



## Harbour Group Holding ApS

Amerikavej 1  
6700 Esbjerg  
CVR No. 36943378

## Annual report 2020

The Annual General Meeting adopted the  
annual report on 15.04.2021

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**Mikael Hedager Würtz**  
Conductor

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# Entity details

## Entity

Harbour Group Holding ApS

Amerikavej 1

6700 Esbjerg

Business Registration No.: 36943378

Registered office: Esbjerg

Financial year: 01.01.2020 - 31.12.2020

## Executive Board

Kasper Svarrer

Kristian Svarrer

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

6701 Esbjerg

# Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of Harbour Group Holding ApS for the financial year 01.01.2020 - 31.12.2020

The annual report is presented 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 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020.

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.

Esbjerg, 15.04.2021

## Executive Board

**Kasper Svarrer**

**Kristian Svarrer**

# Independent auditor's report

## To the shareholders of Harbour Group Holding ApS

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Harbour Group Holding ApS for the financial year 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 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 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 and 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.

#### **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.

Esbjerg, 15.04.2021

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

#### **Jørn Jepsen**

State Authorised Public Accountant  
Identification No (MNE) mne24824

# Management commentary

## Financial highlights

	2020	2019	2018	2017	2016
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Gross profit/loss	74,679	84,465	77,618	74,924	64,569
Operating profit/loss	5,303	4,149	(5,515)	5,334	9,674
Net financials	(1,094)	(1,162)	(1,015)	(751)	(1,239)
Profit/loss for the year	7,796	2,220	(5,282)	2,373	6,465
Profit for the year excl. minority interests	8,192	2,982	(4,830)	2,182	6,342
Balance sheet total	117,843	128,315	114,946	111,033	117,570
Investments in property, plant and equipment	6,801	4,357	12,797	1,784	4,345
Equity	28,772	20,215	17,667	26,347	31,166
Equity excl. minority interests	28,772	21,479	18,169	26,347	24,027
<b>Ratios</b>					
Return on equity (%)	32.60	15.04	(21.70)	8.66	28.40
Equity ratio (%)	24.42	16.74	15.81	23.73	20.44

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Return on equity (%):

$\frac{\text{Profit/loss for the year excl. minority interests} * 100}{\text{Average equity excl. minority interests}}$

### Equity ratio (%):

$\frac{\text{Equity excl. minority interests} * 100}{\text{Balance sheet total}}$



### **Primary activities**

The Company's primary activity is holding shares in affiliated companies. The Group's primary activities are shipping, freight forwarding, port agency, terminal services, warehousing and stevedoring.

### **Development in activities and finances**

During the financial year, the company has achieved a satisfactory result, in light of the corona pandemic.

Equity amount to 28,772 tDKK of a balance total sheet of 117,843 tDKK corresponding to a solvency ratio of 25,0% which is satisfactory. Liquidity has developed positively and satisfactory.

Management believes that the income statement, balance sheet, cash flow statement, and accompanying notes contain all material information for the assessment of the company's profit in the past year and the financial position at the end of the year.

### **Profit/loss for the year in relation to expected developments**

The profit for the year is in line with what was expected.

### **Outlook**

We expect a positive result for 2021 in the range of 4,000 tDKK to 7,000 tDKK despite COVID-19.

### **Particular risks**

The main risks relate to the general development within the individual market segments. In addition, the Group has significant revenue in foreign currency, so competitiveness is affected by changes in the exchange rate.

### **Environmental performance**

The Group is environmentally conscious and is continuously working to reduce the environmental impact of Corporate operations.

# Consolidated income statement for 2020

	Notes	2020 DKK'000	2019 DKK'000
<b>Gross profit/loss</b>		<b>74,679</b>	<b>84,465</b>
Staff costs	1	(63,030)	(74,165)
Depreciation, amortisation and impairment losses	2	(6,346)	(6,151)
<b>Operating profit/loss</b>		<b>5,303</b>	<b>4,149</b>
Income from investments in associates		5,156	0
Other financial income		386	233
Financial expenses from group enterprises		(11)	(3)
Other financial expenses		(1,469)	(1,392)
<b>Profit/loss before tax</b>		<b>9,365</b>	<b>2,987</b>
Tax on profit/loss for the year	3	(1,569)	(767)
<b>Profit/loss for the year</b>	4	<b>7,796</b>	<b>2,220</b>

