Stibo A/S

Axel Kiers Vej 11, 8270 Højbjerg

CVR no. 78 60 30 11

Annual Report 2018/19

Approved at the Company's annual general meeting on 21 June 2019

Chairman:

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Contents

Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Stibo A/S for the financial year 1 May 2018 - 30 April 2019.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 April 2019 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 May 2018 - 30 April 2019 in accordance with the Danish Financial Statements Act.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters and the results of the Group's and the Parent Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Højbjerg, 19 June 2019
Executive Board:

Carsten Christensen
CEO

Board of Directors:

Peter Lorens Ravn Chairman	Hans O. Damgaard	Lars Fournais
Sten Dyrmose	Claus Nørgaard Hansen	Peter Brunthaler Marcussen
Jan Schou Jensen		

Independent auditor's report

To the shareholders of Stibo A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Stibo A/S for the financial year 1 May 2018 - 30 April 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 30 April 2019 and of the results of the Group's and the Company's operations and the consolidated cash flows for the financial year 1 May 2018- 30 April 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 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 company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 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 the financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and 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 Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the 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 of the Management's review.

Aarhus, 21 June 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jens Weiersøe Jakobsen	Søren Jensen
State Authorised	State Authorised
Public Accountant	Public Accountant
mne30152	mne34132

Management's review

Company details

Name	Stibo A/S
Address	Axel Kiers Vej 11, DK-8270 Højbjerg
CVR no.	78 60 30 11
Established	30 September 1983
Registered office	Aarhus
Financial year	1 May - 30 April
Website	www.stibo.com
E-mail	info@stibo.com
Telephone	89 39 89 39
Board of Directors	Peter Lorens Ravn, Chairman Hans O. Damgaard Lars Fournais Sten Dyrmose Claus Nørgaard Hansen (Employee representative) Peter Brunthaler Marcussen (Employee representative) Jan Schou Jensen (Employee representative)
Executive Board	Carsten Christensen, CEO
Division CEOs	Søren S. Henriksen, Stibo Complete Niels S. Poulsen, Stibo Systems Dan Korsgaard, CCI Europe
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, DK-8000 Aarhus C

Management's review

Members of the Board of Directors

Peter Lorens Ravn

Professional board member (chairman), born 1955. Joined the Board of Directors in Stibo A/S in 2012 and is regarded as being independent.

Peter L. Ravn is an engineer, Ph.D. and holds a B.Com in Financing and Credit Business and is former CEO in SimCorp A/S from 2001 to 2012.

Other directorships:

- Chairman of the Board in Systematic A/S
- Board member in Danske Commodities A/S

Lars Fournais

Professional board member, born 1953. Joined the Board of Directors in Stibo A/S in 2008. Lars Forunais is regarded as being independent.

Lars Fournais holds a M.Com and is former CEO in i.a. System B8, Group Senior Vice President in Grundfos and CEO in Saint Gobain Distribution Danmark.

Other directorships:

- Chairman of the Board in AGF A/S, QLA Group A/S, and Apromas A/S
- Vice Chairman in WindowMaster A/S
- Member of the Board in OK a.m.b.a., Aarhus Havn, Investeringsforeningen Danske Invest, AP Invest Kapitalforening, Investeringsforeningen Danske Invest Select, Investeringsforeningen ProCapture, Investeringsforeningen Profil Invest and Kapitalforeningen Danske Invest Institutional.

Sten Dyrmose

Sten Dyrmose, born 1967. Joined the Board of Directors in Stibo A/S in October 2017. Sten Dyrmose is regarded as being independent.

Sten Dyrmose is CEO in Flonidan A/S.

Sten Dyrmose is an engineer and holds an E-MBA. He is former CEO in i.a. Valor Danmark, Polycom Danmark and Spectralink US.

Other directorships:

- Member of the Board in Horsens & Friends

Management's review

Members of the Board of Directors

Hans O. Damgaard

Professional board member, born 1965. Joined the Board of Directors in Stibo A/S in April 2019. Hans O. Damgaard is regarded as not being independent.

Hans O. Damgaard holds a M.Com and is former Group CEO in Stibo A/S.

Other directorships:

- Vice Chairman of the Board in egetæpper A/S
- Vice Chairman of the Board in Gabriel A/S
- Vice Chairman of the Board in LIFA A/S
- Member of the Board in Thygesen Textile Solutions A/S
- Member of the Board in Manini & Co. Holding A/S
- Member of the Board in Inspari A/S
- Member of the Board in Aarhus Symfoniorkesters Fond

Members of the Board, employee representatives

Claus Nørgaard Hansen

Peter Marcussen

Jan Schou Jensen

Management's review

Financial highlights for the Group

DKK'000	2018/19	2017/18	2016/17	2015/16	2014/15
Key figures					
Revenue	1,837,614	1,706,821	1,795,586	1,983,969	1,874,225
Gross profit	908,918	851,037	893,044	1,022,249	933,903
Operating profit/loss	13,117	53,835	17,100	141,967	136,702
Profit before net financials	11,702	51,354	13,111	148,627	139,463
Profit/loss from net financials	2,652	-11,362	-3,219	-2,355	-179
Profit/loss before tax	14,354	39,992	9,892	146,272	139,284
Profit/loss for the year	**7,828**	**26,944**	**5,560**	**109,378**	**101,170**
Fixed assets	249,035	240,387	281,040	321,188	357,720
Current assets	834,910	859,765	822,878	976,880	911,842
Total assets	**1,083,945**	**1,100,152**	**1,103,918**	**1,298,068**	**1,269,562**
Share capital	25,000	25,000	25,000	25,000	25,000
Equity	**649,329**	**680,333**	**660,094**	**760,473**	**693,197**
Provisions	15,124	15,507	29,771	45,714	48,095
Non-current liabilities other than provisions	16,063	0	9,662	18,034	25,986
Current liabilities other than provisions	403,429	404,312	404,391	473,847	502,284
Investments for the year in property, plant and equipment	13,924	29,194	23,531	50,712	26,576
Financial ratios %					
Profit margin	0.7	3.2	1.0	7.2	7.3
Return on capital employed	1.8	7.5	2.2	17.1	15.6
Gross margin	49.5	49.9	49.7	51.5	49.8
Equity ratio	59.9	61.8	59.8	58.6	54.6
Return on equity	1.2	4.0	0.8	15.0	14.6
Average number of employees	1,177	1,068	1,161	1,112	1,075

For terms and definitions, please see the accounting policies.

