work positive

GLUNZ & JENSEN

ANNUAL REPORT

April 1, 2019 – March 31, 2020

Glunz & Jensen A/S - Lindholm Havnevej 29 - DK-5800 Nyborg - Denmark

CVR: 10239680

Glunz & Jensen is the world's leading supplier of innovative, high-quality plate making equipment and solutions for the global prepress industry. In addition to developing and producing processors for the offset and flexo printing industries, we also offer R&D services plus a full-range of spare- and wear parts. Our product portfolio also includes exposure units, dryers, light finishers, mounting tables, plate stackers and software for monitoring and controlling complete prepress processes.

Glunz & Jensen has been a recognized leader in prepress for more than 45 years. We have long-standing relations with major players such as Agfa, Asahi, DuPont, Flint, FujiFilm, Heidelberg, Kodak and MacDermid. Glunz & Jensen market our products through a comprehensive and worldwide network of distributors and dealers and has approx. 136 employees in our facilities in Denmark, Italy, Slovakia, and the USA.

We strive to be the most innovative high-end equipment and services provider in our product areas, and thereby growing our market share with global customers. At the same time, we seek to strengthen our earnings through optimization of prices, supply chain, manufacturing, logistics and efficiency.

	OFFSET	FLEXO
Products	CtP and iCtP processors that prepare offset plates for offset printing as well as after sales service	Flexographic machines that process and handle plates for flexo printing as well as after sales service
Primary applications	Media industry – production and newspapers, magazines, books, etc.	Packaging industry
Share of revenue	Approx. 55% of Prepress	Approx. 45% of Prepress
Sales channels	Through large customers as Agfa, Fuji, Heidelberg, Kodak and Cron as well as larger dealers	Through large customers as Asahi, DuPont, Flint, Kodak and MacDermid as well as larger dealers
Markets	Global	Global
Main market drivers	Develop and supply new, innovative products and solutions in close cooperation with customers as well as ongoing consolidation to maintain critical mass. There has been and will be migration to digital platform-based solutions	Improve technological solutions and automation of prepress production processes in close cooperation with customers. There will be focus on developing environmentally friendly solutions that reduces resource consumption and wastewater

TABLE OF CONTENTS

MANAGEMENT'S REVIEW

STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT AND THE INDEPENDENT AUDITOR'S REPORT

CONSOLIDATED AND PARENT COMPANY FISCAL STATEMENTS

The consolidated financial statements are presented in compliance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional requirements in the Danish Financial Statements Act. The registered office of Glunz & Jensen Holding A/S is in Denmark. References to the future in the annual report reflect Management's current expectations as to future events and financial results. References to the future are associated with uncertainty, and the results achieved may therefore deviate from the expectations stated in the annual report. Circumstances which may imply that results achieved differ from expectations are, e.g., developments in the business cycle and financial markets, including economic developments in the world, pandemics (Covid-19), changes in laws and regulations affecting Glunz and Jensen Holding A/S' business areas and markets, trends in demand for products, competitive and supplier relationships, and energy and commodity prices. See also the sections on risk factors in the annual report.

HEADLINES FOR 2019/20

The financial year in 2019/20 is from April 1st, 2019 to March 31st, 2020.

- Revenue in Glunz & Jensen Holding A/S came to DKK 195,6 million in 2019/20 vs. DKK 227,5 million in 2018/19, equal to a 14,0% decline in revenue. Offset revenue declined 18,2% (2018/19: declined 9,6%), while flexo revenue declined 9,7% (2018/19: increased 24,6%).

- Gross profit before non-recurring costs totaled DKK 44,3 million (2018/19: DKK 50,5 million), equal to a gross profit margin of 22,7%, which is an improvement vs. 2018/19 of 0,5% (2018/19: 22,2%).

- Gross profit after non-recurring costs totaled DKK 35,3 million (2018/19: DKK 43,8 million), equal to a gross profit margin of 18,0% (2018/19: 19,2%).

- Profit before financial income and expenses, tax, depreciation, amortization, and impairment of assets and before non-recurring items – and excluding the fair value gain on property – the EBITDA was DKK 14,9 million (2018/19: DKK 16,4 million).

- Profit before financial income and expenses, tax, depreciation, amortization, and impairment of assets and after non-recurring items – and excluding the fair value adjustment on property – the EBITDA was DKK 1,7 million (2018/19: DKK 9,0 million). The difference in 2019/20 between the "before" and "after" EBITDA of approx. DKK 13,1 million mainly relates to severance cost for dismissed employees and the fair value loss on investment properties of DKK 2,3 million. The 2018/19 difference of DKK 7,4 million mainly related to production footprint costs and inventory adjustments and severance cost for dismissed employees and the fair value loss on investment properties of DKK 0,6 million.

- Loss for the year before financial income and expenses, tax, depreciation, amortization, and impairment of assets and after non-recurring items – and including the fair value adjustment on property totaled DKK 2,4 million (2018/19: Loss of DKK 0,5 million).

- Loss for the year totaled DKK 18,4 million (2018/19: Loss of DKK 6,9 million), equal to a loss in earnings per share (EPS) of DKK 10,1 in 2019/20 (2018/19: Loss of DKK 3,8 per share).

- Net cash flows from operating activities came at DKK -2,1 million (2018/19: DKK 10,6 million), net investments were DKK 7,4 million (2018/19: DKK 3,6 million) and cash flow from financing activities were DKK 9,3 million due to repaying of mortgages to Nordea and repayment of lease liabilities - and increase of credit lines at Nordea (2018/19: DKK -10,3 million). The free cash flow was DKK -9,5 million (2018/19: DKK 6,9 million).

- The Board of Directors recommends that no dividend be distributed for 2019/20.

The 2019/20 revenue and EBITDA before non-recurring items and fair value adjustment on property value for Glunz & Jensen Holding A/S are in line with the guidance to the market on November 22nd, 2019 which guided the revenue at the level of DKK 195 million and the EBITDA before non-recurring items and fair value adjustment on property value at the level of DKK 10 million.

Presentation of income statement before and after non-recurring items and fair value adjustments

For reference please find below income statement which present the income statement before and after non-recurring items:

	Group 2019/20			Group 2018/19		
April 1st - March 31st (DKK '000)	Before non-recurring	Non-recurring	Total	Before non-recurring	Non-recurring	Total
Revenue	195.629	-	195.629	227.462	-	227.462
Production costs	(151.297)	(9.035)	(160.332)	(176.988)	(6.694)	(183.682)
Gross profit	44.332	(9.035)	35.297	50.474	(6.694)	43.780
Other operating income	186	-	186	120	-	120
Sales and distribution costs	(25.053)	(5.114)	(30.167)	(26.132)	(828)	(26.960)
Development costs	(6.789)	(585)	(7.374)	(7.137)	-	(7.137)
Administrative expenses	(12.527)	(725)	(13.252)	(12.823)	140	(12.683)
Other operating expenses	(147)	-	(147)	-	-	-
Fair value adjustments on investment properties	-	(2.301)	(2.301)	-	(559)	(559)
Operating profit/(loss)	2	(17.760)	(17.758)	4.502	(7.941)	(3.439)
Profit/(loss) after tax in associates	50	-	50	(760)	-	(760)
Financial income	87	-	87	755	-	755
Financial expenses	(3.184)	-	(3.184)	(5.131)	-	(5.131)
Loss before tax	(3.045)	(17.760)	(20.805)	(634)	(7.941)	(8.575)
Income taxes	660	1.745	2.405	131	1.545	1.676
Loss for the year	(2.385)	(16.015)	(18.400)	(503)	(6.396)	(6.899)
Operating profit/(loss)	2	(17.760)	(17.758)	4.502	(7.941)	(3.439)
Fair value adjustments on investment properties	-	2.301	2.301	-	559	559
Depreciation, amortization and impairment losses	14.852	2.310	17.162	11.906	-	11.906
Earnings before interest, taxes, depreciation and amortisation **(**EBITDA)	14.854	(13.149)	1.705	16.408	(7.382)	9.026

GLUNZ & JENSEN HOLDING A/S' LOCATIONS

Glunz & Jensen Prepress currently has 4 locations:

Headquarters at Nyborg, Denmark including Administration & Finance, R&D, Sales, Service, Flexo Manufacturing and Global Spare Parts Center.

Presov, Slovakia including Administration & Finance, R&D, Internal Sales, Offset and Flexo Manufacturing.

Milan, Italy including R&D, Sales and Service.

Inman, SC, USA including Service and Regional Spare Parts Center.

Investment properties in Selandia Park are located in Ringsted.

FINANCIAL HIGHLIGHTS

In millions, except per share data	DKK 12 months 2015/16	DKK 12 months 2016/17	DKK 10 months 2017/18	DKK 12 months 2018/19	DKK 12 months 2019/20	EUR 12 months 2019/20[1]
Key figures						
Income statement						
Revenue	293,2	263,8	220,0	227,5	195,6	26,2
Gross profit	58,7	31,6	62,8	43,8	35,3	4,7
Operating profit/(loss)	(6,2)	(59,1)	18,2	(3,4)	(17,8)	(2,4)
Net financials	(2,7)	(7,9)	(4,5)	(4,4)	(3,1)	(0,4)
Profit/(loss) for the year	(8,9)	(61,0)	9,9	(6,9)	(18,4)	(2,5)
Profit/loss before non-recurring items, financial income and expenses, tax, depreciation, amortization, and impairment of assets (EBITDA before non-recurring items)	10,2	15,3	26,0	16,4	14,9	2,0
Profit/loss before financial income and expenses, tax, depreciation, amortization, and impairment of assets (EBITDA)	10,2	(11,6)	26,8	9,0	1,7	0,2
Balance sheet						
Assets						
Goodwill	11,8	-	-	-	-	-
Completed development projects	25,6	16,8	17,2	11,4	5,6	0,7
Other intangible assets	17,1	3,7	-	-	-	-
Other non-current assets	163,8	155,0	155,0	146,6	166,3	22,3
Current assets	122,4	93,0	106,7	81,6	75,3	10,1
Total assets	340,7	268,5	278,9	239,6	247,2	33,1
Liabilities						
Share capital	134,5	75,5	92,2	86,8	73,6	9,9
Non-current liabilities	101,1	81,4	81,1	80,2	88,9	11,9
Current liabilities	105,1	111,6	105,6	72,6	84,7	11,3
Total Equity and liabilities	340,7	268,5	278,9	239,6	247,2	33,1
Cash flows						
Cash flows from operating activities	10,5	7,5	16,7	10,6	(2,1)	(0,3)
Cash flows from investing activities[2]	(7,9)	(5,3)	(2,5)	(3,6)	(7,4)	(1,0)
Cash flows from financing activities	(2,6)	(2,3)	(12,4)	(10,3)	9,3	1,3
Change in cash and cash equivalents for the year	0,0	(0,1)	1,8	(3,3)	(0,2)	(0,0)
[2] including investments in property, plant and equipment and investment properties	(3,6)	(1,5)	(2,2)	(3,9)	(7,4)	(1,0)
Financial ratios in %						
Operating margin	(2,1)	(22,4)	8,3	(1,5)	(9,1)	(9,1)
EBITDA margin	3,5	(4,4)	12,2	4,0	0,9	0,9
Return on assets (ROIC)	(1,9)	(19,6)	6,8	(1,3)	(7,3)	(7,3)
Return on equity (ROE)	(6,7)	(63,1)	11,8	(7,7)	(22,9)	(22,9)
Equity ratio	39,5	28,1	33,1	36,2	29,8	29,8
Other information						
Credit institutions net interest-bearing debt	113,9	111,2	90,2	84,1	97,5	13,1
Interest coverage	(2,2)	(17,7)	7,3	(1,6)	(12,4)	(12,4)
Earnings per share (EPS)	(5,5)	(37,8)	6,0	(3,8)	(10,1)	(1,4)
Diluted earnings per share (EPS-D)	(5,5)	(37,6)	5,4	(3,8)	(10,1)	(1,4)
Cash flow per share (CFPS)	6,5	4,6	9,9	5,8	(1,1)	(0,2)
Book value per share (BVPS)	83,4	45,6	50,6	47,7	40,4	5,4
Share price (KI)	51	52	73	44	55	7
Average number of shares outstanding (in thousands)	1.613	1.615	1.664	1.821	1.821	1.821
Dividend per share	0,0	0,0	0,0	0,0	0,0	0,0
Average number of employees	238	225	195	171	158	158

For definitions of financial ratios, see page 62. 1) The DKK/EUR exchange rate applied is 747.
Numbers for 2015/16 - 2017/18 have not been adjusted to reflect new accounting policies, IFRS 9 and IFRS 15, adopted April 1st, 2018. IFRS 16 is adopted April 1st, 2019 and the previous years have not been restated. Please refer to page 55.