# Consolidated balance sheet at 31.12.2020

## Assets

	Notes	2020 DKK'000	2019 DKK'000
Completed development projects	6	0	568
Acquired intangible assets		0	0
Acquired licences		0	0
<b>Intangible assets</b>	5	<b>0</b>	<b>568</b>
Land and buildings		32,615	36,681
Other fixtures and fittings, tools and equipment		9,802	9,266
Property, plant and equipment in progress		1,121	1,248
<b>Property, plant and equipment</b>	7	<b>43,538</b>	<b>47,195</b>
Investments in associates		5,196	40
Receivables from associates		6,000	6,000
Other investments		2,880	3,159
Deposits		25	126
Other receivables		1,176	670
<b>Financial assets</b>	8	<b>15,277</b>	<b>9,995</b>
<b>Fixed assets</b>		<b>58,815</b>	<b>57,758</b>
Manufactured goods and goods for resale		2,018	3,604
<b>Inventories</b>		<b>2,018</b>	<b>3,604</b>
Trade receivables		46,312	57,973
Contract work in progress		1,597	1,089
Receivables from group enterprises		1,647	0
Receivables from associates		361	233
Other receivables		1,613	1,213
Prepayments	9	1,461	1,435
<b>Receivables</b>		<b>52,991</b>	<b>61,943</b>
Other investments		765	0
<b>Investments</b>		<b>765</b>	<b>0</b>

<b>Cash</b>	<b>3,254</b>	<b>5,010</b>
<b>Current assets</b>	<b>59,028</b>	<b>70,557</b>
<b>Assets</b>	<b>117,843</b>	<b>128,315</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2020 DKK'000</b>	<b>2019 DKK'000</b>
Contributed capital		1,000	1,000
Retained earnings		27,772	20,479
<b>Equity belonging to Parent's shareholders</b>		<b>28,772</b>	<b>21,479</b>
<b>Equity belonging to minority interests</b>		<b>0</b>	<b>(1,264)</b>
<b>Equity</b>		<b>28,772</b>	<b>20,215</b>
Deferred tax	10	1,168	1,042
<b>Provisions</b>		<b>1,168</b>	<b>1,042</b>
Mortgage debt		24,008	21,916
Lease liabilities		2,661	4,150
Other payables		1,847	2,866
<b>Non-current liabilities other than provisions</b>	11	<b>28,516</b>	<b>28,932</b>
Current portion of non-current liabilities other than provisions	11	3,236	3,159
Bank loans		2,564	20,957
Prepayments received from customers		332	111
Contract work in progress		128	1,695
Trade payables		30,737	33,415
Payables to group enterprises		0	2,734
Joint taxation contribution payable		1,813	5
Other payables		20,577	16,050
<b>Current liabilities other than provisions</b>		<b>59,387</b>	<b>78,126</b>
<b>Liabilities other than provisions</b>		<b>87,903</b>	<b>107,058</b>
<b>Equity and liabilities</b>		<b>117,843</b>	<b>128,315</b>
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
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# Consolidated statement of changes in equity for 2020

	Contributed capital DKK'000	Retained earnings DKK'000	Equity belonging to Parent's shareholders DKK'000	Equity belonging to minority interests DKK'000	Total DKK'000
Equity beginning of year	1,000	20,479	21,479	(1,264)	20,215
Effect of divestments of entities etc.	0	0	0	1,660	1,660
Exchange rate adjustments	0	(1,108)	(1,108)	0	(1,108)
Value adjustments	0	268	268	0	268
Tax of entries on equity	0	(59)	(59)	0	(59)
Profit/loss for the year	0	8,192	8,192	(396)	7,796
<b>Equity end of year</b>	<b>1,000</b>	<b>27,772</b>	<b>28,772</b>	<b>0</b>	<b>28,772</b>

