

## **Kohsel Holding ApS**

Sønderskovvej 1  
8362 Hørning  
Central Business Registration  
No 35867694

## **Annual report 01.05.2018 - 30.04.2019**

The Annual General Meeting adopted the annual report on 01.10.2019

### **Chairman of the General Meeting**

---

Name: Carl Erik Skovgaard Sørensen

# Contents

	<b><u>Page</u></b>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Consolidated income statement for 2018/19	9
Consolidated balance sheet at 30.04.2019	10
Consolidated statement of changes in equity for 2018/19	12
Consolidated cash flow statement for 2018/19	13
Notes to consolidated financial statements	14
Parent income statement for 2018/19	18
Parent balance sheet at 30.04.2019	19
Parent statement of changes in equity for 2018/19	21
Notes to parent financial statements	22
Accounting policies	25

## Entity details

### Entity

Kohsel Holding ApS  
Sønderskovvej 1  
8362 Hørning

Central Business Registration No (CVR): 35867694  
Registered in: Skanderborg  
Financial year: 01.05.2018 - 30.04.2019

### Board of Directors

Christian Møller Christensen  
Thomas Hougaard Bonde  
Morten Vestergaard Kohsel

### Executive Board

Thomas Hougaard Bonde

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
City Tower, Værkmestergade 2  
8000 Aarhus C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Kohsel Holding ApS for the financial year 01.05.2018 - 30.04.2019.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.04.2019 and of the results of its operations and cash flows for the financial year 01.05.2018 - 30.04.2019.

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

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

Hørning, 01.10.2019

### Executive Board

Thomas Hougaard Bonde

### Board of Directors

Christian Møller Christensen

Thomas Hougaard Bonde

Morten Vestergaard Kohsel

# Independent auditor's report

## To the shareholders of Kohsel Holding ApS

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Kohsel Holding ApS for the financial year 01.05.2018 - 30.04.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.04.2019, and of the results of their operations and the consolidated cash flows for the financial year 01.05.2018 - 30.04.2019 in accordance with the Danish Financial Statements Act.

### 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 consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of 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.

### Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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

## Independent auditor's report

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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Entity'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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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.

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.

## Independent auditor's report

### Statement on the management commentary

Management is responsible for the management commentary.

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

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 01.10.2019

### Deloitte

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR) 33963556

Michael Bach  
State Authorised Public Accountant  
Identification No (MNE) mne19691

Søren Lassen  
State Authorised Public Accountant  
Identification No (MNE) mne18520

## Management commentary

	<b>2018/19</b> <b>DKK'000</b>	<b>2017/18</b> <b>DKK'000</b>	<b>2016/17</b> <b>DKK'000</b>	<b>2015/16</b> <b>DKK'000</b>	<b>2009</b> <b>DKK'000</b>
<b>Financial highlights</b>					
<b>Key figures</b>					
Gross profit	65,680	52,176	53,611	44,988	33,685
Operating profit/loss	19,382	15,421	23,136	18,749	13,276
Net financials	(447)	(3,155)	(1,179)	(1,645)	434
Profit/loss for the year	13,677	8,444	15,935	12,157	9,246
Profit/loss excl minority interests	13,583	8,432	15,924	12,148	9,272
Total assets	144,840	141,722	150,430	132,231	130,344
Investments in property, plant and equipment	8,563	4,263	2,596	1,250	8,540
Equity	109,867	95,950	87,507	71,564	59,417
Cash flows from (used in) operating activities	37,400	21,544	-	-	-
Cash flows from (used in) investing activities	(8,756)	(4,265)	-	-	-
Cash flows from (used in) financing activities	(16,000)	(2,000)	-	-	-
<b>Ratios</b>					
Return on equity (%)	13.2	9.2	20.0	18.5	15.6
Equity ratio (%)	75.9	67.7	58.2	54.1	45.6

*Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.*

<b>Ratios</b>	<b>Calculation formula</b>	<b>Calculation formula reflects</b>
Return on equity (%)	$\frac{\text{Profit/loss excl minority interests} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.



## Management commentary

### Primary activities

The Group's activity consists of development, production and marketing of transformers.