BUSINESS AND FINANCIAL REVIEW

Turnaround

The implementation of Change4Success was initiated in January 2017, and has continued since. The Change4Success plan consisted of operational consolidations, price adjustments and organizational adjustments.

2019/20 was negatively impacted by three events:

- The transfer of activities to Nyborg, Denmark, resulted in low productivity and delayed deliveries, which impacted the financial results negatively. The performance has returned to normal levels at the end of 2019/20.
- Parts of the building complex at Selandia Park was infected by moulding problems, which resulted in considerable repair costs as well as loss of income from a tenant during the repair period.
- Right-sizing of the company carried severance costs for 33 employees. These costs have been included in the 2019/20 accounts, although most of the cash salary will be paid during 2020/21.

Following the decline in revenue over previous years, a short-term strategy/right-sizing plan (referred to as the Strategy 2020/22) was developed early 2020 for the 2 year period. This includes further operational consolidations, additional focus on the new markets, an updated go-to-market approach, new products, and organizational adjustments.

It is estimated that Strategy 2020/22 will improve the annual EBITDA for the group with DKK 5-10 million and result in a positive profit before tax, when fully implemented.

Offset market

Glunz & Jensen's Management estimates that the global offset plate volume remains unchanged with app. 600 million square meters of plates being processed annually. The supply side is affected with increased competition from Chinese manufacturers. Glunz & Jensen’s sales to the Offset market decreased by 14,0% in 2019/20 compared to 2018/19, however the number expresses an increased market share.

Flexo market

Competition in the Flexo market remained tough in 2019/20. Sales decreased by 9,7% in 2019/20 compared to 2018/19 which is below overall market development. This was triggered by the operational difficulties described above. Management estimates that the global market volume continues to grow at 6-8% annually and remains confident that we will be able to regain some of the lost momentum in this segment.

Focused development activity

Glunz & Jensen's strategic focus in recent years has been to meet customer demands through the development of new and profitable products, mainly in flexo. We develop machines both for our own brand and act as a trusted development partner for some of the world’s largest plate manufacturers.

After sales services

Previous investments to develop after sales services into a profitable business have proven not to be achievable. Therefore, the decision has been made to reduce this business area to only cater for installation and optimization of Glunz & Jensen products.

Focus on efficiency and consolidation of production

To enhance efficiency and optimize capacity utilization, Glunz & Jensen has consolidated at fewer locations. During 2019/20 the flexo solvent product line has been moved to Glunz & Jensen s.r.o. (Slovakia). As a result we now have Flexo Thermal and Solvent development and Thermal manufacturing in Denmark and Offset plus Flexo Solvent manufacturing in Slovakia, thereby simplifying the operational setup and reducing cost. The service site in Quakertown, PA (US) was relocated to Inman, SC (US) by November 2019 in order to optimize logistics for the Americas.

Selandia Park A/S

Selandia Park A/S was established on June 1st, 2016. Selandia Park A/S' business objective is to invest in and operate a property portfolio. The revenue decreased in 2019/20 due to an unforeseen building renovation, however, most of the property remains fully rented out and is contributing with DKK 6,2 million to the earnings before tax.

OPTIMISATION OF THE VALUE CHAIN

Glunz & Jensen market our products through a comprehensive and worldwide network of distributors and dealers and has approx. 136 employees in our facilities in Denmark, Italy, Slovakia, and the USA.

Focus on customer satisfaction

Glunz & Jensen's prepress activities focuses on two product areas: the media market (offset) and the packaging market (flexo).

Glunz & Jensen is committed to improving customer satisfaction to ensure long-term profitability. Glunz & Jensen's strategy is based on the following key themes:

1. Leading the market for offset prepress equipment

Offset is Glunz & Jensen's cornerstone business area where the main activity is CtP and iCtP processors, which develop and prepare aluminum offset plates for printing newspapers, inserts, magazines, books, information, promotional material, and a variety of other printed matters.

Our focus is to strengthen our position on the global offset market by continuing to deliver cutting-edge quality products with low energy consumption and less environmental impact at competitive prices. Further we will increase our footprint in regions which are still showing good development for offset products, mainly APAC and Latin America.

2. Developing a leading position in the flexo market through customer satisfaction and the development and launch of cost-efficient products

Glunz & Jensen is one of the largest providers of flexo equipment globally. In addition, we act as a valued development partner for some of the largest plate manufacturers globally. The flexo market – which mainly serves the packaging industry - develops at an estimated annual growth rate of 6-8%, driven by underlying growth in packaging, changing demographics, and shares gained from other printing technologies. With the changes driven by the global outbreak of COVID-19, driving a higher demand for packaging, we anticipate an increased market growth (plate volume) in 2020/21 and expect this will convert into an increased demand for equipment as well.

3. Growing the after-market

Glunz & Jensen's after-market business includes sales of spare parts, consumables for iCtP products, installation, repair, and preventive maintenance of hardware. After-market business includes both the offset- and the flexo segments. In addition to enhanced profitability, it strengthens the relationship with customers, provides valuable feedback and dialogue with the daily users.

We strive to increase our aftermarket business by streamlining our supply chain to serve customers faster and continue to offer high-quality OEM parts to keep our equipment running smoothly.

4. Improving profitability

During the last six months a significant number of steps have been taken to further improve the profitability of Glunz & Jensen. These include: reduction of product range (overlapping products), transfer of functions from Denmark to our facility in Slovakia and discontinuation of loss-making equipment.

These activities will continue over the coming months and are expected to improve the profitability by DKK 5-10 million compared to the 2019/20 profit before tax (before non-recurring) at DKK -3,0 million.

OUTLOOK

For fiscal 2020/21, the Group revenue is expected to be at the DKK 150-160 million level, while operating profit (EBITDA) – excluding non-recurring items and fair value adjustments on investment properties – is expected at the DKK 15 million level as a result of the continued turnaround plan.

Management underlines that the guidance for the fiscal year 2020/21 is associated with a greater deal of uncertainty than usual, due to the unpredictable impact of the COVID-19 outbreak.

It is the Group's intention to use the free cash flow to the greatest possible benefit to its shareholders. This includes investment in business development and, possibly, acquisition of attractive companies and/or technology as well as reduction of company debt.

FINANCIAL STATEMENTS

The Group

Income statement

Group revenue decline

The Group's revenue totaled DKK 195,6 million in 2019/20 (2018/19: DKK 227,5 million), corresponding to a decrease in revenue of 14,0%. Revenue is in line with the latest announced expectations to revenue at the level of DKK 195 million.

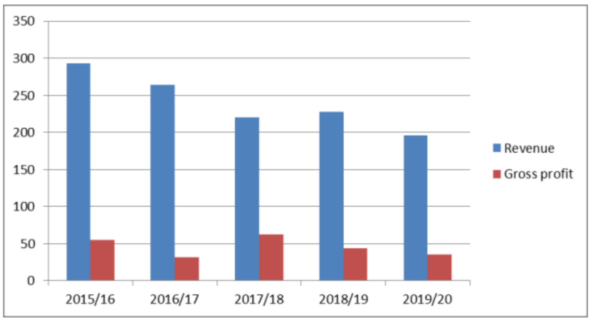


Figure #1: Revenue (DKKm), fiscal years, note 2017/18 at only 10 months

Revenue in offset decreased by 18,2%, flexo revenue decreased by 9,7% and property decreased by 3,3%. See figure #2.

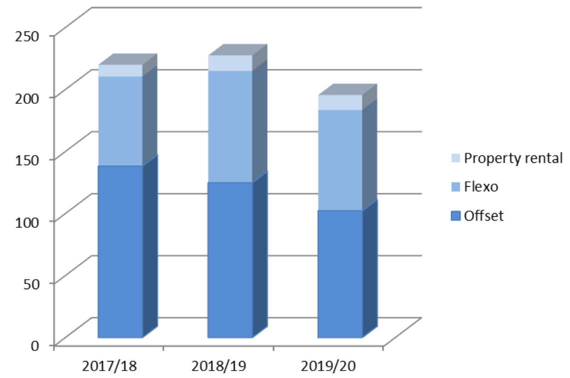


Figure #2: Revenue (million DKK) by product, fiscal years, note 2017/18 at only 10 months

New product range in flexo segment

Glunz & Jensen has launched a new solvent flexo processing portfolio during 2019/20 including demonstration at LabelExpo Europe 2019 in Brussels.

This new flexo product family includes 4 models and will be globally commercially available in first half of 2020/21.

Selandia Park

Rental income in Selandia Park A/S decreased to DKK 12,1 million (2018/19: DKK 12,5 million), excluding rental income from Glunz & Jensen due to a short-term lease reduction caused by building renovation. Almost all premises are fully leased out at year end.

Gross profit change

Gross profit before non-recurring items for 2019/20 totaled DKK 44,3 million (2018/19: DKK 50,5 million), corresponding to a gross margin of 22,7% against 2018/19 of 22,2%. Gross margin after non-recurring items was 18,0% in 2019/20 and 19,2% in 2018/19. See figure #3.

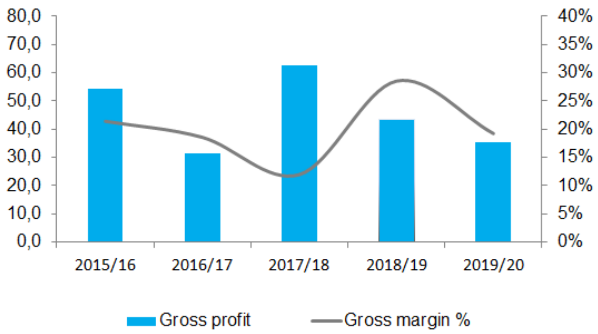


Figure #3: Gross profit and gross profit margin for the fiscal years after non-recurring cost

The positive development in 2017/18 encountered a set-back during 2018/19 and 2019/20 due to a change in product mix in offset sales and in flexo related to the start-up difficulties in Nyborg and related to increased competition.

EBITDA impacted by a difficult year

Earnings before interest, tax, and depreciation and amortization (EBITDA) totaled DKK 1,7 million, (2018/19: DKK 9,0 million) <u>including</u> non-recurring items and <u>including</u> fair value adjustments on investment properties, corresponding to an EBITDA margin of 0,9% (2018/19: 4,0%). See figure #4.

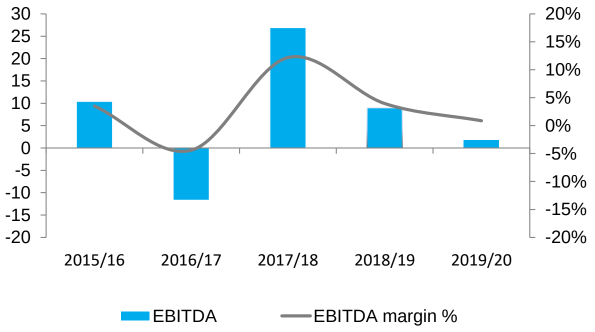


Figure #4: EBITDA/EBITDA margin after non-recurring items, all shown in fiscal years

Earnings before interest, tax, and depreciation and amortization (EBITDA) totaled DKK 14,9 million, (2018/19: DKK 16,4 million) excluding non-recurring items and excluding fair value adjustments on investment properties, corresponding to an EBITDA margin of 7,6% (2018/19: 7,2%). See figure #5.