# Consolidated cash flow statement for 2020

	Notes	2020 DKK'000	2019 DKK'000
Operating profit/loss		5,303	4,149
Amortisation, depreciation and impairment losses		6,346	6,151
Working capital changes	12	8,390	(11,024)
<b>Cash flow from ordinary operating activities</b>		<b>20,039</b>	<b>(724)</b>
Financial income received		386	233
Financial expenses paid		(1,480)	(1,395)
Taxes refunded/(paid)		504	137
<b>Cash flows from operating activities</b>		<b>19,449</b>	<b>(1,749)</b>
Acquisition etc. of property, plant and equipment		(6,801)	(4,357)
Sale of property, plant and equipment		3,392	630
Acquisition of fixed asset investments		(528)	(1,353)
Sale of fixed asset investments		379	0
Acquisition of enterprises		650	0
<b>Cash flows from investing activities</b>		<b>(2,908)</b>	<b>(5,080)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>16,541</b>	<b>(6,829)</b>
Repayments of loans etc.		(339)	(942)
<b>Cash flows from financing activities</b>		<b>(339)</b>	<b>(942)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>16,202</b>	<b>(7,771)</b>
Cash and cash equivalents beginning of year		(15,947)	(8,196)
Currency translation adjustments of cash and cash equivalents		(330)	20
Cash and cash equivalents regarding discontinued operations		765	0
<b>Cash and cash equivalents end of year</b>		<b>690</b>	<b>(15,947)</b>
Cash and cash equivalents at year-end are composed of:			
Cash		3,254	5,010

Short-term bank loans	(2,564)	(20,957)
<b>Cash and cash equivalents end of year</b>	<b>690</b>	<b>(15,947)</b>

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# Notes to consolidated financial statements

## 1 Staff costs

	2020 DKK'000	2019 DKK'000
Wages and salaries	57,345	67,592
Pension costs	4,163	4,965
Other social security costs	775	694
Other staff costs	747	914
	<b>63,030</b>	<b>74,165</b>
Average number of full-time employees	<b>130</b>	146

## 2 Depreciation, amortisation and impairment losses

	2020 DKK'000	2019 DKK'000
Amortisation of intangible assets	85	(16)
Impairment losses on intangible assets	483	0
Depreciation on property, plant and equipment	6,223	6,322
Profit/loss from sale of intangible assets and property, plant and equipment	(445)	(155)
	<b>6,346</b>	<b>6,151</b>

## 3 Tax on profit/loss for the year

	2020 DKK'000	2019 DKK'000
Current tax	1,304	5
Change in deferred tax	265	762
	<b>1,569</b>	<b>767</b>

## 4 Proposed distribution of profit/loss

	2020 DKK'000	2019 DKK'000
Retained earnings	8,192	2,982
Minority interests' share of profit/loss	(396)	(762)
	<b>7,796</b>	<b>2,220</b>

## 5 Intangible assets

	Completed development projects DKK'000	Acquired intangible assets DKK'000	Acquired licences DKK'000
Cost beginning of year	853	138	41
Exchange rate adjustments	0	(1)	(2)
Disposals	(853)	0	0
<b>Cost end of year</b>	<b>0</b>	<b>137</b>	<b>39</b>
Amortisation and impairment losses beginning of year	(285)	(138)	(41)
Exchange rate adjustments	0	1	2
Impairment losses for the year	(483)	0	0
Amortisation for the year	(85)	0	0
Reversal regarding disposals	853	0	0
<b>Amortisation and impairment losses end of year</b>	<b>0</b>	<b>(137)</b>	<b>(39)</b>
<b>Carrying amount end of year</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 6 Development projects

Completed development projects include cradles to safe handling of casing, tubing and stabilizers.

## 7 Property, plant and equipment

	Land and buildings DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	68,341	37,508	1,248
Exchange rate adjustments	(869)	(145)	0
Additions	308	4,823	1,670
Disposals	(434)	(5,940)	(1,797)
<b>Cost end of year</b>	<b>67,346</b>	<b>36,246</b>	<b>1,121</b>
Depreciation and impairment losses beginning of year	(31,660)	(28,242)	0
Exchange rate adjustments	308	96	0
Impairment losses for the year	(678)	0	0
Depreciation for the year	(2,900)	(3,323)	0
Reversal regarding disposals	199	5,025	0
<b>Depreciation and impairment losses end of year</b>	<b>(34,731)</b>	<b>(26,444)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>32,615</b>	<b>9,802</b>	<b>1,121</b>
Recognised assets not owned by Entity	0	3,384	0

## 8 Financial assets

	Investments in associates DKK'000	Receivables from associates DKK'000	Other investments DKK'000	Deposits DKK'000	Other receivables DKK'000
Cost beginning of year	40	6,000	3,159	126	670
Exchange rate adjustments	0	0	(1)	0	(22)
Additions	0	0	0	0	528
Disposals	0	0	(278)	(101)	0
<b>Cost end of year</b>	<b>40</b>	<b>6,000</b>	<b>2,880</b>	<b>25</b>	<b>1,176</b>
Share of profit/loss for the year	5,156	0	0	0	0
<b>Revaluations end of year</b>	<b>5,156</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>5,196</b>	<b>6,000</b>	<b>2,880</b>	<b>25</b>	<b>1,176</b>

Associates	Registered in	Ownership %
Kanalhusene Invest I ApS	Esbjerg	33,3
Kanalhusene Invest II ApS	Esbjerg	33,3

## 9 Prepayments

Prepayments consists of prepaid insurance and licenses.