In the following, the name Group is used as a general name covering all Kohsel and therefore applies to the Group, Kohsel A/S, Kohsel Holding ApS and all underlying subsidiaries.

### Development in activities and finances

The Group realized a profit of DKK 13,677K for the financial year 2018/19. Management considers profit for the year satisfactory. The financial year 2018/19 has been characterized by large investments in IT, consultancy services and marketing.

### Outlook

Management expects a profit for the coming year at the same level as in 2018/19.

### Particular risks

The Group's activity is not subject to any major operating risks, interest risks or credit risks.

For further information, see the Group's website [www.kohsel.dk](http://www.kohsel.dk).

### Currency risks

A large part of the Group's activities takes place abroad. The Group is aware, to the necessary extent, of the risks involved and the possibilities of current hedging, i.a. by way of invoicing and purchasing in local currency etc.

### Cash

The Group's cash position is satisfactory. The external financing primarily comprises floating interest loans.

### Intellectual capital resources

It is the Group's objective to deliver high-quality products. The Group's staff is working according to an extensive quality management system, ensuring optimum use of the Group's knowledge resources. During the year, the Group's quality system has been updated to the newest version ISO 9001 (2015).

The Group takes on responsibility for the working environment and focuses on employee health. The working environment meets the highest national requirements in Denmark, Latvia and Thailand. We attach importance to being an attractive workplace, contributing to the employees' health and well-being. During the year, a CSR audit was carried out with external partners (SGS) at the Group's production facilities in Thailand. This to ensure that all requirements are fulfilled.

### Environmental performance

The Group is an environmentally conscious enterprise, which carries out ongoing improvements in relation to environmental considerations.

The Group's quality and environment handbook complies with the DS/ENISO 14001:2004 standard. The Group's departments in Denmark and Latvia were ISO 14001 (2015) environmentally certified in 2016/17.

## Management commentary

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

## Consolidated income statement for 2018/19

	<u>Notes</u>	<u>2018/19 DKK</u>	<u>2017/18 DKK</u>
<b>Gross profit</b>		<b>65,679,544</b>	<b>52,176,008</b>
Staff costs	1	(39,262,078)	(29,469,254)
Depreciation, amortisation and impairment losses	2	(7,035,944)	(7,285,485)
<b>Operating profit/loss</b>		<b>19,381,522</b>	<b>15,421,269</b>
Other financial income		467,356	27,406
Other financial expenses		(914,397)	(3,182,363)
<b>Profit/loss before tax</b>		<b>18,934,481</b>	<b>12,266,312</b>
Tax on profit/loss for the year	3	(5,257,625)	(3,822,092)
<b>Profit/loss for the year</b>	4	<b>13,676,856</b>	<b>8,444,220</b>

## Consolidated balance sheet at 30.04.2019

	<u>Notes</u>	<u>2018/19 DKK</u>	<u>2017/18 DKK</u>
Acquired intangible assets		7,271	7,443
Goodwill		51,267,542	56,345,532
Development projects in progress		1,545,903	0
<b>Intangible assets</b>	<b>5</b>	<b><u>52,820,716</u></b>	<b><u>56,352,975</u></b>
Land and buildings		4,216,390	3,803,148
Other fixtures and fittings, tools and equipment		9,943,146	6,117,403
Leasehold improvements		866,687	295,421
Property, plant and equipment in progress		441,760	0
<b>Property, plant and equipment</b>	<b>6</b>	<b><u>15,467,983</u></b>	<b><u>10,215,972</u></b>
<b>Fixed assets</b>		<b><u>68,288,699</u></b>	<b><u>66,568,947</u></b>
Raw materials and consumables		24,016,415	23,644,869
Work in progress		2,321,090	2,953,938
Manufactured goods and goods for resale		12,840,071	5,573,848
Prepayments for goods		1,239,921	1,206,070
<b>Inventories</b>		<b><u>40,417,497</u></b>	<b><u>33,378,725</u></b>
Trade receivables		16,095,051	31,677,206
Other receivables		2,547,548	822,639
Income tax receivable		96,890	0
Prepayments	7	807,029	2,487,587
<b>Receivables</b>		<b><u>19,546,518</u></b>	<b><u>34,987,432</u></b>
<b>Cash</b>	<b>8</b>	<b><u>16,587,151</u></b>	<b><u>6,786,443</u></b>
<b>Current assets</b>		<b><u>76,551,166</u></b>	<b><u>75,152,600</u></b>
<b>Assets</b>		<b><u>144,839,865</u></b>	<b><u>141,721,547</u></b>