Management's review

Operating review

Company structure and activities

Stibo A/S is an ownership company, and the operating activities in the Stibo Group are performed in the wholly-owned subsidiaries Stibo Systems A/S, Stibo Complete A/S and CCI Europe and underlying subsidiaries. Stibo A/S also includes the associated company Inspari A/S.

The Parent Company Stibo A/S' primary responsibility is to develop the strategy and business foundation of the Group's subsidiaries. Furthermore, the Company contributes to a joint culture and intercompany cooperation between the subsidiaries where the subsidiaries act as one company when relevant. The aim of the measures to enhance cooperation between the subsidiaries and utilising more synergies is to give the customers an even better experience and make it easier for them to use products and services from more subsidiaries. Emphasising a joint culture ensures that identical problems are solved on a cost-efficient basis across the subsidiaries by using as many identical processes and systems as possible.

The Parent Company Stibo A/S has for many years invested in various forms of innovation in an accelerator program where young master students and start-up companies together with Stibo Group's employees and customers are given the opportunity to work with innovation and development.

The accelerator program is of great importance to the Group's work with innovation and contributes to creating synergies between the group entities. Innovative ideas developed in the accelerator program often mature to actual business opportunities in the group entities.

In addition to the above, the Parent Company Stibo A/S is responsible for joint functions where synergies are created by placing responsibilities and qualifications centrally, including IT.

Stibo celebrated its 225 years anniversary on 3 January 2019 - a very impressive milestone, which they share with the former affiliated company Aarhus Stiftstidende. All group entities will celebrate the anniversary in the autumn of 2019.

The Company was founded in 1794 under the name Aarhus Stiftsbogtrykkerie. In 1966, the Company was converted into a commercial foundation as the owners wanted to ensure the future development and growth of the Company by means of an independent ownership structure.

Today, the Stibo Group operates within graphic production and development and sale of software solutions. Within software, Stibo A/S works together internationally with companies in Northern and Southern America, Europe, Australia and Asia. Today, the Group is one of Denmark largest privately-owned software companies. The Group's software companies are engaged in Master Data Management and Content Management solutions.

Through its ownership of Stibo Complete A/S, Stibo A/S is market leader in Scandinavia within graphic production and participates actively in the industry consolidation, and in recent years, the Company has acquired Sörmlands Printing Solutions AB, Color Print A/S, Scanprint A/S, Greentech Rotaprint A/S, Skånsk Repro AB and Gigant Print AB.

Stibo A/S is also co-owner of Inspari A/S, which primarily provides consultancy services within Business-Intelligence (BI), Artificial Intelligence (AI) and Internet of Things (IOT).

Development in the Group's business areas

Stibo Group has a strong platform that continuously requires that the business models be adjusted. Based on the launched initiatives, we expect to create a basis for future development and growth in revenue as well as in results of operation for the coming years. The Group comprises three wholly-owned companies that work within well-defined business areas, each with a clear strategy.

- Stibo Systems A/S has developed from manufacturing niche-based software that supports catalogue-publishing to developing and marketing software today that makes it possible to streamline and enhance the companies' data and strategic information. Stibo Systems A/S has a very strong position on the global market for Multi-Domain Master Data Management solutions (MDM) by combining consultancy services and software.

Management's review

Operating review

- Stibo Complete A/S started by printing telephone books. The Company's strong position from the past is the foundation for its present leading position in Scandinavia within printing of magazines, newspaper inserts, catalogues and advertisements. Within the past 12-18 months, the Company has also become a leading player within the sale of point-of-sales materials to the retail sector.
- Over the years, CCI Europe A/S has developed from graphic software developer for typesetting telephone books, newspapers and other publications to software developer that enables media groups and other publishing businesses all over the world to publish news, magazines and marketing materials. Services are provided smoothly and efficiently primarily to digital/electronic platforms, but also to printed channels.

Long-term business perspectives and an innovative mindset have driven the development of the various business areas over the years. The general approach was - and is - to utilise and develop the knowledge and expertise available within the Group. We are continuously developing these skills and translating our knowledge and expertise commercially, thereby creating the basis for identifying new business opportunities in a rapidly changing market with new demands. One of the reasons for the successful transformation of the various business areas is that foundation ownership allows us to work with long-term goals and investments.

Development in financial ratios

The Company reported a profit before tax of DKK 14 million against a profit of DKK 40 million the previous year.

The global market for i.a. software companies is changing these years as customers to a far higher extent prefer to subscribe software instead of buying a license that covers all future use. This means that the value of new agreements materialises in the financial statements over a period of years. As a foundation-owned company, this global trend is a positive development for Stibo A/S as it implies a higher stable and recurring revenue. In the short run, the change-over to subscription models, however, implies that revenue as well as earnings are "pushed" into the future as a sale does not have immediate full accounting and liquidity effect, but is realised over a longer period.

Due to the above-mentioned market trend, profit for the year is lower than the profit for the financial year 2017/18. However, if the profit is corrected for the effect of the change-over from the sale of software from perpetual (ownership) to subscription (lease), the profit for the year is significantly higher than last year.

Eliminating the accounting effect of the accrual of new agreements (owner or subscription) will provide a more true and fair view of the basis for comparison. Therefore, Stibo A/S's software companies are now measured based on "market performance" (revenue from licenses and support +/-development in backlog of related orders) as well as "business performance" (profit/loss before interest +/- development in the backlog of license and support orders). Based on the financial ratios, CCI Europe A/S - and in particular Stibo Systems A/S with a "market performance" growth of 28% (DKK 564 million in 2018/19 against DKK 440 million in 2017/18 and a growth in business performance of 57% (DKK 137 million in 2018/19 against DKK 87 million in 2017/18) realised satisfactory results of operation in the 2018/19 financial year.

Stibo Complete A/S has strengthened its market position considerably in the past financial year, in particular in Sweden. Revenue and results of operation are up on the 2017/18 financial year, which is attributable to increasing new sales and continued optimisation as well as revenue and results of operation from the acquired Swedish company Gigant Print AB.

The profit for the 2018/19 financial year is not satisfactory; however, taking the above market conditions for CCI Europe A/S and Stibo Systems A/S into consideration, Management assesses that the profit for the year, order intake, backlog of orders and market and business performance are satisfactory.