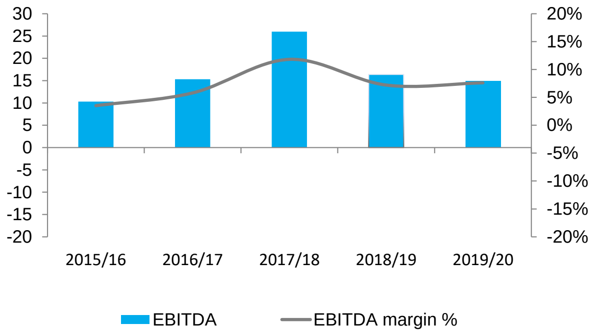


Figure #5: EBITDA/EBITDA margin before non-recurring items and before fair value adjustments on properties, all shown in fiscal years

The EBITDA and the EBITDA margin before non-recurring items is a key KPI for the Board of Directors and management in assessing the progress being made in the turnaround plan. Management expects to regain an EBITDA margin at 10% within the 2020/21 fiscal year.

The difference between EBITDA before and after non-recurring is explained as follows; EBITDA was affected by non-recurring items (cost) of DKK 10,8 million and by fair value adjustments in properties (cost) at DKK 2,3 million in 2019/20 - mainly related to the turnaround.

The restructuring which was carried out during 2016/17 and was continued in 2017/18 reduced staff by approximately 30. Staff has been reduced by further 24 in 2018/19 and by further 33 in 2019/20 to 136 by year end.

Operating profit for the financial year 2019/20 represents a loss of DKK 17,8 million against a loss of DKK 3,4 million in 2018/19.

The Group's net financial expenses in 2019/20 totaled DKK 3,1 million (2018/19: DKK 4,4 million).

Financial income in 2019/20 amounted to DKK 0,1 million against DKK 0,8 million in 2018/19, while financial expenses amounted to DKK 3,2 million against DKK 5,1 million in 2018/19. The 2018/19 financial expenses include DKK 1,2 million in cost related to the change of the long-term financing in Selandia Park A/S from Nykredit to Nordea.

Un-satisfactory results of operations

The Group reported a loss before tax of DKK 20,8 million in 2019/20, against a loss of DKK 8,6 million in 2018/19.

The Group recognized tax profit of DKK 2,4 million in 2019/20 against at tax profit of DKK 1,7 million in 2018/19. Profit for the year after tax was a loss of DKK 18,4 million (2018/19: a loss of DKK 6,9 million), corresponding to earnings per share (EPS) of DKK -10,1 (2018/19: DKK -3,8). The financial performance is considered un-satisfactory by the Executive Management and the Board of Directors.

Other comprehensive income amounted to DKK 5,1 million in 2019/20 of which DKK 4,8 million relates to reclassification of the former Group headquarter from property to investment property (measured at fair value). In 2018/19 other comprehensive income amounted to DKK 1,5 million.

Balance sheet

Increase in tied-up capital on working capital

The Group's assets totaled DKK 247,2 million on March 31st, 2020 against DKK 239,6 million the year before.

Non-current assets were increased by DKK 13,9 million primarily as a result of DKK 15,0 million in leased assets and DKK 6,2 million from reclassified property to investment properties. DKK 5,8 million derived from amortization of development projects.

Inventories increased from DKK 38,9 million last year to DKK 46,9 million partly due to an increase in finished goods. The number of day sales of inventory (DSI) increased from 134 days in 2018/19 days to 197 days in 2019/20.

Trade receivables decreased by DKK 12,5 million to DKK 23,1 million. The number of day sales outstanding (DSO) are 43 compared to 61 in 2018/19.

Equity came at DKK 73,6 million, corresponding to a solvency ratio of 29,8%, compared to 36,2% the year before. The Board of Directors recommends to the Annual General Meeting that no dividend payment be distributed for fiscal year 2019/20.

Long and short term Interest-bearing debt to credit institutions totaled DKK 98,9 million at the end of 2019/20 (2018/19: DKK 85,7 million), of which DKK 61,7 million (2018/19: DKK 67,2 million) are long-term liabilities and DKK 37,2 million (2018/19: DKK 18,5 million) are current liabilities. Net interest-bearing debt to banks was increased by DKK 13,4 million during fiscal 2019/20 to DKK 97,5 million.

Investment properties totaled DKK 137,0 million end of 2019/20 compared to DKK 90,7 million end of 2018/19. November 30th, 2019 the former headquarter in Ringsted was reclassified from Land and buildings to Investment properties as Glunz & Jensen utilize less than 10 % of the buildings. As a result DKK 35,3 million was transferred from Property, plant, and equipment to Investment properties and the calculated difference between the fair value of the former headquarter and the property measured at cost less accumulated depreciation and accumulated impairment losses November 30th, 2019 of DKK 6,2 million less income tax effect of DKK 1,4 million are recognized in other comprehensive income. From December 1st, 2019 all buildings in Selandia Park A/S, Denmark are measured at fair value.

Cash flow and liquidity

Negative cash flow

Cash flow from operating activities amounted to DKK -2,1 million in 2019/20 (2018/19: DKK 10,6 million), caused by the operating profit and also due to DKK 14,8 million positive change in receivables and DKK 6,2 million positive change in provisions. However reduction in trade payables and other payables contributed negatively by DKK 13,5 million and inventories contributed negatively by DKK 7,9 million in 2019/20.

Cash flow from investing activities was negative by DKK 7,4 million in 2019/20 (2018/19: DKK -3,6 million). Investments in primarily investment properties amounted to DKK 7,4 million (2018/19: DKK 3,9 million).

The free cash flow thus amounted to DKK -9,5 million in 2019/20 (2018/19: DKK 6,9 million).

Capital resources

At the end of fiscal 2019/20, the Group's total available credit facilities amounted to DKK 104,7 million compared to DKK 115,1 million at the end of 2018/19. DKK 98,9 million was utilized at the end of 2019/20 against DKK 85,7 million the year before.

Liquidity reserves totaled DKK 5,8 million by March 31st, 2020 (2018/19: DKK 29,4 million).

Based on budgets, including expectations to the cash flow and the development of the capital base, existing credit facilities and related contractual and expected maturities and conditions, the Board of Directors and the Executive Management consider the Group's liquidity and capital resources to be satisfactory.

The Company's credit lines for 2019/20 were extended by Nordea on May 7th, 2020 to May, 2021 and the cooperation letter was signed by the Company May 12th, 2020 as planned. The cooperation letter is subject to three covenants, which the Prepress market division of Glunz & Jensen must observe in order to maintain the loan, including financial covenants concerning the financial ratio "solvency" and the agreed level of EBITDA and debt leverage compared to EBITDA. To strengthen the liquidity and capital of Glunz & Jensen, the Board of Directors has decided to initiate a sales process for the investment properties in Selandia Park A/S (assets) or the entity holding the Selandia Park real estate (shares). The Board of Directors has authorized the Executive management to engage in the selling process. Please refer to note 26 regarding covenants.

Glunz & Jensen S.r.l. (Italy)

Based on the difficulties related to the current business environment in general related to Covid-19 which makes normal business operations challenging and following the past years efforts to turn Glunz & Jensen S.r.l. around and into a profitable organization, including injecting significant amounts of cash over the past years, the Board of Directors in the parent company (Glunz & Jensen A/S) has decided to prioritize the operations in the parent company Glunz & Jensen A/S (Denmark) and the subsidiary Glunz & Jensen s.r.o. (Slovakia). The decision was made on May 15th, 2020 as the parent company Glunz & Jensen A/S concluded that it is expected to be unable to provide further support to Glunz & Jensen S.r.l. and it is possible that this decision will affect the going concern of Glunz & Jensen S.r.l. The composition of the balance sheet provisions in Glunz & Jensen A/S may lead to reversals of accruals (liabilities) during 2020/21 hence adjusting the EBITDA in 2020/21. However, some uncertainty is currently expected to the outcome of the decision on not to provide further support to Glunz & Jensen S.r.l. and therefore some uncertainty may be expected related to the provisions. The negative value of the Glunz & Jensen S.r.l. net assets is DKK 5,2 million as of March 31st, 2020.

Covid-19

Management underlines that the operations and fiscal year 2019/20 was not notably affected by Covid-19. However 2020/21 is associated with a greater deal of uncertainty than usual, due to the unpredictable impact of the Covid-19 outbreak.

The Parent Company

The Parent Company's revenue totaled DKK 8,6 million in fiscal year 2019/20 (2018/19: DKK 8,4 million).

Profit after tax in subsidiaries totaled a loss of DKK -19,5 million in fiscal 2019/20 (2018/19: a loss of DKK -7,1 million).

The Parent Company's profit after tax totaled a loss of DKK -18,4 million in 2019/20 against a loss of DKK -6,9 million in 2018/19.

The Parent Company's total assets amounted to DKK 76,1 million on March 31st, 2020 (2018/19: DKK 89,2 million).

EVENTS AFTER THE BALANCE SHEET DATE

As mentioned above in section “Capital resources” the parent company Glunz & Jensen A/S have in May 2020 concluded that it is expected to be unable to provide further support to Glunz & Jensen S.r.l. and it is possible that this decision will affect the going concern of Glunz & Jensen S.r.l. The composition of the balance sheet provisions in Glunz & Jensen A/S may lead to reversals of accruals (liabilities) during 2020/21 hence adjusting the EBITDA in 2020/21. However, some uncertainty is currently expected to the outcome of the decision on not to provide further support to Glunz & Jensen S.r.l. and therefore some uncertainty may be expected related to the provisions.

No other events have occurred since March 31st, 2020 which are considered to have a significant impact on the Group's or the Parent Company’s financial position.

RISK FACTORS

Glunz & Jensen Holding's risk policies and procedures must efficiently and securely identify, control, and reduce the risks that may affect the Group's business base, development, and value creation.

A number of commercial and financial risk factors can have a significant impact on the Group's future financial position, activities and results of operations. The Group's most important risk factors are outlined below.

Commercial risk

Glunz & Jensen's revenue is affected by both global economic developments and changes in industry-specific conditions. The macroeconomic cycles generally affect Glunz & Jensen's customers' probability of investment and may reduce revenue and earnings.

Glunz & Jensen's order lead time is 4-12 weeks, which is market-conform. As revenue expectations beyond this period are based on non-binding estimates from the Group's largest customers or based on Glunz & Jensen's Management's expectations, deviations from the expected revenue may occur.

Glunz & Jensen markets a large part of its production to a number of major customers with whom the Company has a long-term customer relationship. The four largest customers represent approximately 59% of total revenue. One customer account for more than 26% of the Group's revenue.

New technologies and product development

Glunz & Jensen's products are based on many years of development for the offset and flexo printing. Insight into the industry's process needs and production technologies is crucial to the Company's ability to maintain customer’s loyalty. Some items in Glunz & Jensen's products are patented, but most of the Company's sales are based on products that do not involve patented technology.

As a market leader, Glunz & Jensen's goal is to be among the first to offer products tailored to new technologies within the Company's two product areas. This places great demands on continual product development, enabling the Group to market products at competitive prices in a timely manner, which will also match customer needs. Lack of success in this area can affect revenue and results of operations negatively.

Glunz & Jensen's most important offset activity is the development and sale of CtP developers. The continued use of CtP processors is conditional on the development of offset printing plates. Several large plate manufacturers have developed printing plates that do not require development. The process-free CtP technology has gained ground and may affect the demand for CtP processors negatively.