## Consolidated balance sheet at 30.04.2019

	<u>Notes</u>	<u>2018/19 DKK</u>	<u>2017/18 DKK</u>
Contributed capital		200,000	200,000
Retained earnings		109,387,116	95,575,656
<b>Equity attributable to the Parent's owners</b>		<b>109,587,116</b>	<b>95,775,656</b>
<b>Share of equity attributable to minority interests</b>		<b>280,093</b>	<b>173,990</b>
<b>Equity</b>		<b>109,867,209</b>	<b>95,949,646</b>
Deferred tax	9	542,700	402,700
Other provisions	10	965,000	983,281
<b>Provisions</b>		<b>1,507,700</b>	<b>1,385,981</b>
Other payables		0	15,000,000
<b>Non-current liabilities other than provisions</b>		<b>0</b>	<b>15,000,000</b>
Bank loans		6,061,902	9,905,128
Trade payables		17,895,616	12,722,070
Joint taxation contribution payable		3,939,575	1,651,292
Other payables		5,567,863	5,107,430
<b>Current liabilities other than provisions</b>		<b>33,464,956</b>	<b>29,385,920</b>
<b>Liabilities other than provisions</b>		<b>33,464,956</b>	<b>44,385,920</b>
<b>Equity and liabilities</b>		<b>144,839,865</b>	<b>141,721,547</b>
Contingent liabilities	12		
Assets charged and collateral	13		
Transactions with related parties	14		
Subsidiaries	15		

## Consolidated statement of changes in equity for 2018/19

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Share of equity attributable to minority interests DKK</b>	<b>Total DKK</b>
Equity beginning of year	200,000	95,575,656	173,990	95,949,646
Exchange rate adjustments	0	228,947	11,760	240,707
Profit/loss for the year	0	13,582,513	94,343	13,676,856
<b>Equity end of year</b>	<b>200,000</b>	<b>109,387,116</b>	<b>280,093</b>	<b>109,867,209</b>

### Dividend distributed after the balance sheet date

Extraordinary dividend 2018/19: 60.000.000

## Consolidated cash flow statement for 2018/19

	<u>Notes</u>	<u>2018/19 DKK</u>	<u>2017/18 DKK</u>
Operating profit/loss		19,381,522	15,421,269
Amortisation, depreciation and impairment losses		7,035,944	7,285,485
Working capital changes	11	14,355,437	9,533,268
<b>Cash flow from ordinary operating activities</b>		<b>40,772,903</b>	<b>32,240,022</b>
Financial income received		467,356	27,406
Financial expenses paid		(914,397)	(3,182,363)
Income taxes refunded/(paid)		(2,926,232)	(7,541,500)
<b>Cash flows from operating activities</b>		<b>37,399,630</b>	<b>21,543,565</b>
Acquisition etc of intangible assets		(1,549,187)	(2,478)
Acquisition etc of property, plant and equipment		(8,562,719)	(4,262,931)
Sale of property, plant and equipment		1,356,210	0
<b>Cash flows from investing activities</b>		<b>(8,755,696)</b>	<b>(4,265,409)</b>
Repayments of loans etc		(15,000,000)	0
Guarantee cover account (AL Finans A/S)		(1,000,000)	(2,000,000)
<b>Cash flows from financing activities</b>		<b>(16,000,000)</b>	<b>(2,000,000)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>12,643,934</b>	<b>15,278,156</b>
Cash and cash equivalents beginning of year		(5,118,685)	(20,396,841)
<b>Cash and cash equivalents end of year</b>		<b>7,525,249</b>	<b>(5,118,685)</b>
Cash and cash equivalents at year-end are composed of:			
Cash		16,587,151	6,786,443
Securities		(3,000,000)	(2,000,000)
Short-term debt to banks		(6,061,902)	(9,905,128)
<b>Cash and cash equivalents end of year</b>		<b>7,525,249</b>	<b>(5,118,685)</b>