Reference is made to the Management's reviews of the individual companies for a thorough description of the activities and results of operation of the individual subsidiaries. A brief update of the subsidiaries in the Stibo Group is provided below.

Management's review

Operating review

Outlook

Through its subsidiaries, Stibo A/S has a strong market position within software and graphic production, and expectations of long-term revenue and earnings in the subsidiaries, and thereby also for the Group, are positive.

Compared with 2018/19, positive revenue and earnings growth is expected for 2019/20. Stibo Group expects to generate revenue of approx. DKK 1.9 billion and profit before tax in the range of DKK 35-45 million for the 2019/20 financial year. However, earnings expectations will, depend to some extent on sales under subscription agreements in the Group's software companies. If the changeover to sale under subscription agreements goes faster than anticipated, the Company's accounting profit may be weaker than expected. However, as described above, the financial ratios development in market and business performance provide a more true and fair financial ratio for the actual growth in our software activities. If these financial ratios show positive growth, our accounting results will also improve considerably in the long run.

We expect that Stibo Group will continue to acquire companies. The aim of acquisitions in the software companies is to expand the companies' product and solution platforms to provide the Group's customers with more products and services. The aim of acquisitions in the graphic business is to support the necessary consolidation of the Scandinavian market for printed matters and positioning within new and related business areas. It is a criterion that all new acquisitions must generate synergies with existing activities and that they contribute to the Group's earnings within a relatively short period of time.

Events after the balance sheet date

There were no events after the balance sheet date that significantly affect the financial report for 2018/19.

Update on subsidiaries owned by Stibo A/S

Stibo Systems A/S

Stibo Systems A/S develops, supports and implements software solutions for Master Data Management.

Most software markets are undergoing significant changes in their business models in these years because software buyers are increasingly subscribing software instead of buying licenses for future use. This trend also applies to Stibo Systems A/S' market for Master Data Management.

In the financial year, Stibo Systems A/S realised an order intake increase of 24% for licenses compared to last year. Due to the increased number of licences on a subscription basis, a considerable part of the order intake will not have accounting effect. This means that despite an increase of approx. DKK 50 million in business performance (defined as profit before interest +/- growth in orders) compared with the 2017/18 financial year, the Company realises a profit before tax of DKK 11 million, which is DKK 34 million lower than profit before tax for 2017/18.

On the other hand, the orders under subscription and support agreements increased by approx. DKK 133 million since the beginning of the 2018/19 financial year and expectations for the future growth in revenue and earnings development are positive. Therefore, the Company is making heavy investments in further product innovation and sale and marketing.

Stibo Systems A/S expects to further increase its business performance next year, and moreover, expects to report a profit before tax of DKK 20-25 million. The latter may, however, change significantly if the share of license sales based on subscription agreements changes considerably in relation to the Company's expectations.

Management's review

Operating review

Key figures for 2018/19 compared with 2017/18

Revenue	DKK 654 million (DKK 608 million in 2017/18)
Profit before tax	DKK 11 million (DKK 45 million in 2017/18)
Equity	DKK 249 million (DKK 275 million in 2017/18)
Number of employees	467 (439 in 2017/18)

CCI Europe A/S

CCI Europe A/S develops, supports and implements software solutions within Content Management - primarily for the media industry.

CCI Europe A/S realised the highest order intake in the past ten years in the 2018/19 financial year, and starts the new financial year with the highest backlog of orders for many years.

CCI Europe A/S realises a profit just under DKK 11 million before tax, which is slightly below the profit in the 2017/18 financial year. The Company expects to report a profit before tax of DKK 15-20 million in the 2019/20 financial year.

CCI Europe A/S acquired all the shares in the German company Digital Collections GmbH at the end of the financial year. Digital Collections develops, supports and implements software for Digital Asset Management (DAM) solutions, and the company has a very strong market position on the German market which is also one of CCI Europe A/S' most important markets. Expectations are that considerable synergies can be achieved between Digital Collections and CCI Europe A/S.

CCI Europe A/S invests considerable resources in creating solutions for new customer segments, and as part of this work, the Company also looks for potential acquisitions which can strengthen the Company's capabilities for existing as well as new customers.

Key figures for 2018/19 compared with 2017/18

Revenue	DKK 157 million (DKK 161 million in 2017/18)
Profit before tax	DKK 11 million (DKK 14 million in 2017/18)
Equity	DKK 86 million (DKK 84 million in 2017/18)
Number of employees	159 (170 in 2017/18)

Stibo Complete A/S

Stibo Complete A/S produces and sells physical marketing materials such as marketing materials, magazines, catalogues and point-of-sales materials, etc. to customers in Scandinavia.

The demand for marketing materials, magazines and catalogues is and has been decreasing, and consequently, for several years Stibo Complete A/S's strategy has been to contribute to a consolidation of the market through the acquisition of printing houses in Scandinavia and to streamline and adjust production to the decreasing demand. At the beginning of the 2018/19 financial year, Stibo Complete A/S acquired the shares in the Swedish company Gigant Print AB. The acquisition was made to further strengthen the Company's position within point-of-sales solutions and has proven a success as Gigant Print AB has increased its earnings compared with 2017/18 by utilising synergies with Stibo Complete A/S.

Stibo Complete A/S expects the negative market development to continue, and therefore the Company will continue to participate in the consolidation process and will continue to invest in the establishment of a broader product range which can be sold to new as well as existing customers. In this connection, Stibo Complete A/S focuses on digital marketing solutions that can be combined with physical marketing solutions.

Management's review

Operating review

In the 2018/19 financial statements, Stibo Complete A/S realised results of operations that are up on the 2017/18 financial year, and for the 2019/20 financial year the company expects to realise revenue of approx. DKK 1 billion and profit before tax of approx. DKK 10 million.

Key figures for 2018/19 compared with 2017/18

Revenue	DKK 1,026 million (2017/18: DKK 938 million)
EBITDA	DKK 69 million (2017/18: DKK 58 million)
Profit before tax	DKK 7 million (2017/18: DKK -11 million)
Equity	DKK 283 million (2017/18: DKK 278 million)
Number of employees	505 (420 in 2017/18)

Special risks for Stibo Group

Currency risks

The Group is exposed to changes in exchange rates as most of the Group's revenue is settled in foreign currencies. Due to its global structure, Stibo Group has a degree of natural currency hedging in the form of costs in the countries in which the Group operates. Net positions between payments made and received in foreign currencies are hedged if this makes financial sense.

