, SSG Norway hired a new country CEO and a new manager for larger damage as well as local managers in the four centers to reach more efficient project execution. SSG Norway also expanded its reconstruction services offering and integrated the SSG-5C IT system into the operations to increase margins and enhance its competitive advantage. The restructuring impacted the financial performance of SSG Norway negatively during the first half of the financial year, while the second half of the financial year experienced a positive impact from the restructuring, especially in terms of increasing margins. The operational difficulties encountered during the previous financial year have thereby been solved.

The Swedish operations are comprised of Crendo, which mainly offers adjacent services, and Corvara, which primarily offers damage control services. Crendo was entered through an acquisition of 31 per-cent of the shares in 2015. The ownership was increased to 65 percent in 2017 and further increased to 93 percent in 2018. In June 2018, SSG also acquired selected parts of Corvara's damage control business. The acquisition was limited to the Corvara centres deemed to be the most attractive by the Company based on factors such as profitability, growth prospects and geographic locations. However, Corvara has a cooperation agreement with the centers which were not acquired by SSG, thereby enabling SSG Sweden to offer a nationwide coverage despite only acquiring selected Corvara centers.

Following the increase of ownership to a majority stake in Crendo in 2017 and the acquisition of Corvara in 2018, the Company is ready to accelerate the growth in Sweden and to take a similarly strong position within the Swedish damage control market as it holds within Denmark and Norway.

Crendo performed close to expectations with a positive net profit while Corvara contributed with a net loss for the 4 months of ownership, however with improvements month by month since take-over on June 1st 2018.

# Management's Review

## Development expectations

For 2018/19 revenue and result of the SSG Group is expected to improve driven by the acquisition of Corvara, efficiency improvements in SSG Norge and stable businesses in SSG A/S and Crendo.

## Capital structure and resources

The SSG Group 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 shareholders, 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 2018/19.

## 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

Our 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 30/9-2018, the Company had 917 full-time employees of whom two were part of the Group management, 60 were in regional management and 122 held other administrative tasks within the Company. The remaining 733 employees were responsible for the manual labour within damage control and adjacent services.

## 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](http://www.DVCA.dk).

# Management's Review

## 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.

## Statement of corporate social responsibility

The Company has a policy for health, safety and environment which may be found at the SSG intranet, and new employees are informed about the purpose and contents of the policy in connection with introduction days held on a quarterly basis. This policy 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. As 2 examples of outcome, the Company has invented a new method for dehumidification which reduced energy electricity consumption by estimated 50% and a remote monitoring of equipment system that significantly reduces the need personal inspection and thus energy used on transportation during a project. Further reductions in fuel and transportation is expected related to new planning function where the use of people, equipment and trans-portionation is optimized centrally.

SSG reports on all work-related injuries, and instructions are prepared with respect to measures to be taken to avoid similar injuries. These instructions can be seen on the notice boards in all canteens, on the intranet and are sent via email to all employees.

SSG has a mission and values that have been widely communicated at management meetings, road-shows, on the intranet and in the form of posters in conference rooms, etc. Our mission and values are about taking care of human beings and assets in the best possible way and, thus, support the SSG attitude to the compliance with human rights. However, 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.

## Report on human rights

SSG does not have a policy for human rights, 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.

## Statement on gender composition

SSG Norge AS has hired a female CEO during 2018. It is the target of the Company's Board of Directors have one female member by 2020. This target has not yet been met as there has been no additions to the Board of Directors in 2017/18 financial year.

The Company wants to increase the diversity of the composition of both the Board of Directors and at

## **Management's Review**

other management levels. This is based on a wish to improve the quality of management work and, thus, improve results over time and, simultaneously, stand out as an attractive workplace where all types of applicants apply for vacancies. This applies specifically to the recruitment of new employees at management level where focus is on the qualifications of the applicants as well as the examination of various tests, which are now standard at management level. Age, gender, ethnical background, etc are not taken into consideration. Moreover, all employees take part in an appraisal interview and everybody, without exception, is urged to obtain further training and meet new challenges in order to qualify for a management position in future.