## Notes to consolidated financial statements

	<b>2018/19 DKK</b>	<b>2017/18 DKK</b>
<b>1. Staff costs</b>		
Wages and salaries	33,988,161	25,453,313
Pension costs	1,930,732	1,596,692
Other social security costs	3,343,185	2,419,249
	<b>39,262,078</b>	<b>29,469,254</b>
Average number of employees	<b>484</b>	<b>374</b>
	<b>Remunera- tion of manage- ment 2018/19 DKK</b>	<b>Remunera- tion of manage- ment 2017/18 DKK</b>
Total amount for management categories	938,800	969,033
	<b>938,800</b>	<b>969,033</b>
	<b>2018/19 DKK</b>	<b>2017/18 DKK</b>
<b>2. Depreciation, amortisation and impairment losses</b>		
Amortisation of intangible assets	5,081,446	5,080,136
Depreciation of property, plant and equipment	1,954,498	2,205,349
	<b>7,035,944</b>	<b>7,285,485</b>
	<b>2018/19 DKK</b>	<b>2017/18 DKK</b>
<b>3. Tax on profit/loss for the year</b>		
Current tax	5,117,625	3,788,276
Change in deferred tax	140,000	33,816
	<b>5,257,625</b>	<b>3,822,092</b>
	<b>2018/19 DKK</b>	<b>2017/18 DKK</b>
<b>4. Proposed distribution of profit/loss</b>		
Retained earnings	13,582,513	8,431,713
Minority interests' share of profit/loss	94,343	12,507
	<b>13,676,856</b>	<b>8,444,220</b>



## Notes to consolidated financial statements

	Acquired intangible assets DKK	Goodwill DKK	Develop- ment projects in progress DKK
<b>5. Intangible assets</b>			
Cost beginning of year	9,589	76,169,847	0
Additions	3,284	0	1,545,903
<b>Cost end of year</b>	<b>12,873</b>	<b>76,169,847</b>	<b>1,545,903</b>
Amortisation and impairment losses beginning of year	(2,146)	(19,824,315)	0
Amortisation for the year	(3,456)	(5,077,990)	0
<b>Amortisation and impairment losses end of year</b>	<b>(5,602)</b>	<b>(24,902,305)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>7,271</b>	<b>51,267,542</b>	<b>1,545,903</b>

### Development projects

The Company's development projects primarily consist of development of ERP system, which is still under development. The ERP-system is expected to be completed in the coming year.

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK	Property, plant and equipment in progress DKK
<b>6. Property, plant and equipment</b>				
Cost beginning of year	5,178,223	10,509,567	673,685	0
Additions	854,321	6,491,499	775,139	441,760
Disposals	(41,758)	(6,496,212)	0	0
<b>Cost end of year</b>	<b>5,990,786</b>	<b>10,504,854</b>	<b>1,448,824</b>	<b>441,760</b>
Depreciation and impairment losses beginning of year	(1,375,075)	(4,392,164)	(378,264)	0
Depreciation for the year	(441,021)	(1,309,604)	(203,873)	0
Reversal regarding disposals	41,700	5,140,060	0	0
<b>Depreciation and impairment losses end of year</b>	<b>(1,774,396)</b>	<b>(561,708)</b>	<b>(582,137)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>4,216,390</b>	<b>9,943,146</b>	<b>866,687</b>	<b>441,760</b>

## Notes to consolidated financial statements

### 7. Prepayments

Costs incurred relating to the subsequent financial year.

### 8. Cash and cash equivalents

Cash includes a guarantee cover account on DKK 3,000 K, which has been provided as security towards AL Finans A/S in connection with an non recourse agreement relating to the Company's receivables.

	<b>2018/19</b>	<b>2017/18</b>
	<b>DKK</b>	<b>DKK</b>
<b>9. Deferred tax</b>		
Intangible assets	335,000	0
Property, plant and equipment	58,500	63,700
Receivables	149,200	339,000
	<b>542,700</b>	<b>402,700</b>
<b>Changes during the year</b>		
Beginning of year	402,700	
Recognised in the income statement	140,000	
<b>End of year</b>	<b>542,700</b>	

### 10. Other provisions

Provision for general guarantee commitments are based on the annual sales.