Interest rate risks

Due to its solvency and financial resources, the Group is only to a limited extent exposed to interest rate changes.

Credit risks

Before starting a co-operation with new customers, the customer's financial situation is assessed, and if deemed relevant and possible, credit risks are hedged via insurance with credit insurance companies.

By means of on account invoicing in line with the progress of the work, the Group reduces its credit risk in the software companies.

Corporate social responsibility statement, see section 99a of the Danish Financial Statements Act

Stibo A/S has no significant activities other than holding shares in group entities.

Stibo A/S has therefore not identified any areas in the value chain within corporate social responsibility that significantly affect the company or the external environment. All corporate social responsibility risks relate to the subsidiaries, and therefore, Stibo A/S has not adopted any policies for corporate social responsibility, or environmental, climate, social and staff matters, or for human rights and anti corruption. Based on an analysis of materiality, no matters were identified where the Company has a significant negative effect in areas as part of the Company's strategy and activities. Consequently, no separate corporate social responsibility report has been prepared.

The subsidiaries' corporate social responsibility reports are published in the respective financial statements of:

- CCI Europe A/S
- Stibo Complete A/S
- Stibo Systems A/S.

Management's review

Operating review

Goals and policies for the underrepresented gender in Stibo A/S' Board of Directors, see section 99b of the Danish Financial Statements Act

Target number for female members of the Board of Directors

New candidates for Stibo AS' Board of Directors are selected on the basis of specific professional and personal skills, qualifications and experience. Stibo A/S believes that a diverse and versatile composition of the Board of Directors, including the gender composition, contributes to an innovative organisation and a positive working environment.

Stibo A/S has defined a goal to expand - to the extent possible - the number of female members of the Board of Directors. Stibo A/S' goal is that by 2020 one of the members of the Board of Directors appointed by the general meeting must be female (corresponding to 25% of the members appointed by the general meeting) by 2020. In 2019, the Board of Directors had four members appointed by the general meeting. None of the members appointed by the general meeting are female. Thus, the goal has not been achieved in the financial year as the recruitment process was not finalised until after the financial year end. As a result of the recruitment process, a female candidate will stand as candidate for the Board of Directors at the annual general meeting.

Ownership

Stibo A/S is wholly owned by Stibo Holding A/S, Aarhus.

Consolidated financial statements and parent company financial statements 1 May – 30 April

Income statement

Note	DKK'000	Group 2018/19	Group 2017/18	Parent Company 2018/19	Parent Company 2017/18
2	**Revenue**	1,837,614	1,706,821	0	0
	Changes in inventories of work in progress	231	26	0	0
3	Other operating income	28,468	27,925	49,448	38,786
		1,866,313	1,734,772	49,448	38,786
	Raw materials and consumables	-668,434	-637,674	0	0
	Other external expenses	-288,961	-246,061	-32,925	-23,707
	Gross profit	908,918	851,037	16,523	15,079
4	Staff costs	-825,163	-731,275	-29,425	-19,311
5	Depreciation, amortisation and impairment losses	-70,614	-65,826	-2,666	-2,924
	Other operating expenses	-24	-101	0	0
	Operating profit/loss	13,117	53,835	-15,568	-7,156
11	Profit after tax in group entities	0	0	17,741	31,822
12	Loss after tax in associates	-1,415	-2,481	-1,415	-2,481
6	Financial income	6,256	2,329	2,920	2,524
7	Financial expenses	-3,604	-13,691	-137	-416
	Profit before tax	14,354	39,992	3,541	24,293
8	Tax on profit for the year	-6,526	-13,048	2,897	1,127
	Profit for the year	7,828	26,944	6,438	25,420

	Group 2018/19	Group 2017/18
Broken down as follows:		
Shareholder in Stibo A/S	6,438	25,420
Non-controlling interests	1,390	1,524
	7,828	26,944

Recommended distribution of profit

DKK'000	2018/19	2017/18
Proposed dividend to Stibo Holding A/S	40,000	40,000
Transfer to reserve for net revaluation according to the equity method	17,741	31,822
Retained earnings	-51,303	-46,402
	6,438	25,420

Consolidated financial statements and parent company financial statements 1 May – 30 April

Balance sheet

Note	DKK'000	Group 30 April 2019	Group 30 April 2018	Parent Company 30 April 2019	Parent Company 30 April 2018
	ASSETS				
	Fixed assets				
9	**Intangible assets**				
	Goodwill	27,956	0	0	0
	Other intangible assets	14,345	5,038	0	0
		42,301	5,038	0	0
10	**Property, plant and equipment**				
	Land and buildings	24,058	11,791	4,162	11,791
	Plant and machinery	139,342	179,503	0	0
	Fixtures and fittings, tools and equipment	15,872	12,883	4,183	5,166
		179,272	204,177	8,345	16,957
	Investments				
11	Investments in group entities	0	0	610,308	631,552
12	Investments in associates	14,614	18,149	14,614	18,149
	Receivables from group entities	0	0	0	0
	Deposits	12,848	13,023	674	986
		27,462	31,172	625,596	650,687
	Total fixed assets	249,035	240,387	633,941	667,644
	Current assets				
	Inventories				
	Raw materials and consumables	58,222	50,118	82	82
	Work in progress	10,879	10,648	0	0
		69,101	60,766	82	82
	Receivables				
	Trade receivables	301,807	337,733	427	754
13	Contract work in progress	8,839	5,965	0	0
	Receivables from group entities	48,923	3,570	159,860	147,092
15	Deferred tax asset	1,528	3,421	1,007	1,585
	Corporation tax	4,847	1,169	3,475	995
	Other receivables	37,796	18,619	9,897	841
	Prepayments	39,293	22,089	3,688	5,497
		443,033	392,566	178,354	156,764
	Securities	0	193	0	193
	Cash	322,776	406,240	29,478	21,339
	Total current assets	834,910	859,765	207,914	178,378
	TOTAL ASSETS	1,083,945	1,100,152	841,855	846,022

Consolidated financial statements and parent company financial statements 1 May – 30 April