### **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.

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

### Board of Directors

Name	<b>John Staunbjerg Dueholm (chairman)</b>	<b>Lars Thorsgaard Jensen</b>	<b>Sonny Hoffmann Nielsen</b>
<b>Position</b>	Senior advisor	Director & Partner - BWB Partners P/S	CEO - SSG Partners A/S
<b>Chairman of the Board of Directors in:</b>	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, Holmris 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
<b>Deputy chairman of the Board of Directors in:</b>	Scandinavian Brake System A/S, SBS Friction A/S, SBS Automotive A/S, DPF Svendborg A/S		
<b>Member of the Board of Directors in:</b>	Globus Wine A/S, Air Greenland 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	SSG Group A/S and SSG Partners A/S
<b>Member of the Executive Board in:</b>	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

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**Name:** Jesper Wadum Nielsen

**Position:** Director & Partner - BWB Partners P/S

**Chairman of the Board of Directors in:** Emka Holding ApS, Transmedica Holding 2007 A/S, BWB Partners P/S

**Deputy chairman of the Board of Directors in:** JB Partners ApS, Holmris A/S, Holmris Holding A/S

**Member of the Board of Directors in:** SSG A/S, SSG Group A/S, SSG Partners A/S, Odin General Partner Fonden II, Odin Equity Partners Management II K/S, Transmedica A/S, CIPP Technology Solutions A/S, CIPP Technology Solutions A/S MOEP A/S, STEMA Holding A/S, Jupiter Bach A/S, 14. oktober 2013 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 18. april 2012, Anpartsselskabet af 28. juni 2012, Lowani ApS, BWBP CIV GP ApS, Øserby Plantage ApS, Kawakolo ApS, Emwakolo ApS, Wakolo Invest ApS, Nordic Petrol Systems Holding ApS, Nordic Payment Systems A/S, MOEP A/S, Stema Holding A/S, Anpartsselskabet af 16. november 2015, Brovej 17, 4592 Sejerø ApS

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

### Executive Board

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



## Income Statement 1 October - 30 September

	<u>Note</u>	<u>2017/18</u> TDKK	<u>2016/17</u> TDKK
Other external expenses		-913	-51
<b>Gross profit/loss</b>		<b>-913</b>	<b>-51</b>
Income from investments in subsidiaries		11,681	17,632
Financial income	3	212	209
Financial expenses	4	-5,394	-6,204
<b>Profit/loss before tax</b>		<b>5,586</b>	<b>11,586</b>
Tax on profit/loss for the year	5	1,157	1,331
<b>Net profit/loss for the year</b>		<b>6,743</b>	<b>12,917</b>

# Balance Sheet 30 September

## Assets

	Note	2017/18 TDKK	2016/17 TDKK
Investments in subsidiaries	6	194,190	189,100
<b>Fixed asset investments</b>		<b>194,190</b>	<b>189,100</b>
<b>Fixed assets</b>		<b>194,190</b>	<b>189,100</b>
Receivables from group enterprises		12,479	8,678
Deferred tax asset		1,157	1,475
Corporate tax joint taxation		1,475	0
<b>Receivables</b>		<b>15,111</b>	<b>10,153</b>
<b>Cash at bank and in hand</b>		<b>0</b>	<b>1</b>
<b>Currents assets</b>		<b>15,111</b>	<b>10,154</b>
<b>Assets</b>		<b>209,301</b>	<b>199,254</b>

# Balance Sheet 30 September

## Liabilities and equity

	Note	2017/18 TDKK	2016/17 TDKK
Share capital		13,844	13,844
Retained earnings		8,872	19,080
<b>Equity</b>		<b>22,716</b>	<b>32,924</b>
Credit institutions		10,666	0
<b>Long-term debt</b>	8	<b>10,666</b>	<b>0</b>
Credit institutions	8	225	0
Payables to group enterprises		172,396	166,330
Other payables		3,298	0
<b>Short-term debt</b>		<b>175,919</b>	<b>166,330</b>
<b>Debt</b>		<b>186,585</b>	<b>166,330</b>
<b>Liabilities and equity</b>		<b>209,301</b>	<b>199,254</b>
Uncertainty with recognition and measurement	1		
Subsequent events	2		
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	19,080	32,924
Extraordinary dividend paid	0	-5,000	-5,000
Exchange adjustments relating to foreign entities	0	1,454	1,454
Purchase from minority	0	-13,405	-13,405
Net profit/loss for the year	0	6,743	6,743
<b>Equity at 30 September</b>	<b>13,844</b>	<b>8,872</b>	<b>22,716</b>

