



SLA A/S

Njalsgade 17, 3.
2300 Copenhagen S
CVR No. 19375773

Annual report 2020

The Annual General Meeting adopted the
annual report on 27.04.2021

Mette Skjold

Chairman of the General Meeting

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Entity details

Entity

SLA A/S

Njalsgade 17, 3.

2300 Copenhagen S

Business Registration No.: 19375773

Registered office: Copenhagen

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Mette Lis Andersen, chairman

Stig Peter Christensen

Stig Lennart Andersson

Rasmus Astrup

Executive Board

Mette Skjold

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of SLA A/S 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.

Copenhagen, 27.04.2021

Executive Board

Mette Skjold

Board of Directors

Mette Lis Andersen
chairman

Stig Peter Christensen

Stig Lennart Andersson

Rasmus Astrup

Independent auditor's report

To the shareholders of SLA A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of SLA A/S 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.

Copenhagen, 27.04.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jens Sejer Pedersen

State Authorised Public Accountant
Identification No (MNE) mne14986

Torben Mortensen

Registered Public Accountant
Identification No (MNE) mne18040

Management commentary

Financial highlights

	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000
Key figures					
Revenue	85,645	75,833	58,529	50,643	46,861
Gross profit/loss	66,899	53,644	44,505	37,131	29,287
Operating profit/loss	8,315	6,926	4,587	3,258	2,924
Net financials	(1,106)	(255)	(150)	(213)	64
Profit/loss for the year	5,599	5,151	3,155	2,626	2,367
Profit for the year excl. minority interests	5,382	4,893	3,061	2,578	2,291
Balance sheet total	41,054	31,144	22,377	18,829	16,596
Investments in property, plant and equipment	1,439	1,029	709	365	307
Equity	10,697	5,854	9,866	7,524	5,861
Equity excl. minority interests	10,236	5,594	9,609	7,433	5,779
Cash flows from operating activities	11,774	1,957			
Cash flows from investing activities	(1,798)	(857)			
Cash flows from financing activities	(4,065)	(2,373)			
Ratios					
Gross margin (%)	78.11	70.74	76.04	73.32	62.50
Net margin (%)	6.54	6.79	5.39	5.19	5.05
Equity ratio (%)	24.93	17.96	42.94	39.48	34.82

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

Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

Equity ratio (%):

Equity excl. minority interests * 100

Balance sheet total

Primary activities

SLA is an independent knowledge-based and interdisciplinary company offering consultancy within architecture, design and city planning, with an approach and objective based on nature.

SLA is the leading consultancy firm in nature-based design, landscape architecture, urban space and city planning in the Nordic countries. We advise governments, local authorities and private developers based on our knowledge of and experience in our approach to nature and with a mission to change and develop cities with designs based on nature, a focus on increased biodiversity and the aim of enhancing the quality of life for everyone.

The financial year 2020 was characterised by sustained growth and an increased level of activity, internationally in particular.

SLA has increased its services and projects within strategic vision plans and city planning but also sizeable urban space and park projects.

In recent years, SLA's research and development division, sLAB, has been strengthened by several interdisciplinary professionals such as biologists, anthropologists, planners, industrial PhD graduates in smart counter-terrorism protection of urban areas and specialists in planting, lighting, operation and sustainable materials. The objective of sLAB is to consolidate the development of knowledge and experiences internally at the three SLA offices in Copenhagen, Aarhus and Oslo, and develop new knowledge and sharpen our services to add value to our projects and clients.

In May, we won Downsview – a major development plan in Toronto, Canada – with an international team and our urban space in Bjørnvika, Oslo, was reviewed under the headline “An urban blessing” in Aftenposten (Norway's largest newspaper).

Naturkraft, designed by SLA and Thøgersen & Stouby, opened near Ringkøbing on the west coast of Denmark in June 2020. Naturkraft is an exploratorium conveying the unique forces of nature. In August, the international magazine Monocle reviewed Naturkraft as the most beautiful science centre in the world.