Balance sheet

Note	DKK'000	Group 30 April 2019	Group 30 April 2018	Parent Company 30 April 2019	Parent Company 30 April 2018
	EQUITY AND LIABILITIES				
	Equity				
14	Share capital	25,000	25,000	25,000	25,000
	Reserve for net revaluation acc. to the equity method	0	0	228,331	249,575
	Retained earnings	577,489	610,036	349,158	360,461
	Proposed dividend	40,000	40,000	40,000	40,000
	Shareholder in Stibo A/S' share of equity	642,489	675,036	642,489	675,036
	Non-controlling interests	6,840	5,297	0	0
	Total equity	649,329	680,333	642,489	675,036
	Provisions				
15	Deferred tax	15,124	15,507	0	0
	Total provisions	15,124	15,507	0	0
	Liabilities				
16	**Non-current liabilities other than provisions**				
	Mortgage credit institutions (lease liabilities)	2,005	0	0	0
	Other payables	14,058	0	0	0
		16,063	0	0	0
	Current liabilities other than provisions				
16	Current portion of non-current liabilities	1,701	9,662	0	0
13	Prepayments from customers	201,369	199,277	0	153
	Trade payables	37,444	35,536	1,490	793
	Payables to group entities	0	5,524	189,943	162,728
	Corporation tax	4,042	8,856	0	0
	Other payables	158,873	145,457	7,933	7,312
		403,429	404,312	199,366	170,986
	Total liabilities	419,492	404,312	199,366	170,986
	TOTAL EQUITY AND LIABILITIES	1,083,945	1,100,152	841,855	846,022

1 Accounting policies
17 Charges, collateral and contingent liabilities
18 Rental and lease commitments
19 Currency risks and use of derivative financial instruments
20 Related parties

Consolidated financial statements and parent company financial statements 1 May - 30 April

Statement of changes in equity

Group

DKK'000	Shareholder in Stibo A/S: Share capital	Retained earnings	Proposed dividend	Total	Non-controlling interests	Total equity
Equity at 1 May 2017	25,000	631,321	0	656,321	3,773	660,094
Profit/loss for the year	0	-14,580	40,000	25,420	1,524	26,944
Exchange rate adjustments resulting from translation of foreign entities	0	-9,294	0	-9,294	0	-9,294
Value adjustments for the year of hedging instruments	0	2,589	0	2,589	0	-2,589
Disposal of non-controlling interest	0	0	0	0	0	0
Change in non-controlling interest	0	0	0	0	0	0
Distributed dividend	0	0	0	0	0	0
Equity at 30 April 2018	25,000	610,036	40,000	675,036	5,297	680,333
Profit for the year	0	-33,562	40,000	6,438	1,390	7,828
Exchange rate adjustments resulting from translation of foreign entities	0	3,323	0	3,323	-1	3,322
Value adjustments for the year of hedging instruments	0	-2,319	0	-2,319	0	-2,319
Additions related to acquisitions	0	0	0	0	172	172
Changed ownership interest, non-controlling interest	0	11	0	11	-18	-7
Distributed dividend	0	0	-40,000	-40,000	0	-40,000
Equity at 30 April 2019	25,000	577,489	40,000	642,489	6,840	649,329

Parent Company

DKK'000	Share capital	Retained earnings	Net revaluation according to the equity method	Proposed dividend	Total
Equity at 1 May 2017	25,000	406,863	224,458	0	656,321
Profit/loss for the year	0	-46,402	31,822	40,000	25,420
Exchange rate adjustments resulting from translation of foreign entities	0	0	-9,294	0	-9,294
Value adjustments for the year of hedging instruments	0	0	2,589	0	2,589
Change in non-controlling interest	0	0	0	0	0
Distributed dividend	0	0	0	0	0
Equity at 30 April 2018	25,000	360,461	249,575	40,000	675,036
Profit for the year	0	-51,303	17,741	40,000	6,438
Exchange rate adjustments resulting from translation of foreign entities	0	0	3,323	0	3,323
Distributed dividend	0	40,000	-40,000	-40,000	-40,000
Change in non-controlling interest	0	0	11	0	11
Value adjustments for the year of hedging instruments	0	0	-2,319	0	-2,319
Equity at 30 April 2019	25,000	349,158	228,331	40,000	642,489

Consolidated financial statements and parent company financial statements 1 May - 30 April

Cash flow statement

Note	DKK'000	Group 2018/19	Group 2017/18
	Operating profit/loss	13,117	53,835
	Adjustment for non-cash operating items, etc.:		
5	Depreciation, amortisation and impairment losses	65,570	61,679
	Adjustment of profits on the sale of non-current assets	-5,216	-4,529
	Provisions	0	-11,310
	Cash generated from operations before changes in working capital	73,471	99,675
	Changes in working capital	10,187	5,940
	Cash generated from operations (operating activities)	83,658	105,615
6	Financial Income, paid	6,246	2,298
7	Financial expenses, paid	-3,604	-13,691
	Other adjustments	-308	-2,642
	Cash generated from operations (ordinary activities)	85,992	91,580
	Corporation tax paid	-18,421	-15,084
	Cash flows from operating activities	67,571	76,496
10	Acquisition of property, plant and equipment	-13,924	-29,194
	Sale of property, plant and equipment	4,802	7,605
12	Dividends from associates	2,120	1,120
	Changes in non-current receivables	174	-198
	Acquisition of entities	-33,069	0
	Acquisition of non-controlling interest	-7	0
	Sale of securities	203	0
	Cash flows from investing activities	-39,701	-20,667
	Changes in recieivables and debts to group enterprises	-50,877	0
	Changes in non-current liabilities	-24,698	-8,373
	Dividends paid	-40.000	0
	Cash flows from financing activities	-115,575	-8,373
	Cash flows for the year	-87,705	47,456
	Cash and cash equivalents, beginning of year	406,240	363,754
	Exchange rate adjustments on cash	4,241	-4,970
	Cash and cash equivalents, year end	322,776	406,240

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements and the parent company financial statements.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

1 **Accounting policies**

The annual report of Stibo A/S for 2018/19 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

In accordance with section 96 of the Danish Financial Statements Act, the Company does not disclose information on fees to the auditors appointed at the annual general meeting as the Company is included in Stibo-Fonden's audit note.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Stibo A/S, and subsidiaries in which Stibo A/S - directly or indirectly - holds more than 50 % of the voting rights or otherwise has a controlling interest.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets and liabilities at the acquisition date. Newly acquired or formed entities are recognised in the consolidated financial statements from the date of acquisition. Entities sold or otherwise disposed of are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated in respect of recently acquired or sold entities.