# 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 by MDKK 126 (2016/17: MDKK 136). Group goodwill relates mainly to the acquisition of damage control activities in Denmark and Crendo Sweden and depreciated over 10-20 years. The group's Danish operations have achieved a satisfactory result for 2017/18 in line with expectations. The operations in Crendo have improved to a positive result in 2017/18 and based on further expected improvements in the future, Management's assessment is that there are no indications of impairment of group goodwill.

### Deferred tax asset

The SSG Group has recognized deferred tax assets related to the tax value of tax losses in the subsidiary in Norway with MDKK 15 (2016/17: MDKK 15). Tax losses can be carried forward and used indefinitely in Norway. Based on budgets and estimates for Norway, it is expected that positive results for the subsidiary in Norway 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 assets.

## 2 Subsequent events

After year end, SSG A/S (Denmark) has distributed extraordinary dividends of DKK 10 million to SSG Group A/S, and SSG Group A/S has distributed a DKK 8 million to SSG Partners A/S to be used for the payment of instalments and interest.

## 3 Financial income

	2017/18	2016/17
	TDKK	TDKK
Interest received from group enterprises	212	209
	<b>212</b>	<b>209</b>

## 4 Financial expenses

Interest paid to group enterprises	5,101	5,795
Other financial expenses	293	409
	<b>5,394</b>	<b>6,204</b>

## Notes to the Financial Statements

	2017/18	2016/17
	TDKK	TDKK
<b>5 Tax on profit/loss for the year</b>		
Current tax for the year	0	0
Deferred tax for the year	-1,157	-1,331
	<u>-1,157</u>	<u>-1,331</u>
<b>6 Investments in subsidiaries</b>		
Cost at 1 October	285,608	273,315
Additions for the year	10,360	5
Transfers for the year	0	12,288
Cost at 30 September	<u>295,968</u>	<u>285,608</u>
Value adjustments at 1 October	-96,508	-94,380
Exchange adjustment	1,454	-760
Net profit/loss for the year	23,010	26,960
Dividend to the Parent Company	-5,000	-19,000
Amortisation of goodwill	-11,329	-9,328
Purchase from minority	-13,405	0
Value adjustments at 30 September	<u>-101,778</u>	<u>-96,508</u>
<b>Carrying amount at 30 September</b>	<u><b>194,190</b></u>	<u><b>189,100</b></u>
Remaining positive difference included in the above carrying amount at 30 September	<u>125,495</u>	<u>135,635</u>

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	93%
Crendo Fastighetsförvaltning AB	Sweden	SEK 100	93%
Skadeservicegruppen Corvara Holding AB	Sweden	SEK 50	100%
Corvara Skadesanering AB	Sweden	SEK 1,000	100%

All foreign subsidiaries are recognised and measured as separate entities.

## Notes to the Financial Statements

	<u>2017/18</u>	<u>2016/17</u>
	TDKK	TDKK
<b>7 Distribution of profit</b>		
Extraordinary dividend paid	5,000	19,000
Retained earnings	<u>1,743</u>	<u>-6,083</u>
	<b><u>6,743</u></b>	<b><u>12,917</u></b>
Extraordinary dividend after year end	<u>8,000</u>	<u>5,000</u>

## 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	<u>10,666</u>	<u>0</u>
Long-term part	10,666	0
Other short-term debt to credit institutions	<u>225</u>	<u>0</u>
	<b><u>10,891</u></b>	<b><u>0</u></b>

# Notes to the Financial Statements

	2017/18 TDKK	2016/17 TDKK
<b>9 Contingent assets, liabilities and other financial obligations</b>		
<b>Charges and security</b>		
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 76.1 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 2017/18 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 2017/18 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.

### 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 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

# Notes to the Financial Statements

## 11 Accounting Policies (continued)

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.

### **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.

### **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.