Glunz & Jensen's strategy in the flexo area is continued development of technology for solvent-based, water-based, and thermal-based prepress solutions, an area in which the Group is currently leading. Automation and adaptation to latest technologies are important requirements to ensure continued positive development of the flexo area. Unless Glunz & Jensen is able to continue to be a leader in flexo technology, this could lead to a negative development in sales and thus in the Group's earnings, including impairment of intangible assets.

Competition and market conditions

Prices of offset and flexo equipment are under pressure. This is partly due to increasing competition and partly due to the fact, that still smaller print shops invest in CtP technology, leading to demand for smaller equipment and thereby lower investments. The outlook is therefore continued keen competition and a possible consolidation in the CtP area.

Production and supplier risks

Maintaining high reliability of delivery and high quality is important to maintain existing customer relationships. To strengthen competitiveness, Glunz & Jensen has established its main productions in Slovakia and Nyborg. If the factory in Slovakia or in Nyborg is impacted by production problems or accidents, such as fire, this may affect delivery capacity and thus reduce the Group's earnings.

Insurance risk

It is the Group's policy to hedge risks that may threaten the Group's financial position. In addition to statutory insurance, insurance against product liability and operating losses has thus been taken out. Property, plant, and inventories are insured at replacement value at all risk levels.

Financial and other risks

There is ongoing consolidation in the graphic industry. Glunz & Jensen is actively involved in industry consolidation; this trend will benefit Glunz & Jensen.

Cyber risks

The continuously evolving threat of cyber security, data leakage and data security is a key area of focus. A major cyberattack could result in an extended period of down time resulting in delays to customers and additional costs for the organization. Glunz & Jensen is focused on IT Security and awareness. In 2019/20,

increased cyber awareness training across the organization are helping to mitigate this risk.
For financial risks, please refer to note 26.

Covid-19

Even if 2019/20 has not been significantly affected by the virus the outbreak of the Covid-19 introduces additional challenges and risks to Glunz & Jensen's operations.

Glunz & Jensen has already undertaken specific measures to ensure the health and safety of its employees globally. In addition to human risk, the outbreak of the virus also poses an economic risk to Glunz & Jensen's operations and its trade volumes. Further the customers' ability to pay might be impacted by the pandemic.

The Covid-19 outbreak in Italy has been severe and the situation impacted the parent company Glunz & Jensen A/S's conclusion that that it is expected to be unable to provide further support to Glunz & Jensen S.r.l.

To strengthen the liquidity and capital of Glunz & Jensen, the Board of Directors has decided to initiate a sales process for the investment properties in Selandia Park A/S (assets) or the entity holding the Selandia Park real estate (shares). Covid-19 might delay the sales process or impact the sales price.

In general, the future outlook is more uncertain than normal. It is difficult to predict the length and impact of lock-downs and restrictions, as well as how client behavior might change.

REPORTING ON MANAGEMENT

This statement of reporting on management is part of the Management's review, see section 107b of the Danish Financial Statements Act, covering the fiscal year April 1st, 2019 – March 31st, 2020. The statement consists of three elements:

- Corporate Governance
- The composition of the governing bodies and their functions
- Main elements of the Company's internal control and risk management system

Corporate Governance

Glunz & Jensen emphasizes the pursuit of good corporate governance and continuous optimization of the Group's Management. The overall framework for the management of Glunz & Jensen is based on the Company's Articles of Association, values and policies as well as current Danish and international legislation and "Rules for Issuers of Shares" on NASDAQ OMX Copenhagen A/S, to ensure that the Group pursues its obligations to all shareholders, customers, employees and other stakeholders, as well as to support long-term value creation.

Glunz & Jensen is governed by the Corporate Governance Committee's recommendations of November 2017.

The recommendations are available at:
https://corporategovernance.dk/.

In accordance with the recommendations, we explain on Glunz & Jensen's website how the Company complies with the recommendations:
http://www.glunz-jensen.com/investor/corporate-governance/redegorelse

The Group has decided to deviate from the recommendations due to the size of the Company and thus arranged differently in the following areas:

- The company publishes half year reports at NASDAQ OMX and on the company´s website. The company publishes Q1 and Q3 announcements commenting the development in the company.
- Glunz & Jensen has not yet adopted a policy on corporate social responsibility. A policy on corporate social responsibility will be adopted during 2020/21.
- Glunz & Jensen has no Board committees, as the size of the Company and the operation of the Board mean that it is deemed more efficient to not establish special Board committees. The Board of Directors as whole assumes the responsibilities of the committees.
- The annual report discloses information about the remuneration for the Board of Directors and only total remuneration for the Executive Board. Individual remuneration of the Executive Board is not disclosed as the company is of the opinion that it is essential that the shareholders may judge the total remuneration and the development hereof.

Interaction with shareholders and other stakeholders

Glunz & Jensen's Management continually seeks to have a dialogue with shareholders and other stakeholders. The company strives for a high degree of openness and effective dissemination of information.

The dialogue with and information to shareholders and stakeholders take place through the publication of interim reports and other communications from the Company, as well as meetings with investors, analysts, and the press and at the Company's general meeting. Interim reports and other announcements are available on Glunz & Jensen's website immediately after publication.

The company's Articles of Association contain no limits on ownership or voting rights. If an offer is made to acquire the Company's shares, the Board of Directors will – in accordance with Danish law – openly consider and convey the offer to the shareholders, accompanied by the Board of Directors comments.

The Glunz & Jensen Group has not entered into significant agreements that are affected, changed, or expired in the event of a change of control of the Company except if a shareholder other than Heliograph Holding GmbH acquire more than 50 % of the shares in Glunz & Jensen. If this situation occur the notice of the CEO are increased from 9 to 18 months. The notice will be reduced with a month for each month passed since the new main shareholder has acquired the 50 % shares until the normal notice of 9 months have been reached again.

Besides the above mentioned regarding the CEO there are no agreements with Management or employees regarding retention or compensation in case of resignation or dismissal or termination of a post as a result of the acquisition of the Glunz & Jensen Group

The general meeting is Glunz & Jensen's supreme decision-making authority, and the Board of Directors emphasizes that shareholders be given adequate information about the business to be transacted at the general meeting. Notice of general meetings is published on the website and sent electronically to all registered shareholders who have registered their e-mail address at least three weeks prior to the event.

All shareholders are entitled to attend and vote at the Annual General Meeting. Shareholders can also provide a power of attorney to the Board – on an item-by-item case on the agenda. The general meeting gives shareholders the opportunity to ask questions to the Board of Directors and the Executive Management. The shareholders can submit proposals that must be discussed at the general meeting. The Articles of Association contain no special rules regarding amendments to the Company's Articles of Association. Thus, only the provisions of the Danish Companies Act apply in this area.

Composition of the governing bodies and their function

Board of Directors

According to the Articles of Association, the Board of Directors consists of three to eight members elected by the general meeting. Each year, the half of the members elected by the general meeting who have served for the longest time are elected. Resigned members are eligible for re-election. The Board of Directors elects a Chairman and a Deputy Chairman from among its own number. Employee representatives' 4-year election period has been determined in accordance with the Danish Companies Act. The members elected by the general meeting are considered to be independent.

The current Board of Directors consisted of five members at the end of the fiscal year 2019/20, two of whom are employee representatives. The latest election among employees took place in 2018.

As an age limit has been introduced for the members elected by the general meeting, these must resign at the first Annual General Meeting after they have reached the age of 65.

In connection with the identification of new Board members, a careful assessment of required knowledge and professional experience is made to ensure that the Board possesses the necessary competencies. Information about the individual Board members can be found on page 24.

The Board at work

In accordance with the Companies Act, the Board of Directors represents Glunz & Jensen's overall management and defines the Group's goals and strategies as well as approves the overall budgets and action plans. In addition, the Board of Directors in general supervises the Group and checks that it is managed properly and in accordance with Danish law and the Articles of Association. The general guidelines for the Board's work are laid down in the rules of procedure, reviewed at least once a year and adapted to Glunz & Jensen's needs. The rules of procedure include procedures for Management's reporting, the Board's working method and a description of the Chairman's tasks and responsibilities.

The Board of Directors is notified on an ongoing basis of the Group's performance. This takes place systematically at meetings as well as in written and oral reports. The Board receives a monthly report, which includes information on financial developments and the most important activities and transactions.

At least five ordinary Board meetings must be held annually with a fixed plan for the contents of the meetings. In addition, the Board meets whenever necessary. In fiscal 2019/20, seven board meetings were held.

Due to the size of the Company and the composition of the Board of Directors, it is assessed that there is no need to set up committees.

The Board of Glunz & Jensen has thus collectively taken on the tasks of the audit committee and also decided not to establish other committees.

Risk management

In connection with the strategy review, the Board of Directors and the Executive Management perform a comprehensive risk assessment for the Group to identify which issues – internal as external – may affect the Group's business base and development.

The risk assessment focuses primarily on the identification of business risks, and for selected risks, action plans are identified to reduce and handle such risks. Glunz & Jensen has decided to manage general risks by taking out relevant insurance, such as "all-risk" on buildings and movables, transport insurance etc. As a main rule, financial risks are the result of commercial activities, and the Group does not actively speculate in financial risks.

The Board of Directors establishes policies and frameworks for the Group's key risks and ensures effective management of these risks. Reporting on significant risks is included in the ongoing reporting to the Board of Directors.

For a more detailed description of Glunz & Jensen's risks, see the section "Risk factors".

Executive Management

The Executive Management is appointed by the Board of Directors. The Executive Management is responsible for the day-to-day operations of the Group and, in accordance with guidelines and instructions developed by the Board of Directors, prepares action plans and budgets that support the Company's strategy and reports on ongoing performance developments, risks and other essential information to the Board. The Board of Director's delegation of responsibilities to the Executive Management is outlined in the Board's rules of procedure.

Evaluation of the Board of Directors and the Executive Management

A formalized evaluation of the work of the Board of Directors and the Executive Management has been introduced. The Chairman of the Board of Directors regularly reviews the work of the Executive Management and individual Board members, the cooperation of the Board of Directors, the Board of Directors' working methods and the cooperation between the Board of Directors and the Executive Management. Based on these assessments, the Board of Directors' and the Executive Management's work is adjusted on a regular basis.

Remuneration to the Board of Directors and the Executive Management

Glunz & Jensen seeks to ensure that members of the Board of Directors and the Executive Management are remunerated at a competitive and reasonable level, helping ensure that Glunz & Jensen can attract and retain competent individuals.

Members of the Board of Directors receive a fixed, annual fee, and the total remuneration to the Board of Directors is approved by the Annual General Meeting in connection with the approval of the annual report. In fiscal 2019/20, directors' fees amounted to DKK 700.000, including DKK 250.000 to the Chairman, DKK 150.000 to the Vice-Chairman and DKK 100.000 to every other member. Members of the Board of Directors are not subject to bonus schemes, but in accordance with section 198 of the Danish Companies Act, the Board of Directors is authorized to acquire treasury shares up to 60% of the Company's share capital at the market price prevailing at the date of acquisition with a deviation of up to 10% until June 28th, 2023.

The remuneration of the Executive Management is determined by the Board of Directors. In 2019/20, members of the Executive Management received a basic salary, including usual benefits such as company car and telephone, and are also eligible for a bonus scheme. The Executive Management consisted of René Normann Christensen, CEO and Henrik Blegvad Funk, CFO, who were both members of the Executive Board during 2018/19. René Normann Christensen retired as of February 28th, 2019 and Henrik Blegvad Funk was appointed as interim CEO. Martin Overgaard Hansen was appointed as CEO and commenced on September 1st, 2019. The total remuneration paid to the Executive Management amounted to DKK 3,5 million in 2019/20.

Incentive programs

Glunz & Jensen continually seeks to establish incentive programs that support its shareholders value creation.