Gains or losses on disposal of subsidiaries are stated as the difference between the sales amount and the carrying amount of net assets at the date of disposal, including unamortised goodwill, and anticipated disposal costs.

Acquisitions of entities are accounted for using the acquisition method according to which the acquired entities' identifiable assets and liabilities are measured at fair value at the acquisition date.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset.

Business combinations

Recently acquired entities are recognised in the consolidated financial statements from the date of acquisition.

The date of acquisition is the date when the Group actually obtains control of the acquiree.

The purchase method is applied to acquisitions of new businesses over which the Group obtains control. The acquired businesses' identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

Non-controlling interests

The subsidiaries' financial statement items are included 100% in the consolidated financial statements. The non-controlling interests' proportionate shares of the subsidiaries' results and equity are adjusted annually and recognised separately in the income statement and balance sheet.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

1 **Accounting policies (continued)**

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest annual report is recognised in the income statement as financial income or financial expenses.

Foreign subsidiaries are considered separate entities. The income statements are translated at the exchange rates at the transaction date, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to closing rates are taken directly to equity. Foreign exchange adjustments which are considered part of the net investment in foreign operations with another functional currency than DKK are taken directly to equity. Correspondingly, foreign exchange gains and losses on the portion of loans and derivative financial instruments which are designated as hedges of investments in foreign operations are taken to equity.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and are subsequently measured at fair value.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of the fair value of a recognised asset or liability are recognised in the income statement together with fair value adjustments of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of future assets or liabilities are recognised in other receivables or other payables and in equity. Income and expenses relating to such hedging transactions are transferred from equity on the realisation of the hedged item and recognised in the same accounting item as the hedged item.

Income statement

Revenue

Revenue from the sale of goods and services is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place before year end and that the income can be measured reliably and is expected to be received. Revenue is measured ex. VAT and taxes charged on behalf of third parties.

Contract work in progress upon the delivery of major systems is recognised in revenue as the work is performed. Accordingly, revenue corresponds to the selling price of work performed during the year (percentage of completion method). Revenue is recognised when total income and expenses and the stage of completion at the balance sheet date can be reliably measured, and when it is probable that future economic benefits, including payments, will flow to the Group.

Changes in inventories of work in progress

Changes in inventories of work in progress include the changes in the year of work in progress.

Consolidated financial statements and parent company financial statements 1 May – 30 April

Notes

1 Accounting policies (continued)

Other operating income

Other operating income comprises items secondary to the Company's activities.

Raw materials and consumables

Raw materials and consumables include the year's purchase and the changes in the year of inventories of raw materials and consumables.

Other external expenses

Other external expenses comprise cost for the year primary to the activities of the Company, including costs of premises, administrative expenses, sale, etc.

Staff costs

Staff costs comprise wages and salaries, remuneration, pension and other staff costs regarding the Company's employees, including members of the Executive Board and the Board of Directors.

Development costs regarding new products are expensed as incurred. In practice, the development of new products cannot be differentiated from continuous maintenance of the Group's other products.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses comprise depreciation for the year on property, plant and equipment, amortisation of intangible assets and impairment losses.

Profit/loss from investments in group entities and associates

The proportionate share of the results after tax of the individual group entity is recognised in the Parent Company's income statement after full elimination of intra-group profits/losses and amortisation of goodwill.

The proportionate share of the results after tax of the associates is recognised in the income statement after elimination of the proportionate share of intra-group profits/losses.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc. Interest expenses are not capitalised.

Tax for the year

The Company is covered by the Danish rules on compulsory joint taxation of the Stibo Group's Danish companies. Subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

Stibo Holding A/S is the administration company under the joint taxation and accordingly pays all corporation taxes to the tax authorities.

The current Danish corporation tax is allocated by settling the joint taxation contributions between the jointly taxed entities in proportion to their taxable income. Loss-making entities receive joint taxation contributions from entities which have been able to apply the loss to reduce their own taxable income.

Consolidated financial statements and parent company financial statements 1 May – 30 April

Notes

1 **Accounting policies (continued)**

Tax for the year comprises the year's current tax charge and changes in deferred tax. The tax expense is recognised in profit or loss The portion attributable to changes in equity is recognised directly in equity.

Balance sheet

Goodwill

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is between 5 and 10 years. The amortisation period is fixed on the basis of the expected repayment horizon, longest for strategically acquired business enterprises with strong market positions and long-term earnings profiles.

Intangible assets

Other intangible assets include patents and rights acquired, etc.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Other intangible assets are amortised on a straight-line basis over the expected useful life of 5-10 years.

Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets, which are as follows:

Buildings	10-40 years
Plant and machinery	3-15 years
Fixtures and fittings, tools and equipment	3-10 years

Gains and losses on the disposal of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

Leases

Leases for non-current assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are initially recognised in the balance sheet at cost, corresponding to the lower of fair value and the net present value of future lease payments. In calculating the present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other non-current assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's aggregate liabilities

Consolidated financial statements and parent company financial statements 1 May – 30 April

Notes

1 **Accounting policies (continued)**

relating to operating leases and other rent agreements are disclosed in the note rent and lease liabilities.

Investments in group entities and associates

Investments in group entities and associates are measured according to the equity method.

Investments in group entities and associates are measured in the balance sheet at the proportionate share of the entities' net asset value according to the Parent Company's accounting policies minus or plus unrealised intra-group gains and losses.

Group entities and associates with a negative net asset value are measured at DKK 0, and any receivable is written down by the Parent Company's share of the negative net asset value insofar as it is considered irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the Parent Company has a legal or a constructive obligation to cover the subsidiary's deficit.

Net revaluation of investments in group entities and associates is recognised in the reserve for net revaluation according to the equity method in equity to the extent that the carrying amount exceeds cost.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, manufacturing costs and production overheads.

Receivables

Receivables are measured at amortised cost. Write-down is made for expected losses.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the total expected income from the relevant contract.

When the selling price of a construction contract cannot be measured reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual work in progress is recognised in the balance sheet as receivables or payables depending on the net value of the sales amount less on accounting invoicing and prepayments.

Selling costs and expenses incurred in securing contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

1 **Accounting policies (continued)**

Securities

Listed securities and investments recognised under current assets are measured at the fair value at the balance sheet date.