	<b>2018/19</b>	<b>2017/18</b>
	<b>DKK</b>	<b>DKK</b>
<b>11. Change in working capital</b>		
Increase/decrease in inventories	(7,038,772)	(8,038,971)
Increase/decrease in receivables	15,811,102	14,362,006
Increase/decrease in trade payables etc	5,583,107	3,210,233
	<b>14,355,437</b>	<b>9,533,268</b>

### 12. Contingent liabilities

None.

### 13. Assets charged and collateral

None.

### 14. Transactions with related parties

Transactions with related parties are only disclosed in the annual report if they are not on arm's length terms. No such transactions have been conducted in the financial year.

## Notes to consolidated financial statements

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>
<b>15. Subsidiaries</b>			
Kohsel A/S	Hørning	A/S	100.0
Kohsel (Thailand) Co. Ltd.	Thailand	Ltd.	95.0
Sia Kohsel	Latvia	Ltd	100.0
Kohsel GmbH	Germany	GmbH	100.0

## Parent income statement for 2018/19

	<u>Notes</u>	<u>2018/19 DKK</u>	<u>2017/18 DKK</u>
<b>Gross loss</b>		<b>(57,151)</b>	<b>(39,325)</b>
Income from investments in group enterprises		14,154,986	9,225,276
Other financial income		340,223	0
Other financial expenses	2	(723,488)	(978,063)
<b>Profit/loss before tax</b>		<b>13,714,570</b>	<b>8,207,888</b>
Tax on profit/loss for the year	3	96,890	223,825
<b>Profit/loss for the year</b>	4	<b>13,811,460</b>	<b>8,431,713</b>

## Parent balance sheet at 30.04.2019

	<u>Notes</u>	<u>2018/19 DKK</u>	<u>2017/18 DKK</u>
Investments in group enterprises		109,158,867	110,003,881
<b>Fixed asset investments</b>	5	<b>109,158,867</b>	<b>110,003,881</b>
<b>Fixed assets</b>		<b>109,158,867</b>	<b>110,003,881</b>
Receivables from group enterprises		0	875,434
Joint taxation contribution receivable		3,444,706	1,807,166
<b>Receivables</b>		<b>3,444,706</b>	<b>2,682,600</b>
<b>Cash</b>		<b>351,362</b>	<b>32,739</b>
<b>Current assets</b>		<b>3,796,068</b>	<b>2,715,339</b>
<b>Assets</b>		<b>112,954,935</b>	<b>112,719,220</b>

## Parent balance sheet at 30.04.2019

	<u>Notes</u>	<u>2018/19 DKK</u>	<u>2017/18 DKK</u>
Contributed capital	6	200,000	200,000
Reserve for net revaluation according to the equity method		2,606,591	13,451,605
Retained earnings		106,780,525	82,124,051
<b>Equity</b>		<b>109,587,116</b>	<b>95,775,656</b>
Payables to associates		0	15,000,000
<b>Non-current liabilities other than provisions</b>	7	<b>0</b>	<b>15,000,000</b>
Trade payables		20,000	20,000
Income tax payable		3,347,819	1,583,341
Other payables		0	340,223
<b>Current liabilities other than provisions</b>		<b>3,367,819</b>	<b>1,943,564</b>
<b>Liabilities other than provisions</b>		<b>3,367,819</b>	<b>16,943,564</b>
<b>Equity and liabilities</b>		<b>112,954,935</b>	<b>112,719,220</b>
Staff costs	1		
Contingent liabilities	8		
Assets charged and collateral	9		
Related parties with controlling interest	10		
Transactions with related parties	11		

## Parent statement of changes in equity for 2018/19

	<b>Contributed capital DKK</b>	<b>Reserve for net revaluation according to the equity method DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Equity beginning of year	200,000	13,451,605	82,124,051	95,775,656
Transfer to reserves	0	(25,000,000)	25,000,000	0
Profit/loss for the year	<u>0</u>	<u>14,154,986</u>	<u>(343,526)</u>	<u>13,811,460</u>
<b>Equity end of year</b>	<b><u>200,000</u></b>	<b><u>2,606,591</u></b>	<b><u>106,780,525</u></b>	<b><u>109,587,116</u></b>