## 10 Deferred tax

	2020 DKK'000	2019 DKK'000
Intangible assets	(18)	89
Property, plant and equipment	1,379	1,278
Receivables	(42)	(34)
Liabilities other than provisions	(151)	(291)
<b>Deferred tax</b>	<b>1,168</b>	<b>1,042</b>

Changes during the year	2020 DKK'000	2019 DKK'000
Beginning of year	1,042	280
Recognised in the income statement	126	762
<b>End of year</b>	<b>1,168</b>	<b>1,042</b>

**11 Non-current liabilities other than provisions**

	Due within 12 months 2020 DKK'000	Due within 12 months 2019 DKK'000	Due after more than 12 months 2020 DKK'000	Outstanding after 5 years 2020 DKK'000
Mortgage debt	1,646	1,578	24,008	17,426
Lease liabilities	1,429	1,426	2,661	0
Other payables	161	155	1,847	251
	<b>3,236</b>	<b>3,159</b>	<b>28,516</b>	<b>17,677</b>

**12 Changes in working capital**

	2020 DKK'000	2019 DKK'000
Increase/decrease in inventories	1,586	(1,160)
Increase/decrease in receivables	8,952	(12,162)
Increase/decrease in trade payables etc.	(2,148)	2,298
	<b>8,390</b>	<b>(11,024)</b>

**13 Unrecognised rental and lease commitments**

	2020 DKK'000	2019 DKK'000
Total liabilities under rental or lease agreements until maturity	<b>7,984</b>	<b>11,920</b>

**14 Contingent liabilities**

	2020 DKK'000	2019 DKK'000
Recourse and non-recourse guarantee commitments	250	280
<b>Contingent liabilities</b>	<b>250</b>	<b>280</b>

**15 Assets charged and collateral**

Mortgage debt is secured by way of mortgage on properties.

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor on plant of DKK'000 7,000 nominal.

The carrying amount of mortgaged properties is DKK'000 26.776.

**16 Non-arm's length related party transactions**

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

### 17 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Kristian Svarrer Holding ApS, Esbjerg

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Kristian Svarrer Holding ApS, Esbjerg

### 18 Subsidiaries

	Registered in	Corporate form	Ownership %
Jutlandia Terminal Ejendomme ApS	Esbjerg	ApS	100,0
Jutlandia Terminal A/S	Esbjerg	A/S	100,0
A/S J. Lauritzens Eftf.	Esbjerg	A/S	100,0
Mermaid Maritime Vietnam Jsc	Vietnam	Jsc	100,0
Lauritzen Logistica S.r.l	Italia	S.r.l	100,0
Global Offshore ApS, sold in 2020	Esbjerg	ApS	70,0

# Parent income statement for 2020

	Notes	2020 DKK'000	2019 DKK'000
<b>Gross profit/loss</b>		(5)	(6)
Income from investments in group enterprises		8,310	3,125
Other financial income		0	2
Financial expenses from group enterprises		(125)	(111)
Other financial expenses		(21)	(50)
<b>Profit/loss before tax</b>		<b>8,159</b>	<b>2,960</b>
Tax on profit/loss for the year	1	33	22
<b>Profit/loss for the year</b>	2	<b>8,192</b>	<b>2,982</b>