Dividends

Proposed dividend is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is presented as a separate line item in equity.

Corporation tax and deferred tax

Joint taxation contributions/corporation tax payable and receivable are recognised in the balance sheet under corporation tax.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax resulting from changed tax rates are recognised in the income statement.

Provisions

Provisions are made on an ongoing basis for unfunded pension obligations. The provision is made based on actuarial calculations.

The total expected loss on the contract work in progress is recognised when it is deemed likely that the total costs will exceed the total income from the work in progress.

Liabilities

Debt to banks is recognised at the date of borrowing at the proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Cash flow statement

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

Consolidated financial statements and parent company financial statements 1 May – 30 April

Notes

1 **Accounting policies (continued)**

Cash flows from operating activities

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

Cash flows from investing activities

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

Cash flows from financing activities

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

Cash

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

Segment information

Information is provided on business segments and geographical markets. Segment information follows the Group's accounting policies, risks and internal financial management.

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Profit margin	$\frac{\text{Operating profit x 100}}{\text{Revenue}}$
Return on capital employed	$\frac{\text{Operating profit x 100}}{\text{Average operating assets}}$
Operating assets	Operating assets comprise total assets less cash and securities
Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

2 **Segment information**

DKK'000	2018/19	2017/18
Revenue allocated on activities		
Complete Group	1,026,073	938,056
CCI Europe Group	157,237	161,170
Stibo Systems Group	654,304	607,595
	1,837,614	1,706,821
Geographical breakdown of revenue		
Denmark	436,353	435,351
Other Scandinavian countries	633,825	547,697
Rest of Europe	280,705	266,778
USA and Canada	375,298	360,318
Asia and rest of world	111,433	96,677
	1,837,614	1,706,821

3 **Other operating income**

The item in the consolidated financial statements mainly includes income on the sale of paper shredder as well as gains on the sale of non-current assets. In the Parent Company, the item primarily includes intra-group administrative fees, etc.

	Group		Parent Company	
DKK'000	2018/19	2017/18	2018/19	2017/18
4 **Staff costs**				
Wages and salaries	734,233	666,222	27,067	27,849
Reversed pension obligation	0	-10,682	0	-10,682
Pensions	37,708	35,752	1,680	1,746
Other social security costs	53,222	39,983	678	398
	825,163	731,275	29,425	19,311
Average number of employees	1,177	1,068	44	39

In the Group, remuneration of the Board of Directors and the Executive Board total DKK 8,383 thousand (2017/18: DKK 5,854 thousand). The Executive Board's remuneration comprises a fixed fee and redundancy pay.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

	DKK'000	Group 2018/19	Group 2017/18	Parent Company 2018/19	Parent Company 2017/18
5	**Depreciation, amortisation and impairment losses**				
	Goodwill	1,757	0	0	0
	Other intangible assets	1,890	1,890	0	0
	Land and buildings	1,233	0	0	0
	Plant and machinery	54,554	53,487	0	0
	Fixtures and fittings, tools and equipment	6,136	6,302	2,598	2,806
		65,570	61,679	2,598	2,806
	Minor acquisitions	5,044	4,147	68	118
		70,614	65,826	2,666	2,924
6	**Financial income**				
	Interest income from group entities	539	193	2,419	1,984
	Other financial income	5,707	2,105	491	509
	Capital gains on securities	10	31	10	31
		6,256	2,329	2,920	2,524
7	**Financial expenses**				
	Other financial expenses	3,604	13,691	137	416
8	**Tax on profit for the year**				
	Current tax	11,490	15,602	-3,475	-995
	Deferred tax	-3,933	-2,326	578	-132
	Adjustment of tax in respect of previous years	-1,031	-228	0	0
		6,526	13,048	-2,897	-1,127

Consolidated financial statements and parent company financial statements 1 May – 30 April

Notes

9 Intangible assets

DKK'000	Group Goodwill	Group Other intangible assets
Cost at 1 May 2018	0	13,804
Addtions related to acquisitions	30,243	11,197
Foreign exchange adjustments	-571	0
Cost at 30 April 2019	29,672	24,931
Amortisation at 1 May 2018	0	-8,766
Amortisation	-1,757	-1,890
Foreign exchange adjustments	41	0
Amortisation at 30 April 2019	-1,716	-10,586
Carrying amount at 30 April 2019	27,956	14,345
Amortised over	5-10 years	5-10 years

10 Property, plant and equipment

DKK'000	Group Land and buildings	Group Plant and machinery	Group Fixtures and fittings, tools and equipment	Group Total
Cost at 1 May 2018	11,791	619,010	132,884	763,685
Exchange rate adjustment relating to foreign entities	-424	-338	183	-579
Addtions related to acquisitions	21,524	9,643	913	32,080
Additions	0	5,647	8,277	13,924
Disposals	-7,629	-13,738	-2,946	-24,313
Cost at 30 April 2019	25,262	620,224	139,311	784,797
Depreciation at 1 May 2018	0	-439,507	-120,001	-559,508
Exchange rate adjustment relating to foreign entities	29	216	-106	139
Depreciation	-1,233	-54,554	-6,136	-61,923
Disposals	0	12,963	2,804	15,767
Depreciation at 30 April 2019	-1,204	-480,882	-123,439	-605,525
Carrying amount at 30 April 2019	24,058	139,342	15,872	179,272
Depreciated over	10-40 years	3-15 years	3-10 years	
Property, plant and equipment include assets held under finance leases totalling		3,682		

Consolidated financial statements and parent company financial statements 1 May – 30 April

Notes

10 Property, plant and equipment (continued)

DKK'000	Parent Company Land and buildings	Fixtures and fittings, tools and equipment	Total
Cost at 1 May 2018	11,791	26,743	38,534
Additions	0	1,615	1,615
Disposals	-7,629	0	-7,629
Cost at 30 April 2019	4,162	28,358	32,520
Depreciation at 1 May 2018	0	-21,577	-21,577
Depreciation	0	-2,598	-2,598
Disposals	0	0	0
Depreciation at 30 April 2019	0	-24,175	-24,175
Carrying amount at 30 April 2019	4,162	4,183	8,345
Depreciation period	25-40 years	3-10 years	

Land is not depreciated.