The incentive programs for the Executive Management and employees include a bonus scheme. The results in 2019/20 have not triggered any provisions or payments related to the bonus schemes.

The main elements of the Company's internal control and risk management system

Risk assessment in connection with the financial reporting process

The Board of Directors and the Executive Management have overall responsibility for the Group's risk management and internal control in connection with the financial reporting process, e.g. responsibility for ensuring compliance with relevant legislation and other regulations in relation to the financial reporting.

The Group's internal control and risk management systems should improve the probability of reporting without significant errors, omissions and irregularities and, moreover, should ensure that the financial statements are presented in accordance with International Financial Reporting Standards (IFRS) as approved by the EU and other accounting regulations applicable to Danish listed companies.

The Group's internal control and risk management systems in connection with the financial reporting include:

Control environment

The Board of Directors is responsible for identifying the Group's most significant risks and the adequacy of internal controls in connection with the presentation of the financial statements. The Executive Management is responsible for the operational organization and daily execution of an effective control environment, e.g. for ensuring compliance with relevant legislation in connection with the presentation of the financial statements. The Executive Management reports to the Board of Directors on all relevant matters and assessments.

The operational management includes an appropriate organizational structure, written procedures for essential processes, accounting instructions for subsidiaries, authorization and certification rules, segregation of duties, consolidation procedures, check and documentation lists and IT security. The Executive Management regularly assesses the adequacy of the control environment, including the adequacy of resources and competencies.

Risk assessment and risk management

The Board of Directors and the Executive Management continually consider risks that are considered to be of importance to the Group's financial reporting, based on a concrete assessment of the significance and probability of each individual risk. The risk assessment focuses on significant financial items and involves an assessment of the immediate risk associated with each item and the critical processes that form the individual financial statements.

Risk assessments and risk management are included as part of the Group's strategy plan.

Control activities

The Group's control activities are organized taking into account the overall objective of reducing the risk of material misstatements, deficiencies or irregularities to an acceptable and low level, so that the consolidated financial statements and the financial statements are correct. Control activities are performed at management and operational level, and checks are performed manually and systematically.

Control activities include the following essential elements:

- The Board of directors reviews and approves the budget presented by the Executive Management for the coming year. The budget includes operations, balance sheet, liquidity, and investments.
- The Board receives monthly income, balance and liquidity accounts with budget follow-up, key figures, and comments on significant developments and/or deviations. Each quarter, the reporting also includes an update from area managers regarding actual sales (customers and products), order status, expectations as to the future, product development, competitors etc. Subsidiaries submit monthly accounts with comments on developments. The reporting is used as a basis in the group reporting to the Board of Directors.
- In connection with the year-end, a reporting package is prepared for the subsidiaries with a view to meeting disclosure requirements, including disclosure requirements under IFRS.
- The Parent Company's finance department is responsible for managing the monitoring and controlling of financial reports from subsidiaries, with active participation of local financial controllers. Regular visits are made to subsidiaries.
- Management in subsidiaries liaises with the external auditor. The Executive Management is informed of matters identified during the audit of subsidiaries.
- Before the financial statements are presented, the Board of Directors and the Executive Management discuss critical accounting practices and estimates as well as other matters of major importance to the presentation of the financial statements.

Monitoring

The Board of Directors and the Executive Management annually assess the adequacy of the Group's risk management and control systems in the context of the year-end process, including how the Group is protected against fraud and accounting irregularities. The assessment is based on a goal of efficiency and accountability, and focus is thus primarily on significant matters.

Audit

The external auditor is elected by the Annual General Meeting. Prior to the election, the Board of Directors assesses the auditor's independence and competences etc.

The scope for the auditor's work – including fee, audit-related tasks, and non-audit related tasks – are stipulated in an agreement.

Members of the Board of Directors receive the external auditor's audit report concerning the auditor's review of the annual report. The Board of Directors reviews the audit report and the annual report at a meeting with the external auditor, and the auditor's observations and significant findings arising from the audit are discussed. In addition, the significant accounting policies and audit assessments are reviewed.

STATEMENT ON CORPORATE SOCIAL RESPONSIBILTY AND GENDER DIVERSITY

Social responsibility (CSR)

A statutory CSR statement, according to section 99a of the Danish Financial Statements Act, is part of the Management's review. We adopt social co-responsibility in the local areas where the Group is located. The Group wishes to promote a working culture throughout the organization that ensures a sensible and appropriate balance between financial, social, and environmental development. In this regard, it is crucial for the CSR work that Glunz & Jensen's production strategy and value chain management is based to a large extent on an outsourcing model. Virtually all production takes place with a large number of subcontractors, after which Glunz & Jensen is responsible for product assembly and distribution. Subcontractors are selected at the starting point of our ISO 9001 procedures. This ensures that subcontractors meet our requirements

In this section, the Glunz & Jensen Group provides a report on social responsibility, including risk assessments, our policies, actions taken as well as results achieved in 2019/20.

Environment

Material risks: Based on a risk assessment of our environmental and climate impacts, the Group has identified the main risks within environmental and climate issues to constitute our energy consumption from buildings and production processes as well as the use of chemical products and wastewater from production.

Policy: Glunz & Jensen is committed to preserve and protect the environment and climate. We will work actively on reducing negative environment and climate impacts as well as develop innovative solutions that will contribute positively to the environment and climate.

Actions & Results: In 2019/20, the Group focused on climate considerations concerning, for example, maintenance and renovation of its buildings. For instance, a part of Selandia Park has low energy consumption and is equipped with solar cells that cover part of the electricity consumption. As such, an increasingly larger share of the Group's energy consumption came from renewables in 2019/20

In addition; there is a continued focus on energy consumption. Within the Group as well as between customers and suppliers, telephone and video conferences were widely used in 2019/20, which reduced our need for air travel, which, in addition to the climate consequences, also offers financial benefits.

As part of the prepress industry, Glunz & Jensen places an ongoing fundamental focus on reducing the use of chemical products and helping reduce the number of production processes that are environmentally harmful and energy intensive. Therefore, energy-saving features were also incorporated in new products from Glunz & Jensen in 2019/20, and, on demand, products are offered with water-saving solutions that provide positive environmental benefits.

Social and employee conditions

Material risks: The Group has identified material risks in terms of work related accidents which will have negative consequences for the affected employee. Since our employees are the main drivers for our success, work related accidents could also cause negative consequences for our performance. Additionally, there is a risk associated with employees not feeling well, for instance caused by stress, as sick leave will cause negative consequences for both employees and the Group.

Policy: The Glunz & Jensen Group has formulated a policy for social and employee conditions stating that we always seek to promote a healthy working culture among our employees and always seek to take precautionary measures to prevent work related accidents.

Actions and results: In 2019/20 the Group continued its efforts to focus on our employees in order to ensure continued personal development. We do this by hosting annual employee development interviews which all our employees attended in 2019/20.
The Group has established safety committees in all locations and continued to offer first aid courses to staff members and ongoing maintenance of these. The number of serious employee accidents was 0 in 2019/20.

Education of young people

The Group wishes – to the extent possible and if it is financially sound – to help increase the number of young people who get a business-related education.

The Group supports the staff associations and company sports associations, which aim to strengthen collegial cohesion through the organization of various activities that support employee well-being, social relations, and exercise.

Economic support for charitable purposes

The Group has several initiatives that naturally belong to CSR. Thus, the Group assumes social responsibility in some areas and works to comply with the ethical business practices expressed by CSR activities.

Anticorruption

Material risks: The Group has identified material risks associated with actions that are in conflict with legislation or considered to be inappropriate, for example bribes and facilitation payments.

Policy: The Glunz & Jensen Group is against all forms of corruption and bribery and we will constantly work to prevent corruption from taking place.

Actions and results: In 2019/20 we continued our focus to create awareness of our whistleblower system. This system allows employees, external partners, citizens and members of the executive management and Board of Directors to report matters that are in conflict with legislation or considered to be inappropriate. Reporting can be done completely anonymously by reporting to the whistleblower system via a link on our website. In 2019/20 we received no reports via our whistleblower system.

Human rights

The Glunz & Jensen Group does not have an explicit, written social responsibility policy in place related to human rights because it has been assessed that here is minimal negative impact on human rights issues in relation to the Group's business activities."

Diversity

The gender diversity statement for fiscal 2019/20 has been prepared in accordance with section 99b of the Danish Financial Statements Act, Glunz & Jensen will set goals for the ratio of the underrepresented gender on the Company's Board of Directors and formulate a gender diversity policy to increase the proportion of the underrepresented gender at other management levels.

Objective of diversity

The company's focus on value creation and the limited size of the organization means that, in connection with organizational changes as well as the appointment of new members to the Board of Directors, the Executive Management and the senior management team, the business must focus greatly on the knowledge, skills and experience of the individual. The Glunz & Jensen Group does not have an explicit, written social responsibility policy in place, for instance related to human rights because it has been assessed that here is minimal negative impact on human rights in relation to the Group's business activities.

The Board of Directors recognizes the importance of diversity in the Company's Management and emphasizes equal opportunities for all, including both genders. The company's goal is that at least 25% of the members of the Board of Directors who are elected by the general meeting should at all time be the underrepresented gender before the end of 2022. Currently, the Board of Directors consists of three men as members.

At other management levels, the Company wishes to have a gender composition that matches the overall gender composition of the company. The Group has not experienced rotations in the Board of Directors in its reporting year and, therefore, was unable to fulfill its target figure. The ratio of women at other management levels was 3 out of 12 on March 31st, 2020, corresponding to 25%. To increase the number of women in these functions, the Company will strive to have at least one woman among the last candidates for a vacant position.

SHAREHOLDER FACTS

Share information

Glunz & Jensen Holding's shares are listed on NASDAQ Copenhagen A/S and are traded under ISIN code DK0010249309.

At the end of the fiscal year, the share price was DKK 55,00 against DKK 44,00 at the beginning of the year. The market value of the share capital amounted to DKK 100 million on March 31st, 2020.

In 2019/20 a total of 991.359 (2018/19: 495.689) shares were traded at a total market value of DKK 65,0 million (2018/19: DKK 30,3 million).

Share capital and voting rights

The share capital in Glunz & Jensen amounted to nominally DKK 36,4 million on March 31st, 2020. Divided into 1.821.309 shares at a nominal value of DKK 20,00. The shares, which are negotiable instruments without restrictions on marketability, are issued to the holder and entitle the holder to cast one vote per share at general meetings.

The share capital was increased by nominally DKK 3,2 million (equal to 161.309 shares at a nominal value of DKK 20,00) on March 21st, 2018. The increase was a result of the advancement of warrants' earnings and utilization dates in accordance with the existing warrant program. A total of 82.409 warrants remain unallocated and remain available until March 8th, 2022.

In accordance with section 198 of the Danish Companies Act, the Board of Directors is authorized to acquire treasury shares up to 60% of the Company's share capital at the market price prevailing at the date of acquisition with a deviation of up to 10% until June 28th, 2023.

Glunz & Jensen did not own treasury shares at the end of the fiscal year 2019/20 or 2018/19.

Ownership

At the end of the fiscal year, Glunz & Jensen had 668 (2018/19: 766) registered shareholders holding 94,8% (2018/19: 93,1%) of the share capital. Glunz & Jensen wishes to provide the best possible way of providing its shareholders with information about the Group so that all shareholders are encouraged to list their shares in the Company's register of shareholders.

Change of control

The Glunz & Jensen Group has not entered into agreements with finance companies, customers, suppliers, employees, or others which will be affected or changed, or which will expire if the control in the Parent Company changes.