# Parent balance sheet at 31.12.2020

## Assets

	Notes	2020 DKK'000	2019 DKK'000
Investments in group enterprises		40,436	30,844
Other investments		2,796	2,796
<b>Financial assets</b>	3	<b>43,232</b>	<b>33,640</b>
<b>Fixed assets</b>		<b>43,232</b>	<b>33,640</b>
Other receivables		400	0
Joint taxation contribution receivable		33	36
<b>Receivables</b>		<b>433</b>	<b>36</b>
<b>Cash</b>		<b>44</b>	<b>0</b>
<b>Current assets</b>		<b>477</b>	<b>36</b>
<b>Assets</b>		<b>43,709</b>	<b>33,676</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2020 DKK'000</b>	<b>2019 DKK'000</b>
Contributed capital		1,000	1,000
Reserve for net revaluation according to the equity method		14,583	2,043
Retained earnings		13,189	18,436
<b>Equity</b>		<b>28,772</b>	<b>21,479</b>
Provisions for investments in group enterprises		0	2,947
<b>Provisions</b>		<b>0</b>	<b>2,947</b>
Bank loans		0	2,925
Payables to group enterprises		14,932	6,320
Other payables		5	5
<b>Current liabilities other than provisions</b>		<b>14,937</b>	<b>9,250</b>
<b>Liabilities other than provisions</b>		<b>14,937</b>	<b>9,250</b>
<b>Equity and liabilities</b>		<b>43,709</b>	<b>33,676</b>
Contingent liabilities	5		
Assets charged and collateral	6		
Related parties with controlling interest	7		
Transactions with related parties	8		



# Parent statement of changes in equity for 2020

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	1,000	2,043	18,436	21,479
Exchange rate adjustments	0	(1,108)	0	(1,108)
Value adjustments	0	209	0	209
Profit/loss for the year	0	13,439	(5,247)	8,192
<b>Equity end of year</b>	<b>1,000</b>	<b>14,583</b>	<b>13,189</b>	<b>28,772</b>

# Notes to parent financial statements

## 1 Tax on profit/loss for the year

	2020 DKK'000	2019 DKK'000
Change in deferred tax	0	14
Refund in joint taxation arrangement	(33)	(36)
	<b>(33)</b>	<b>(22)</b>

## 2 Proposed distribution of profit and loss

	2020 DKK'000	2019 DKK'000
Retained earnings	8,192	2,982
	<b>8,192</b>	<b>2,982</b>

## 3 Financial assets

	Investments in group enterprises DKK'000	Other investments DKK'000
Cost beginning of year	23,853	2,796
<b>Cost end of year</b>	<b>23,853</b>	<b>2,796</b>
Revaluations beginning of year	6,991	0
Exchange rate adjustments	209	0
Adjustments on equity	(1,108)	0
Share of profit/loss for the year	12,491	0
Dividend	(2,000)	0
<b>Revaluations end of year</b>	<b>16,583</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>40,436</b>	<b>2,796</b>

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

## 4 Provisions for investments in group enterprises

Provisions for investments in group enterprises is related to the negative equity in group enterprises, recognized after equity method.

## 5 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Kristian Svarrer Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

## **6 Assets charged and collateral**

### **Collateral provided for group enterprises**

The Entity has guaranteed the subsidiaries' bank loans.

The subsidiaries' bank loans amount to DKK'000 486.

## **7 Related parties with controlling interest**

Kristian Svarrer, Esbjerg owns Kristian Svarrer Holding ApS, Esbjerg, which owns 70% of Harbour Group Holding ApS, Esbjerg. Kristian Svarrer thus has a controlling influence on the company.

## **8 Transactions with related parties**

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

# Accounting policies

## Reporting class

This annual report has been prepared 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' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

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

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and external expenses.

#### Revenue

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

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

#### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

#### Property costs

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

#### Staff costs

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

#### Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

#### Income from investments in group enterprises

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

#### Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after pro rata elimination of intra-group profits or losses.

**Other financial income**

Other financial income comprises dividends etc. received on other investments, interest income, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

**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, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

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

**Balance sheet****Intellectual property rights etc.**

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

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 less deferred tax 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.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

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, and 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. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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	20-25 years
Other fixtures and fittings, tools and equipment	2-10 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 in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Goodwill is 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 periods used are 5 years.

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

**Investments in associates**

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to reserve for net revaluation according to the equity method in equity.

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

**Receivables**

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

**Other investments**

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

**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, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

**Contract work in progress**

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a contract in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

**Joint taxation contributions payable or receivable**

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, 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.

**Prepayments**

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



**Other investments (current assets)**

Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date, and unlisted investments measured at the lower of cost and net realisable value.

**Cash**

Cash comprises cash in hand and bank deposits.

**Deferred tax**

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

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.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

**Other provisions**

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

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.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

**Mortgage debt**

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

**Lease liabilities**

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

**Operating leases**

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

**Other financial liabilities**

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

**Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

**Joint taxation contributions payable or receivable**

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, 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.

**Cash flow statement**

The cash flow statement shows cash flows from operating, investing and financing activities, and 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 taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and 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, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

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