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11 Investments in group entities

DKK'000	Parent Company 2018/19	Parent Company 2017/18
Cost at 1 May	381,977	381,977
Additions	0	0
Disposals	0	0
Cost at 30 April	381,977	381,977
Adjustments at 1 May	249,575	224,458
Dividend	-40,000	0
Changed ownership interest, non-controlling interest	11	0
Exchange rate adjustment regarding foreign group entities	3,323	-9,294
Value adjustments of hedging instruments	-2,319	2,589
Profit after tax	17,741	31,822
Adjustments at 30 April	228,331	249,575
Carrying amount at 30 April	**610,308**	**631,552**
Hereof goodwill	27,956	0

Name	Registered office	Ownership interest	Share capital	Equity 30 April 2019	Profit after tax
			DKK'000	DKK'000	DKK'000
Stibo Complete A/S	Horsens	100%	25,000	275,720	4,252
CCI Europe A/S	Aarhus	100%	30,000	85,884	8,473
Stibo Systems A/S	Aarhus	100%	50,000	248,704	5,016
				610,308	17,741

Proposed dividends in the subsidiaries total DKK 0 million (2017/18: DKK 40 million).

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12 Investments in associates

DKK'000	Group 2018/19	Group 2017/18	Parent Company 2018/19	Parent Company 2017/18
Cost at 1 May	29,020	29,020	29,020	29,020
Additions	0	0	0	0
Dividend	0	0	0	0
Cost at 30 April	29,020	29,020	29,020	29,020
Adjustments at 1 May	-13,201	-9,600	-13,201	-9,600
Dividend	-2,120	-1,120	-2,120	-1,120
Profit/loss for the year after tax	-1,415	-2,481	-1,415	-2,481
Adjustments at 30 April	-16,736	-13,201	-16,736	-13,201
Carrying amount at 30 April	12,284	15,819	12,284	15,819
Transferred for set-off against receivables, etc.	2,330	2,330	2,330	2,330
Investments in associates	14,614	18,149	14,614	18,149
Hereof goodwill	9,976	14,581	9,976	14,581

Name	Registered office	Ownership interest at 30 April 2019	Ownership interest at 30 April 2018
Inspari A/S	Denmark	40%	40%
CCI Sourcing	India	50%	50%

13 Contract work in progress

DKK'000	Group 2018/19	Group 2017/18
Recognised as:		
Contract work in progress	8,839	5,965
Prepayments from customers	-201,369	-199,277
	-192,530	-193,312

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14 Share capital

The share capital comprises of nom. DKK 25,000 thousand. No shares carry special rights. The share capital has remained unchanged for the past five financial years.

Recommended distribution of profit

DKK'000	2018/19	2017/18
Proposed dividend to Stibo Holding A/S	40,000	40,000
Transfer to reserve for net revaluation according to the equity method	17,741	31,822
Retained earnings	-51,303	-46,402
	6,438	25,420

15 Deferred tax asset/liability

	Group		Parent Company	
DKK'000	2018/19	2017/18	2018/19	2017/18
Deferred tax at 1 May	-12,086	-13,491	1,585	1,453
Additions related to acquisitions	-6,093	0	0	0
Exhange adjustments for the year	195	-198	0	0
Adjustment of tax in respect of previous years	-200	0	0	0
Changes in the year, see note 8	3,933	2,326	-578	132
Changes in the year re. equity adjustments	655	-723	0	0
Deferred tax at 30 April	-13,596	-12,086	1,007	1,585
Recognised as:				
Deferred tax asset	1,528	3,421	1,007	1,585
Deferred tax liabilities	-15,124	-15,507	0	0
	-13,596	-12,086	1,007	1,585

16 Non-current liabilities other than provisions

The Group's non-current liabilities at 30 April 2019 comprise lease commitments and deffered payments related to acquistions. Instalments falling due within five years total DKK 17.8 million (30 April 2018: DKK 9.7 million).

17 Charges, collateral and contingent liabilities

The Company is jointly taxed with the other Danish consolidated entities. As a consolidated entity, the Company has joint and several unlimited liability, together with other consolidated entities, for all Danish income taxes and withholding taxes on dividend, interest and royalties within the joint taxation group.

The jointly taxed entities' total known net liabilities to the Danish Customs and Tax Administration are stated in the financial statements of the administration company Stibo Holding A/S. Any subsequent corrections of income subject to joint taxation and withholding taxes, etc. could entail an increase in the entity's tax liability.

Stibo A/S has provided a guarantee assuming primary liability for Stibo Graphic A/S' lease liabilities totalling DKK 109.5 million (30 April 2018: DKK 122.8 million). Furthermore, a guarantee assuming primary liability has been provided for Stibo Ejendomme A/S' mortage debt totalling DKK 25.0 million (30 April 2018: DKK 25.0 million).

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18 Rental and lease commitments

Parent Company

The Company has rental commitments totalling DKK 1.3 million with a term of 1 year (30 April 2018: DKK 2.0 million).

Other lease commitments (operating leases) fall due within 5 years at an amount of DKK 0.7 million (30 April 2018: DKK 0.4 million).

Group

The Group has rental commitments totalling DKK 291.8 million with a term of 1-11 years (30 April 2018: DKK 205.0 million).

Other lease commitments (operating leases) fall due within 7 years at an amount of DKK 24.3 million (30 April 2018: DKK 13.2 million).

19 Currency risks and use of derivative financial instruments

Recognised transactions

At 30 April 2019, the Group has not entered into any forward exchange contracts.

20 Related parties

Parties exercising control

Stibo-Fonden, Axel Kiers Vej 11, DK-8270 Højbjerg.

Stibo A/S is wholly-owned by Stibo Holding A/S, Aarhus, whose ultimate Parent Company is Stibo-Fonden, Aarhus.

Related party transactions

Related parties include Stibo-Fonden and subsidiaries in which Stibo-Fonden directly or indirectly exercises control.

Related party transactions in 2018/19:

DKK'000	Group	Parent Company
Income[1]	0	44,059
Expenses[1]	9,588	1,942
Financial income and expenses, net[2]	539	2,419
Receivables from group entities[3]	48,923	159,860
Payables to group entities[3]	0	189,943

[1] Include purchase and sale of goods and services.

[2] Include financial income or financial expenses in relation to intra-group financing.

[3] Include receivables and payables in connection with purchase and sale of goods and services as well as intra-group financing.

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20 Related parties - continued

Group structure