Development in activities and finances

The financial year 2020 was characterised by increased development and growth - reflected in both revenue and performance.

The growth in revenue and performance has to be seen in the light of increased international activities, among other things – not least in Norway.

The consolidated profit for the year after tax amounts to DKK 5,599 thousand against DKK 5,150 thousand last year. The profit for the year is considered satisfactory.

Outlook

The expectations for 2021 are positive, and we look into increased growth in Denmark, Norway, Canada and China, among others. Consequently, we expect that SLA A/S will continue to grow revenue on new and existing markets in 2021, thus predicting a profit for 2021 at the level attained in 2020.

Events after the balance sheet date

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

annual report.

Consolidated income statement for 2020

	Notes	2020 DKK	2019 DKK
Revenue		85,645,184	75,832,608
Cost of sales		(7,585,394)	(11,223,871)
Other external expenses		(11,161,055)	(10,964,246)
Gross profit/loss		66,898,735	53,644,491
Staff costs	1	(57,818,552)	(46,212,112)
Depreciation, amortisation and impairment losses	2	(765,581)	(506,063)
Operating profit/loss		8,314,602	6,926,316
Other financial income	3	494,542	4,716
Other financial expenses	4	(1,600,436)	(259,277)
Profit/loss before tax		7,208,708	6,671,755
Tax on profit/loss for the year	5	(1,609,364)	(1,521,074)
Profit/loss for the year		5,599,344	5,150,681
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		600,000	600,000
Retained earnings		4,782,213	4,293,288
Minority interests' share of profit/loss		217,131	257,393
Proposed distribution of profit and loss		5,599,344	5,150,681

Consolidated balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Acquired intangible assets		41,556	55,882
Intangible assets	6	41,556	55,882
Other fixtures and fittings, tools and equipment		1,438,790	1,287,770
Leasehold improvements		785,641	275,742
Property, plant and equipment	7	2,224,431	1,563,512
Other investments		24,686	26,555
Deposits		747,682	388,275
Other receivables		349,153	375,538
Financial assets	8	1,121,521	790,368
Fixed assets		3,387,508	2,409,762
Trade receivables		19,533,152	23,319,460
Contract work in progress		5,564,118	1,488,545
Other receivables		3,408,507	586,723
Prepayments		821,616	727,847
Receivables		29,327,393	26,122,575
Cash		8,339,019	2,611,978
Current assets		37,666,412	28,734,553
Assets		41,053,920	31,144,315

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital	9	750,000	750,000
Retained earnings		8,885,763	4,243,649
Proposed dividend for the financial year		600,000	600,000
Equity belonging to Parent's shareholders		10,235,763	5,593,649
Equity belonging to minority interests		461,482	259,918
Equity		10,697,245	5,853,567
Deferred tax	10	42,267	162,663
Provisions		42,267	162,663
Subordinate loan capital		3,198,768	3,075,738
Payables to owners and management		0	2,005,028
Other payables		3,660,675	1,294,337
Non-current liabilities other than provisions	11	6,859,443	6,375,103
Bank loans		32,470	215,638
Prepayments received from customers		3,022,848	3,611,207
Trade payables		1,798,951	2,497,905
Payables to owners and management		0	1,583,333
Tax payable		1,466,166	1,246,381
Other payables		17,134,530	9,598,518
Current liabilities other than provisions		23,454,965	18,752,982
Liabilities other than provisions		30,314,408	25,128,085
Equity and liabilities		41,053,920	31,144,315
Unrecognised rental and lease commitments	13		
Assets charged and collateral	14		
Subsidiaries	15		