## Notes to parent financial statements

	<b>2018/19</b>	<b>2017/18</b>
<b>1. Staff costs</b>		
Average number of employees	<b>0</b>	<b>0</b>
	<b>2018/19 DKK</b>	<b>2017/18 DKK</b>
<b>2. Other financial expenses</b>		
Financial expenses from associates	712,500	900,000
Other financial expenses	10,988	78,063
	<b>723,488</b>	<b>978,063</b>
	<b>2018/19 DKK</b>	<b>2017/18 DKK</b>
<b>3. Tax on profit/loss for the year</b>		
Current tax	(96,890)	(223,825)
	<b>(96,890)</b>	<b>(223,825)</b>
	<b>2018/19 DKK</b>	<b>2017/18 DKK</b>
<b>4. Proposed distribution of profit/loss</b>		
Transferred to reserve for net revaluation according to the equity method	14,154,986	9,225,276
Retained earnings	(343,526)	(793,563)
	<b>13,811,460</b>	<b>8,431,713</b>
<b>Dividend distributed after the balance sheet date</b>		
Extraordinary dividend	60,000,000	0



## Notes to parent financial statements

	<b>Investments in group enterprises DKK</b>
<b>5. Fixed asset investments</b>	
Cost beginning of year	96,552,276
<b>Cost end of year</b>	<b>96,552,276</b>
Revaluations beginning of year	13,451,605
Amortisation of goodwill	(5,077,990)
Share of profit/loss for the year	19,232,976
Dividend	(15,000,000)
<b>Revaluations end of year</b>	<b>12,606,591</b>
<b>Carrying amount end of year</b>	<b>109,158,867</b>

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

	<b>Number</b>	<b>Par value DKK</b>	<b>Nominal value DKK</b>
<b>6. Contributed capital</b>			
Contributed capital	200,000	1	200,000
	<b>200,000</b>		<b>200,000</b>

### 7. Liabilities other than provisions

Other non-current liabilities comprise a loan from the capital owner. The full amount is paid at 30 April 2019.

### 8. Contingent liabilities

The Entity serves as an administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc. for the jointly taxed entities.

### 9. Assets charged and collateral

Investments in group enterprises are lodged as collateral for bank loans. The carrying amount of the mortgaged investments is DKK 99,159K at 30 April 2019. (2018: 110,004K)

#### Collateral securities provided for subsidiaries and group enterprises

The Entity has guaranteed the subsidiaries' debt to Sydbank. The subsidiaries' bank loans amount to DKK 6,062K at 30 April 2019. (2018: 9,905K)

The Entity warrants for the subsidiary's liability to a lender regarding a hedge account of DKK 2,000K.

## Notes to parent financial statements

### **10. Related parties with controlling interest**

Related parties with controlling interest in the Company includes:

SE Blue Equity I K/S, Central Business Registration NO 35485058, Kolding has the majority.

### **11. Transactions with related parties**

Transactions with related parties are only disclosed in the annual report if they are not on arm's length terms.

No such transactions have been conducted in the financial year.

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

### Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in group equity.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

## Accounting policies

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories and other external expenses.

#### Revenue

Revenue is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item may include wastage and ordinary write-downs of the relevant inventories.

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, promotion expenses, etc. Other external expenses also include impairment losses on receivables recognised in current assets.

#### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

#### Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

#### Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

#### Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

#### Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

## Accounting policies

### Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

### Balance sheet

#### Goodwill

Goodwill is the positive difference between cost and value in use of assets and liabilities taken over as part of the acquisition. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If it is not possible to estimate the useful life reliably, it is set at 10 years. Useful lives are reassessed on an annual basis. The amortisation period used is 15 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

#### Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

## Accounting policies

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

### Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	10-25 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	10 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation period used is 15 years.

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

### Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables and direct labour costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and

## Accounting policies

costs incurred to execute sale.

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### Income tax payable or receivable

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

### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### Cash

Cash comprises cash in hand and bank deposits.

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

### Other financial liabilities

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

### Joint taxation contributions receivable or payable

Current joint taxation contributions receivable or joint taxation payable is recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

## Accounting policies

### Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash less short-term bank loans.