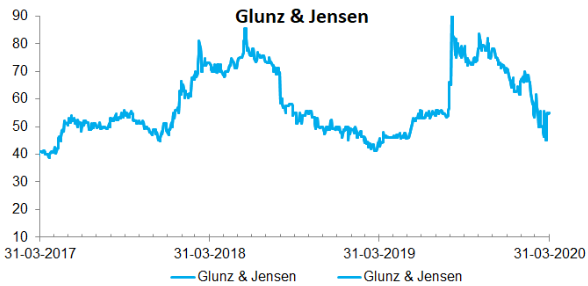
Decisions by the Board of Directors and proposals for the general meeting

Dividend

Glunz & Jensen wants to create the greatest possible value for the shareholders. Based on the Company's financial standing and investment and liquidity requirements, the Board of Directors therefore assesses whether the excess liquidity, after any investments in organic or acquisitive growth measures that can increase the long-term return on the invested capital, must be used to distribute dividends or repurchase of treasury shares.

The Board of Directors proposes to the Annual General Meeting that no dividend be distributed for fiscal 2019/20, and the Company's profit for the year will be transferred to next year.

Share price development since March 31st, 2017



Investor relations

Glunz & Jensen emphasizes to continually providing timely, accurate and relevant information about the Group, including its strategy, results of operations and expectations. Through ongoing reporting, the Group seeks to provide all stakeholders with easy access to information, and emphasis is placed on maintaining an active dialogue with stakeholders.

Communication with investors, analysts, the press, and other stakeholders takes place through ongoing public announcements, including interim reports and individual meetings. Notices are available on the Company's website.

Shareholders, analysts, investors, and other interested parties who have questions regarding Glunz & Jensen should contact:

Glunz & Jensen Holding A/S
Address: Lindholm Havnevej 29
DK-5800 Nyborg
Phone: +45 5768 8181
Fax: +45 5768 8340
E-mail: gj@glunz-jensen.com

Martin Overgaard Hansen, CEO
Phone: +45 2260 8405
E-mail: moh@glunz-jensen.com

Flemming Nyenstad Enevoldsen, Chairman of the Board of Directors
Phone: +45 4043 1303
E-mail: f.n.enevoldsen@gmail.com

Annual general meeting

The Company's Annual General Meeting will be held on Tuesday, June 30th, 2020 at 15:00 PM at the Company's registered address, Lindholm Havnevej 29, DK-5800 Nyborg.

Shareholders on June 4th, 2020

	Ownership interest (%)
Heliograph Holding GmbH, Konrad-Zuse-Bogen 18, 82152 Krailling, Germany	45,02
Strategic Investments A/S	17,16
Notified according to the section 38 of the Danish Securities Trading Act * & **))	62,28
All other shareholders	37,72
Total	100,00

*) The Glunz & Jensen company announcement no. 438 of April 4th, 2019 stated that Uniwill Invest 1 ApS and Ralf Villumsen combined represented a part of the voting shares equivalent to more than 5% of the votes and less than 10% of the votes in Glunz & Jensen Holding A/S.
**) The Glunz & Jensen company announcement no. 469 of September 8th, 2019 stated that Klaus Zwisler represented a part of the voting shares equivalent to 6,65% of the votes.

Share-related key figures and financial ratios

	2015/16	2016/17	2017/18	2018/19	2019/20
Average number of shares outstanding (in thousands)	1.613	1.615	1.666	1.821	1.821
Earnings per share (EPS), %	(5,5)	(37,8)	6,0	(3,8)	(10,1)
Diluted earnings per share (EPS-D), %	(5,5)	(37,6)	5,4	(3,8)	(10,1)
Cash flow per share (CFPS), %	6,5	4,6	9,9	5,8	(1,1)
Book value per share (BVPS), %	83,4	45,6	50,6	47,7	40,4
Share price per share	51	52	73	44	55
Share price /book value	0,6	1,1	1,4	0,9	1,4
Market value of average number of shares (DKK million)	82	85	133	80	100
Dividend per share	-	-	-	-	-
Pay-out ratio, %	-	-	-	-	-

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

Board of Directors

Flemming N. Enevoldsen (1961)

CEO & Non-Executive Director.
Chairman of the Board of Directors.
Member of the Board of Directors of Glunz & Jensen Holding A/S since 2017. Re-elected in 2019 for a 1-year period and is up for re-election in 2020. Regarded as independent.

Chairman of the Board of Directors in: Insepa A/S, Espersen A/S, Port of Esbjerg, Hanegal A/S, Head Energy Denmark A/S, Head Energy A/S (Norway), Business Esbjerg, Skov Industri A/S, Suztain A/S and ABL Food A/S.

Member of the Board of Directors in Green Genius A/S and Jysk Display A/S.

Competences: Many years of international experience as CEO within production and energy with expertise in generating profit and leadership skills. 9 years of experience in sales management roles of equipment for the graphic arts industry – including Glunz & Jensen products.

Carsten Knudsen (1961)

CEO in Søgaarden-Sjælsø ApS.
Vice-Chairman of the Board of Directors.
Member of the Board of Directors of Glunz & Jensen Holding A/S since 2015. Re-elected in 2019 for a 1-year period and will not stand for re-election in 2020. Regarded as independent.

Chairman of the Board of Directors of G.S.V. Holding A/S, G.S.V. Materieludlejning A/S, Tresu A/S, Tresu Holding A/S, Tresu Investment Holding A/S, and in Dane Topco ApS

Member of Board of Directors of Stibo Fonden, Stibo Holding A/S, Stibo Ejendomme A/S, Languagewire A/S, Languagewire Holding A/S, Lyngsoe Systems A/S, Lyngsoe Systems Holding A/S and EG A/S.

Competences: Many years of CEO experience with strategy and management with particular emphasis on international BTB sales and marketing.

Rolf Pfiffner (1969)

CEO at Daetwyler Graphics AG.
Member of the Board of Directors of Glunz & Jensen Holding A/S since 2017. Re-elected in 2019 and is up for re-election in 2021. Not regarded as independent.

Board of Management in Heliograph Holding GmbH.

Competences: Many years of experience as CEO within process and prepress technology with formation of new companies, restructuring and acquisitions.

Stig Nedergaard (1988)*

Project manager
Member of the Board of Directors of Glunz & Jensen Holding A/S since August 2018, and the election period ends in 2021.

Kristian Kvistgaard (1973)*

Project manager
Member of the Board of Directors of Glunz & Jensen Holding A/S since May 2018, and the election period ends in 2021.

**Elected by the employees*

Executive Management

Martin Overgaard Hansen (1973)

CEO of Glunz & Jensen Holdings A/S since September 1st, 2019.

Henrik Blegvad Funk (1964)

CFO of Glunz & Jensen Holdings A/S since April 1st, 2016. Served as interim CEO from March 1st, 2019 until August 31st, 2019.

The Board of Directors participated in all the Board of Director meetings during 2019/20.

Board of Directors and Executive Management; ownership interest in Glunz & Jensen Holding A/S

No. of shares	2019/20	2018/19
Carsten Knudsen (Søgaarden-Sjælsø ApS)	2.157	52.157
Rolf Pfiffner	0	0
Flemming N. Enevoldsen	3.807	3.807
Stig Nedergaard	0	0
Kristian Kvistgaard	0	0
Martin Overgaard Hansen	0	0
Henrik Blegvad Funk	0	16.969

GROUP COMPANIES

Glunz & Jensen Holding A/S

Lindholm Havnevej 29
5800 Nyborg
Denmark
Tel. +45 5768 8181
gj@glunz-jensen.com
www.glunz-jensen.com

Glunz & Jensen A/S

Lindholm Havnevej 29
5800 Nyborg
Denmark
Tel. +45 5768 8181
gj@glunz-jensen.com
www.glunz-jensen.com

Selandia Park A/S

Selandia Park 1
4100 Ringsted
Denmark
Tel. +45 5768 8181
www.glunz-jensen.com

Glunz & Jensen s.r.o.

Kosicka 50, P.O. Box 116
080 01 Presov
Slovakia
Tel. +421 51 756 3811
skpr@glunz-jensen.com

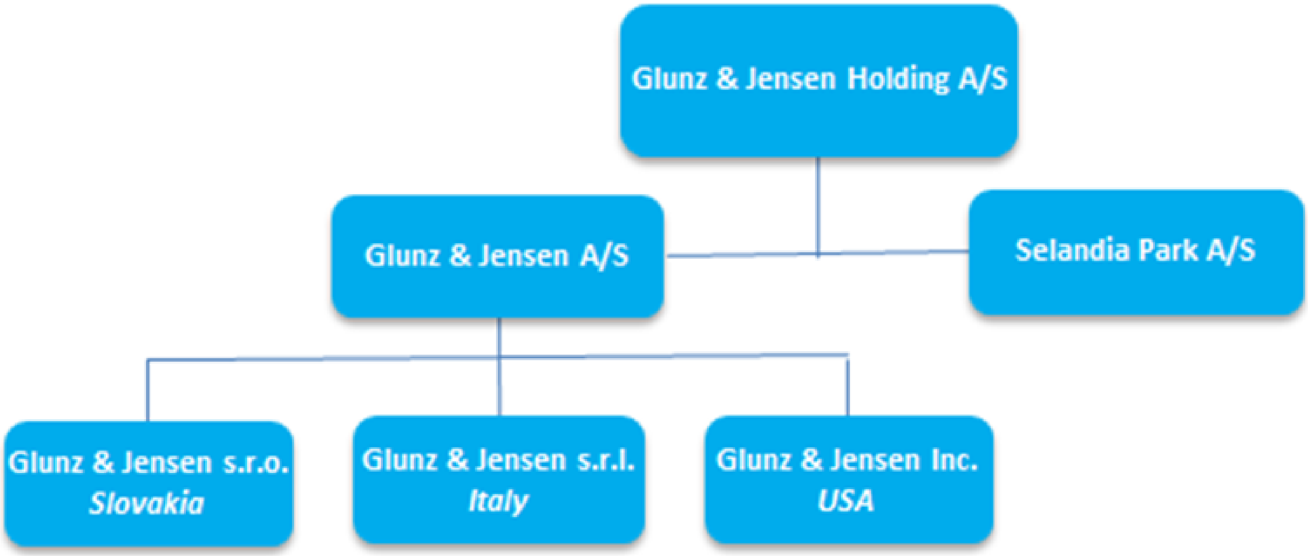
Glunz & Jensen, Inc.

2185 Highway 292
Inman, SC 29349
USA
Tel. +1 864 568 4638
gj-americas@glunz-jensen.com

Glunz & Jensen S.r.l.

Via Michelangelo Buonarroti, 6
20090 Cesano Boscone (MI)
Italy
Tel. +39 02 90090164
hbf@glunz-jensen.com

Legal structure – all legal units owned 100%



Further Glunz & Jensen A/S's owns 40 % of GKS International Ltd. In UK

MANAGEMENT'S REVIEW

The Board of Directors and the Executive Management have today's date considered and approved the annual report for 2019/20 for Glunz & Jensen A/S.

The annual report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional requirements in the Danish Financial Statement Act.

In our opinion, the consolidated financial statements and the financial statements give a true and fair view of the Group's and the Company's financial position at March 31st, 2020 and of the results of the Group's and the Company's activities and cash flows for the fiscal year April 1st, 2019 - March 31st, 2020.

In our opinion, the Management's review gives a true and fair account of the development of the Group's and the Company's activities and financial conditions, the year's results of operations, cash flows and financial position as well as a description of the major risks and uncertainties faced by the Group and the Company.

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

Nyborg, June 4th, 2020

Executive Management

Martin Overgaard Hansen CEO	Henrik Blegvad Funk CFO

Board of Directors

Flemming N. Enevoldsen Chairman	Carsten Knudsen Vice Chairman
Rolf Pfiffner	
Stig Nedergaard*	Kristian Kvistgaard*

**Elected by the employees*

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Glunz & Jensen Holding A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Glunz & Jensen Holding A/S for the financial year April 1st, 2019 – March 31st, 2020, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of 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 March 31st, 2020 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year April 1st, 2019 – March 31st, 2020 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Our opinion is consistent with our long-form audit report to the Audit Committee and the Board of Directors.