Consolidated statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Proposed dividend for the financial year DKK	Equity belonging to Parent's shareholders DKK	Equity belonging to minority interests DKK
Equity beginning of year	750,000	4,243,649	600,000	5,593,649	259,918
Ordinary dividend paid	0	0	(600,000)	(600,000)	0
Exchange rate adjustments	0	(140,099)	0	(140,099)	(15,567)
Profit/loss for the year	0	4,782,213	600,000	5,382,213	217,131
Equity end of year	750,000	8,885,763	600,000	10,235,763	461,482
					Total DKK
Equity beginning of year					5,853,567
Ordinary dividend paid					(600,000)
Exchange rate adjustments					(155,666)
Profit/loss for the year					5,599,344
Equity end of year					10,697,245

Consolidated cash flow statement for 2020

	Notes	2020 DKK	2019 DKK
Operating profit/loss		8,314,602	6,926,316
Amortisation, depreciation and impairment losses		765,581	506,063
Working capital changes	12	5,317,760	(4,097,244)
Cash flow from ordinary operating activities		14,397,943	3,335,135
Financial income received		494,542	4,716
Financial expenses paid		(1,600,436)	(259,277)
Taxes refunded/(paid)		(1,518,395)	(1,123,879)
Cash flows from operating activities		11,773,654	1,956,695
Acquisition etc. of property, plant and equipment		(1,438,660)	(847,908)
Acquisition of fixed asset investments		(359,454)	(9,287)
Cash flows from investing activities		(1,798,114)	(857,195)
Free cash flows generated from operations and investments before financing		9,975,540	1,099,500
Dividend paid		(600,000)	(9,037,472)
Subordinate loan capital		123,030	3,075,738
Payables to owners and management		(3,588,361)	3,588,361
Cash flows from financing activities		(4,065,331)	(2,373,373)
Increase/decrease in cash and cash equivalents		5,910,209	(1,273,873)
Cash and cash equivalents beginning of year		2,396,340	3,670,213
Cash and cash equivalents end of year		8,306,549	2,396,340
Cash and cash equivalents at year-end are composed of:			
Cash		8,339,019	2,611,978
Short-term bank loans		(32,470)	(215,638)
Cash and cash equivalents end of year		8,306,549	2,396,340

Notes to consolidated financial statements

1 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	50,618,237	40,041,705
Pension costs	5,086,389	3,931,878
Other social security costs	1,007,720	1,339,444
Other staff costs	1,106,206	899,085
	57,818,552	46,212,112
Average number of full-time employees	114	89

2 Depreciation, amortisation and impairment losses

	2020 DKK	2019 DKK
Amortisation of intangible assets	10,264	0
Depreciation on property, plant and equipment	755,317	506,063
	765,581	506,063

3 Other financial income

	2020 DKK	2019 DKK
Other interest income	88,838	4,716
Exchange rate adjustments	405,704	0
	494,542	4,716

4 Other financial expenses

	2020 DKK	2019 DKK
Financial expenses from associates	225,320	164,098
Other interest expenses	170,614	54,140
Exchange rate adjustments	1,204,502	41,039
	1,600,436	259,277

5 Tax on profit/loss for the year

	2020	2019
	DKK	DKK
Current tax	1,729,288	1,483,657
Change in deferred tax	(119,924)	37,417
	1,609,364	1,521,074

6 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	55,882
Exchange rate adjustments	(3,933)
Cost end of year	51,949
Exchange rate adjustments	(129)
Amortisation for the year	(10,264)
Amortisation and impairment losses end of year	(10,393)
Carrying amount end of year	41,556

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	2,870,601	337,640
Exchange rate adjustments	(47,723)	0
Additions	787,711	650,949
Cost end of year	3,610,589	988,589
Depreciation and impairment losses beginning of year	(1,582,831)	(61,898)
Exchange rate adjustments	25,299	0
Depreciation for the year	(614,267)	(141,050)
Depreciation and impairment losses end of year	(2,171,799)	(202,948)
Carrying amount end of year	1,438,790	785,641

8 Financial assets

	Other investments DKK	Deposits DKK	Other receivables DKK
Cost beginning of year	26,555	388,275	375,538
Exchange rate adjustments	(1,869)	0	(26,432)
Additions	0	359,407	47
Cost end of year	24,686	747,682	349,153
Carrying amount end of year	24,686	747,682	349,153

9 Contributed capital

	Number	Par value DKK	Nominal value DKK	Recorded par value DKK
A-shares	250	1000	250,000	250,000
B-shares	500	1000	500,000	500,000
	750		750,000	750,000

10 Deferred tax

	2020 DKK	2019 DKK
Property, plant and equipment	(137,733)	1,663
Receivables	180,000	161,000
Deferred tax	42,267	162,663

11 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK
Subordinate loan capital	3,198,768
Other payables	3,660,675
	6,859,443

12 Changes in working capital

	2020 DKK	2019 DKK
Increase/decrease in receivables	(3,204,818)	(8,466,913)
Increase/decrease in trade payables etc.	8,522,578	4,369,669
	5,317,760	(4,097,244)

13 Unrecognised rental and lease commitments

	2020 DKK	2019 DKK
Total liabilities under rental or lease agreements until maturity	1,376,364	700,236

14 Assets charged and collateral

Bank debt is secured by way of a deposited all monies mortgage of DKK 3,000 thousand nominal on trade receivables. The carrying amount of trade receivables amounts to DKK 14,023 thousand at the balance sheet date.

15 Subsidiaries

	Registered in	Corporate form	Ownership %	Equity DKK	Profit/loss DKK
SLA Norge AS	Oslo	AS	90,0	4,614,821	2,171,305

Parent income statement for 2020

	Notes	2020 DKK	2019 DKK
Revenue		63,574,201	55,354,570
Other operating income		1,400,000	1,200,000
Cost of sales		(7,038,865)	(9,757,747)
Other external expenses		(8,208,042)	(7,398,686)
Gross profit/loss		49,727,294	39,398,137
Staff costs	1	(43,651,757)	(35,491,062)
Depreciation, amortisation and impairment losses	2	(602,432)	(376,397)
Operating profit/loss		5,473,105	3,530,678
Income from investments in group enterprises		1,954,173	2,316,534
Other financial income	3	450,146	610,243
Other financial expenses	4	(1,502,774)	(787,175)
Profit/loss before tax		6,374,650	5,670,280
Tax on profit/loss for the year	5	(992,437)	(776,992)
Profit/loss for the year		5,382,213	4,893,288
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		600,000	600,000
Retained earnings		4,782,213	4,293,288
Proposed distribution of profit and loss		5,382,213	4,893,288

Parent balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Other fixtures and fittings, tools and equipment		1,074,770	996,443
Leasehold improvements		785,641	275,742
Property, plant and equipment	6	1,860,411	1,272,185
Investments in group enterprises		4,153,339	2,339,265
Receivables from group enterprises		0	1,230,076
Deposits		747,682	388,275
Financial assets	7	4,901,021	3,957,616
Fixed assets		6,761,432	5,229,801
Trade receivables		14,022,568	17,564,543
Contract work in progress		5,564,118	1,488,545
Receivables from group enterprises		909,479	1,216,549
Other receivables		2,919,048	160,371
Prepayments		821,616	727,847
Receivables		24,236,829	21,157,855
Cash		5,276,469	496,897
Current assets		29,513,298	21,654,752
Assets		36,274,730	26,884,553

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		750,000	750,000
Reserve for net revaluation according to the equity method		4,129,433	2,315,359
Retained earnings		4,756,330	1,928,290
Proposed dividend for the financial year		600,000	600,000
Equity		10,235,763	5,593,649
Deferred tax	8	142,000	172,000
Provisions		142,000	172,000
Subordinate loan capital		3,198,768	3,075,738
Payables to owners and management		0	2,005,028
Other payables		3,660,675	1,294,337
Non-current liabilities other than provisions	9	6,859,443	6,375,103
Bank loans		32,470	215,638
Prepayments received from customers		3,022,848	3,611,207
Trade payables		1,721,824	2,211,771
Payables to owners and management		0	1,583,333
Tax payable		750,437	498,992
Other payables		13,509,945	6,622,860
Current liabilities other than provisions		19,037,524	14,743,801
Liabilities other than provisions		25,896,967	21,118,904
Equity and liabilities		36,274,730	26,884,553
Unrecognised rental and lease commitments	10		
Assets charged and collateral	11		