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.

To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no. 537/2014.

Appointment of auditor

We were initially appointed as auditor of Glunz & Jensen Holding A/S before 1995, and accordingly, we have to resign as auditor of the company at the general meeting in 2021 at the latest. We have been re-appointed annually at the general meeting for a total consecutive period of more than 25 years up to and including the financial year 2019/20.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year 2019/20. These matters were addressed during our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section, including in relation to the key audit matters below. Accordingly, our audit included the design and performance of procedures to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Capital structure and financing
The availability of sufficient funding and the testing of whether the Group will be able to continue meeting its obligations under the financing covenants are important for the going concern assumption and, as such, are significant aspects of our audit. This assessment is largely based on the expectations of and the estimates made by management. The expectations and estimates can be influenced by subjective elements such as estimated future cash flows, forecasted results and margins from operations. Estimates are based on assumptions, including expectations regarding future developments in the economy and the market.

For notes on the capital structure and financing see note 1 of the consolidated financial statements.

The audit procedures we performed consist of, among other things, an assessment of the assumptions made by Management in the forecasts for 2020/21. We have specifically devoted attention to the assumptions made with respect to the future results and the cash flows in order to assess the company's ability to continue meeting its payment obligations and its obligations under the financing covenants in the year ahead.

Further, we have held discussions with Management on the main terms of the financing package and any uncertainties and risks related to the completion of the financing package as expected for 2020/21, including possible alternative measures to be taken by Management.

Valuation of investment property
Investment properties represents a significant part of the total assets (55%) of the Group and is valuated at fair value for an amount of DKK 137.000 thousand.

The Management is determining the fair value of its investment properties on a yearly basis. The valuation of the investment property at fair value is dependent on estimates and assumptions, such as rental value, discount rates, maintenance status and financial stability of tenants.

The disclosures relating to the assumptions are relevant, given the estimation uncertainty and sensitivity of the valuations. Given the size and complexity of the valuation of investment property and the importance of the disclosures relating to the assumptions used in the valuation, we address this as a key audit matter.

The audit procedures we performed consist of, among other things, an assessment of the assumptions and estimates made by the Management in the valuation methodology about the appropriateness of the property related data supporting the fair value of the investment properties. We have assessed the selected calculation method and the level of required rate of return and inflation rate applied for extrapolation compared to market reports. The expected net cash flows are based on budgets and a terminal value and the value of deposits received.

We also assessed the appropriateness of the disclosures relating to investment properties.

Valuation of inventory
The Group has gross inventories of DKK 46.932 thousand. Inventory is measured at cost price or net realizable value if this value is lower than the cost price. The valuation of inventory is therefore consisting significant judgement by Management to assess the appropriate level of the provision for slow moving and/or obsolete inventory. As a result, we consider the provisioning for slow moving and obsolete inventories to be a key audit matter.

Our audit procedures included, amongst others, observing physical inventory counts at major locations to ascertain the condition of inventory and performing testing on a sample of items to assess the cost price and net realizable value of inventory and evaluating the adequacy of provision for slow moving and obsolete inventories as at March 31st, 2020. We have furthermore reviewed calculation made by Management regarding the need for provision for slow moving and/or obsolete inventory.

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.

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.

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 International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material 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.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Copenhagen, June 4th, 2020
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Smedegaard Hvid	**Martin Stenstrup Toft**
State Authorized	*State Authorized*
Public Accountant	*Public Accountant*
mne31450	*mne42786*

INCOME STATEMENT

Note	April 1st - March 31st (DKK '000)	Group 2019/20	Group 2018/19 Excl. IFRS16	Parent Company 2019/20	Parent Company 2018/19 Excl. IFRS16
2	**Revenue**	195.629	227.462	8.570	8.420
3,4,6	Production costs	(160.332)	(183.682)	-	-
	Gross profit	35.297	43.780	8.570	8.420
7	Other operating income	186	120	-	-
4,6	Sales and distribution costs	(30.167)	(26.960)	-	-
4,6	Development costs	(7.374)	(7.137)	-	-
4,6	Administrative expenses	(13.252)	(12.683)	(8.263)	(8.139)
7	Other operating expenses	(147)	-	-	-
14	Fair value adjustments on investment properties	(2.301)	(559)	-	-
	Operating profit/(loss)	(17.758)	(3.439)	307	281
15	Profit/(loss) after tax in subsidiaries	-	-	(19.534)	(7.062)
	Profit/(loss) after tax in associates	50	(760)	-	-
8	Financial income	87	755	1.191	-
8	Financial expenses	(3.184)	(5.131)	(22)	(34)
	Loss before tax	(20.805)	(8.575)	(18.058)	(6.815)
9	Income taxes	2.405	1.676	(342)	(84)
	Loss for the year	(18.400)	(6.899)	(18.400)	(6.899)
	Attributable to:				
	Equity holders of Glunz & Jensen Holding A/S	(18.400)	(6.899)		
	Total	(18.400)	(6.899)		
	Proposed appropriation of the loss for the year:				
	Retained earnings			(18.400)	(6.899)
	Total			(18.400)	(6.899)
	Earnings per share				
10	Basic earnings per share (DKK)	(10,1)	(3,8)		
10	Diluted earnings per share (DKK)	(10,1)	(3,8)		

STATEMENT OF COMPREHENSIVE INCOME

Note	April 1st / June 1st - March 31st (DKK '000)	Group 2019/20	Group 2018/19 Excl. IFRS16	Parent Company 2019/20	Parent Company 2018/19 Excl. IFRS16
	Loss for the year	(18.400)	(6.899)	(18.400)	(6.899)
	Other comprehensive income:				
	Items that may be reclassified to the income statement:				
	Other comprehensive income after tax in associates	(6)	26	-	-
	Exchange rate adjustments of investments in subsidiaries	294	1.010	288	1.036
	Value adjustment of hedging instruments:				
	Adjustments for the year	-	634	-	634
	Value adjustments reclassified to financial expenses	-	(35)	-	(35)
	Tax on value adjustment of hedging instrument	-	(131)	-	(131)
		288	1.504	288	1.504
	Items that may not be reclassified to the income statement:				
	Revaluation of properties:				
	Value adjustments property reclassified to investment properties	6.211	-	6.211	-
	Tax on property fair value adjustment	(1.367)	-	(1.367)	-
		4.844	-	4.844	-
	Total other comprehensive income	5.132	1.504	5.132	1.504
	Total comprehensive income	(13.268)	(5.395)	(13.268)	(5.395)
	Attributable to:				
	Equity holders of Glunz & Jensen Holding A/S	(13.268)	(5.395)		
	Total comprehensive income	(13.268)	(5.395)		

BALANCE SHEET

Note	March 31st (DKK '000)	Group 2019/20	Group 2018/19 Excl. IFRS16	Parent Company 2019/20	Parent Company 2018/19 Excl. IFRS16
	ASSETS				
	Non-current assets				
	Intangible assets				
11	Completed development projects	5.619	11.404	-	-
		5.619	11.404	-	-
	Property, plant, and equipment				
12	Property, plant, and equipment	12.566	53.209	-	-
13	Leased assets	14.960	-	413	-
14	Investment properties	137.000	90.724	-	-
		164.526	143.933	413	-
	Other non-current assets				
15	Investments in subsidiaries	-	-	53.561	47.963
16	Investments in associates	227	183	-	-
17	Deferred tax	981	1.406	-	-
	Deposits	495	1.022	-	-
		1.703	2.611	53.561	47.963
	Total non-current assets	171.848	157.948	53.974	47.963
	Current assets				
18	Inventories	46.932	38.913	-	-
19	Trade receivables	23.066	35.541	-	-
	Receivables from subsidiaries	-	-	21.480	40.462
	Other receivables	2.296	2.833	-	-
	Income tax	69	406	-	134
	Prepayments	1.515	2.348	606	591
	Cash	1.439	1.594	40	33
	Total current assets	75.317	81.635	22.126	41.220
	TOTAL ASSETS	247.165	239.583	76.100	89.183

Note	March 31st (DKK '000)	Group 2019/20	Group 2018/19 Excl. IFRS16	Parent Company 2019/20	Parent Company 2018/19 Excl. IFRS16
	LIABILITIES				
20	**Equity**				
	Share capital	36.426	36.426	36.426	36.426
	Other reserves	5.039	4.751	5.039	4.751
	Revaluation reserve	4.844		4.844	
	Retained earnings	27.241	45.641	27.241	45.641
	Total equity	73.550	86.818	73.550	86.818
	Non-current liabilities				
17	Deferred tax	4.720	6.603	133	72
21	Provisions	332	410	-	-
22	Credit institutions	61.683	67.183	-	-
23	Other payables	1.403	153	-	-
24	Prepayments from customers	8.018	5.858	-	-
13	Lease liabilities	12.768	-	284	-
	Total non-current liabilities	88.924	80.207	417	72
	Current liabilities				
22	Credit institutions	37.243	18.492	-	-
	Trade payables	19.930	27.232	78	528
13	Lease liabilities	4.065	-	121	-
	Income tax	41	47	211	-
21	Provisions	8.018	1.702	-	-
24	Prepayments from customers	4.149	10.786	-	-
23	Other payables	11.245	14.299	1.723	1.765
	Total current liabilities	84.691	72.558	2.133	2.293
	Total liabilities	173.615	152.765	2.550	2.365
	TOTAL EQUITY AND LIABILITIES	247.165	239.583	76.100	89.183

STATEMENT OF CHANGES IN EQUITY

Group (DKK '000)	Share capital	Retained earnings	Revaluation reserve	Hedging reserve	Translation reserve	Total
Equity March 31st, 2018	36.426	52.540	-	(468)	3.715	92.213
Changes in equity 2018/19						
Loss for the year	-	(6.899)	-	-	-	(6.899)
Other comprehensive income						
Other comprehensive income after tax in associates	-	-	-	-	26	26
Exchange rate adjustments of investments in subsidiaries	-	-	-	-	1.010	1.010
Value adjustment of hedging instruments:						
Net value adjustment of hedging instruments	-	-	-	634	-	634
Value adjustments reclassified to financial expenses	-	-	-	(35)	-	(35)
Tax on value adjustment of hedging instruments	-	-	-	(131)	-	(131)
Total other comprehensive income	-	-	-	468	1.036	1.504
Total comprehensive income for the year	-	(6.899)	-	468	1.036	(5.395)
Equity March 31st, 2019	36.426	45.641	-	-	4.751	86.818
Changes in equity 2019/20						
Loss for the year	-	(18.400)	-	-	-	(18.400)
Other comprehensive income						
Other comprehensive income after tax in associates	-	-	-	-	(6)	(6)
Exchange rate adjustments of investments in subsidiaries	-	-	-	-	294	294
Value adjustments property reclassified to investment properties	-	-	6.211	-	-	6.211
Tax on property fair value adjustment	-	-	(1.367)	-	-	(1.367)
Total other comprehensive income	-	-	4.844	-	288	5.132
Total comprehensive income for the year	-	(18.400)	4.844	-	288	(13.268)
Equity March 31st, 2020	36.426	27.241	4.844	-	5.039	73.550