Parent statement of changes in equity for 2020

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend for the year DKK	Total DKK
Equity beginning of year	750,000	2,315,359	1,928,290	600,000	5,593,649
Ordinary dividend paid	0	0	0	(600,000)	(600,000)
Exchange rate adjustments	0	(140,099)	0	0	(140,099)
Profit/loss for the year	0	1,954,173	2,828,040	600,000	5,382,213
Equity end of year	750,000	4,129,433	4,756,330	600,000	10,235,763

Notes to parent financial statements

1 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	38,688,081	31,330,279
Pension costs	3,427,008	2,733,009
Other social security costs	430,462	528,689
Other staff costs	1,106,206	899,085
	43,651,757	35,491,062
Average number of full-time employees	84	70

2 Depreciation, amortisation and impairment losses

	2020 DKK	2019 DKK
Depreciation on property, plant and equipment	602,432	376,397
	602,432	376,397

3 Other financial income

	2020 DKK	2019 DKK
Financial income from group enterprises	44,442	56,679
Exchange rate adjustments	405,704	553,564
	450,146	610,243

4 Other financial expenses

	2020 DKK	2019 DKK
Financial expenses from associates	225,320	164,098
Other interest expenses	73,860	28,887
Exchange rate adjustments	1,203,594	594,190
	1,502,774	787,175

5 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Current tax	1,022,437	736,992
Change in deferred tax	(30,000)	40,000
	992,437	776,992

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	2,192,556	337,640
Additions	539,709	650,949
Cost end of year	2,732,265	988,589
Depreciation and impairment losses beginning of year	(1,196,113)	(61,898)
Depreciation for the year	(461,382)	(141,050)
Depreciation and impairment losses end of year	(1,657,495)	(202,948)
Carrying amount end of year	1,074,770	785,641

7 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	23,906	388,275
Additions	0	359,407
Cost end of year	23,906	747,682
Revaluations beginning of year	2,315,359	0
Exchange rate adjustments	(140,099)	0
Share of profit/loss for the year	1,954,173	0
Revaluations end of year	4,129,433	0
Carrying amount end of year	4,153,339	747,682

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

8 Deferred tax

	2020 DKK	2019 DKK
Property, plant and equipment	(38,000)	11,000
Receivables	180,000	161,000
Deferred tax	142,000	172,000

9 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK
Subordinate loan capital	3,198,768
Other payables	3,660,675
	6,859,443

10 Unrecognised rental and lease commitments

	2020 DKK	2019 DKK
Total liabilities under rental or lease agreements until maturity	1,376,364	700,236

11 Assets charged and collateral

Bank debt is secured by way of a deposited all monies mortgage of DKK 3,000 thousand nominal on trade receivables. The carrying amount of trade receivables amounts to DKK 14,023 thousand at the balance sheet date.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

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. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are regarded as associates.

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.

Income statement

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).

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

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.

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.

Other financial income

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

Other financial expenses

Other financial expenses comprise interest expenses, net capital or exchange losses on payables and transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

portion attributable to entries directly in equity.

Balance sheet

Intellectual property rights etc.

Intellectual property rights etc. comprise acquired intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. 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

Other fixtures and fittings, tools and equipment as well as leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

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

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

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

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.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

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.

Investments in group enterprises 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 listed securities which are measured at fair value (market price) at the balance sheet date, and unlisted equity investments measured at the lower of cost and net realisable value.

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.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

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. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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 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.

Tax payable or receivable

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

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 and short-term securities with an insignificant price risk less short-term bank loans.

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Torben Mortensen

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