Parent Company (DKK '000)	Share capital	Retained earnings	Revaluation reserve	Hedging reserve	Translation reserve	Total
Equity March 31st, 2018	36.426	52.540	-	(468)	3.715	92.213
Changes in equity 2018/19						
Loss for the year	-	(6.899)	-	-	-	(6.899)
Other comprehensive income:						
Value adjustment of hedging instruments: Exchange rate adjustments of investments in subsidiaries	-	-	-	-	1.036	1.036
Net value adjustment of hedging instruments	-	-	-	634	-	634
Value adjustments reclassified to financial expenses	-	-	-	(35)	-	(35)
Tax on value adjustment of hedging instruments	-	-	-	(131)	-	(131)
Total other comprehensive income	-	-	-	468	1.036	1.504
Total comprehensive income for the year	-	(6.899)	-	468	1.036	(5.395)
Equity March 31st, 2019	36.426	45.641	-	-	4.751	86.818
Changes in equity 2019/20						
Loss for the year	-	(18.400)	-	-	-	(18.400)
Other comprehensive income:						
Value adjustment of hedging instruments: Exchange rate adjustments of investments in subsidiaries	-	-	-	-	288	288
Value adjustments property reclassified to investment properties	-	-	6.211	-	-	6.211
Tax on property fair value adjustment	-	-	(1.367)	-	-	(1.367)
Total other comprehensive income	-	-	4.844	-	288	5.132
Total comprehensive income for the year	-	(18.400)	4.844	-	288	(13.268)
Equity March 31st, 2020	36.426	27.241	4.844	-	5.039	73.550

STATEMENT OF CASH FLOWS

Note	April 1st - March 31st (DKK '000)	Group 2019/20	Group 2018/19 Excl. IFRS16	Parent Company 2019/20	Parent Company 2018/19 Excl. IFRS16
	Operating activities				
	Loss for the year	(18.400)	(6.899)	(18.400)	(6.899)
	Adjustment for non-cash items etc.:				
	Amortization, depreciation, and impairment losses	17.162	11.906	70	-
	Gain and loss on sale of non-current assets	143	(66)	-	-
	Fair value gain on investment properties	2.301	559	-	-
	Profit/(loss) after tax in subsidiaries	-	-	19.534	7.062
	Profit/(loss) after tax in associates	(50)	760	-	-
	Other non-cash items, net	(3)	(133)	-	-
	Provisions	6.236	(7.798)	-	-
	Financial income	(87)	(755)	(1.191)	-
	Financial expenses	3.184	5.131	22	34
	Tax on operating profit	(2.405)	(1.676)	342	84
	Cash flows from operating activities before changes in working capital	8.081	1.029	377	281
	Changes in working capital:				
	Changes in inventories	(7.937)	11.926	-	-
	Changes in payable and receivables from subsidiaries	-	-	18.982	(633)
	Changes in receivables	14.418	9.867	(15)	(437)
	Changes in trade and other payables	(13.451)	(10.166)	(492)	(1.267)
	Changes in working capital	(6.970)	11.627	18.475	(2.337)
	Financial income paid	74	416	1.191	-
	Financial expenses paid	(3.184)	(3.896)	(22)	(34)
	Income taxes paid	(73)	1.385	64	1.964
	Net cash flows from operating activities	(2.072)	10.561	20.085	(126)
2, 11	Acquisition of intangible assets	-	-	-	-
2, 12	Acquisition of items of property, plant, and equipment	(353)	(3.202)	-	-
14	Acquisition of investment properties	(7.041)	(671)	-	-
15	Capital increase in subsidiary	-	-	(20.000)	-
12	Sale of items of property, plant, and equipment	-	70	-	-
	Dividends from associates	-	174	-	-
	Net cash flows from investing activities	(7.394)	(3.629)	(20.000)	-
	Free cash flow	(9.466)	6.932	85	(126)
13	Repayment lease liabilities	(3.950)	-	(78)	-
22	Change in net interest-bearing debt	13.250	(10.258)	-	-
	Net cash flows from financing activities	9.300	(10.258)	(78)	-
	Net cash flows generated during the year	(166)	(3.326)	7	(126)
	Cash and cash equivalents at the beginning of the year	1.594	4.829	33	159
	Exchange gains/(losses) rate on cash and cash equivalents	11	91	-	-
	Cash and cash equivalents at the end of the year	1.439	1.594	40	33

1. Significant accounting estimates and judgements

Estimates and judgements:
In applying the Group's and the Parent Company's accounting policies, Management is required to make judgments, estimates and assumptions concerning the carrying amount of assets and liabilities that cannot be immediately inferred from other sources. The judgments, estimates and assumptions made are based on historical experience and other relevant factors which Management considers reasonable under the circumstances, but which are inherently uncertain and unpredictable. Estimates and underlying assumptions are assessed on an ongoing basis. Changes to accounting estimates are recognized in the reference period in which the change occurs and in future reference periods if the change affects both the period in which the change occurs and subsequent reference periods.

Capital structure and financing:
The Group's primary loan agreement with Nordea is subject to three covenants, which Glunz & Jensen must observe in order to maintain the loan, including financial covenants concerning the financial ratio "solvency" and the agreed level of EBITDA and debt leverage compared to EBITDA. During 2019/20 Glunz & Jensen did breach the EBITDA covenant based on the revised full year expectations communicated to the market on November 22nd, 2019. Nordea revised the letter of cooperation with Glunz & Jensen by January 14th, 2020 and the covenants were revised. Glunz & Jensen has complied with the revised covenants by March 31st, 2020. The budget for 2020/21 was presented to and accepted by the Group's main banker in May 2020 and a letter of cooperation for 2020/21 was received by Glunz & Jensen by May 7th, 2020.

Investment properties:
For investment properties, a valuation methodology based on a discounted cash flow (DCF) model are used every year. In 2019/20 the discount rate used was 7,5 %, the yearly average rent adjustment was 2,0%, the maintenance per m^2 in DKK was 42 and the occupancy rate was 98 % (2018/19: discount rate was 7,5%, rent adjustment was 2,0%, the maintenance per m^2 in DKK was 42 and the occupancy rate was 100 %).

The most significant factor in the fair value calculation is the discount rate. Sensitivity analysis of the fair value calculation indicates that a change in the discount rate +/- 0,5% will lead to a fair value adjustment of approximately DKK 10,8 million.

The discount rate is based on available information from commercial real estate agents and the Executive Management's assessments. The fair values of the properties are however not based on valuations performed by independent external valuer.
Please see note 14 concerning investment properties.

Estimated level of expected losses on trade receivables:
Write-downs for expected losses on receivables from sales are recognized immediately in the income statement at the same time as the receivable based on a simplified expected credit loss model. When estimating the level of receivables that in the future is expected not to be collected Management take the following information into account; historical losses on receivables, ageing of the receivables, access to payment securities and possibilities to off-set assets against claims. When doing the assessment, we also evaluate the global financial situation and political environments that could impact the recoverability.

Inventories:
In connection with the preparation of the annual report and during the year, Management regularly assesses the need for writing down the inventory value in regard to phase-out of materials, consumables, and/or finished machines. The need for write-downs is estimated based on analysis in which last year's revenue is compared to the present composition of the inventories. The percentage of the write-down increase depends on the number of years of revenue the inventory is estimated to cover. If Management estimates that future revenue differs significantly compared to historical sales, e.g. due to planned phase-outs, this is taken into consideration in the impairment test. Normally, inventory write-downs are made when Management estimates that the product portfolio covers more than two years' future expected revenue. Most of the uncertainties in the impairment test relate to estimating the future revenue, the effect of phase-outs and the precision of the write-down percentages used.

Deferred tax assets:
When measuring deferred tax assets, Management considers if future earnings, based on budget and operating plans, will make it possible to utilize the temporary differences between the carrying amount and the tax base of assets and liabilities or tax loss carry-forwards. See note 17, which states that tax loss-carry forward are expected to be utilized by 2022/23 at the latest.

Non-current assets:
The carrying amounts of non-current assets are reviewed annually to determine whether there is any evidence of impairment. If any such evidence exists, the recoverable amount of the asset is estimated. The recoverable amount of an asset is the higher of its fair value less expected disposal costs and its value in use. The value in use is determined as the present value of expected future cash flows from the asset or the cash-generating unit to which the assets belong.

1. Significant accounting estimates and judgements (continued)

Completed development projects are tested at least annually for impairment. The impairment test is based on flexo revenue growth averaging about 7% per year during a 5-year period. The Group's completed development projects on March 31st, 2020 are amortized over 1 year. The uncertainties in the impairment test relate to estimated future sales and product life.

Please see note 11 concerning intangible assets.

Accounting policies:
In applying the Group's and the Parent Company's accounting policies, Management is required to make other judgments not relating to estimates which might significantly affect amounts recognized in the annual report.

Management has made such judgments concerning:

Segments:
The Glunz & Jensen Group's main activities lie within flexo and offset, which are both part of the prepress market. All products and services are connected to setters and printing equipment. In addition to equipment, Glunz & Jensen sells installation of the equipment, service, and spare parts. At the production facility in Slovakia, Glunz & Jensen manufactures both flexo and offset equipment. Glunz & Jensen markets flexo and offset through a comprehensive and worldwide network of private label partners, distributors, and dealers. Flexo and offset equipment are sold on a standalone basis or in conjunction with other product types. Glunz & Jensen's service organization provides service for both flexo and offset equipment. Glunz & Jensen sees an overlap between customers within flexo and offset. Consequently, Glunz & Jensen estimates that offset and flexo belong to the same segment. The management of Glunz & Jensen and the internal financial reporting is organized accordingly.

Thus Glunz & Jensen Group account can be divided into two segments: prepress market and investment property, Selandia Park.

Glunz & Jensen presents additional segment information regarding geographical distribution. However, Glunz & Jensen's financial reporting does not disclose information regarding geographical markets beyond those reflected in note 2. As a result, Glunz & Jensen continues to conclude that the prepress market is the main segment of the Group

Properties in Selandia Park:
The segment Selandia Park consisted of investment properties, land, and buildings in 2018/19. Glunz & Jensen utilized the land and buildings, while all investment properties were leased to external tenants on March 31st, 2019.
November 30th, 2019 the former headquarter was reclassified from Land and buildings to investment properties as Glunz & Jensen utilize less than 10 % of the buildings.

2. Segment information

The Glunz & Jensen Group consists of two reportable segments: the prepress market and rental of the Selandia Park properties.

April 1st, 2019 – March 31st, 2020 (DKK '000)	Prepress market	Selandia Park	Total segments	Elimi-nations	Consoli-dated
External revenue	183.536	12.093	195.629	-	195.629
Inter-segment	-	612	612	(612)	-
Total revenue	183.536	12.705	196.241	(612)	195.629
Fair value loss on investment properties	-	(2.301)	(2.301)	-	(2.301)
Depreciation and impairment of property, plant, and equipment	4.061	1.622	5.683	-	5.683
Depreciation and impairment of leased assets	5.694	-	6.594	-	6.594
Amortization and impairment of intangible assets	5.785	-	5.785	-	5.785
Operating profit/(loss)	(24.293)	6.535	(17.758)	-	(17.758)
Profit/(loss) after tax in associates	50	-	50	-	50
Financial income and expenses, net	(2.781)	(316)	(3.097)	-	(3.097)
Segment profit/(loss) before tax	(27.024)	6.219	(20.805)	-	(20.805)
Segment assets	104.311	142.854	247.165	-	247.165
Capital expenditure	353	7.041	7.394	-	7.394
Segment liabilities	86.144	90.471	173.615	-	173.615

2. Segment information (continued)

April 1st, 2018 – March 31st, 2019 (DKK '000)	Prepress market	Selandia Park	Total segments	Elimi-nations	Consoli-dated
External revenue	214.957	12.505	227.462	-	227.462
Inter-segment	-	1.484	1.484	(1.484)	-
Total revenue	214.957	13.989	228.946	(1.484)	227.462
Fair value gains on investment properties	-	(559)	(559)	-	(559)
Depreciation and impairment of property, plant, and equipment	3.687	2.424	6.121	-	6.121
Amortization and impairment of intangible assets	5.785	-	5.785	-	5.785
Operating profit/(loss)	(13.223)	9.784	(3.439)	-	(3.439)
Profit/(loss) after tax in associates	(760)	-	(760)	-	(760)
Financial income and expenses, net	(1.975)	(2.401)	(4.376)	-	(4.376)
Segment profit/(loss) before tax	(15.968)	7.383	(8.575)	-	(8.575)
Segment assets	100.397	139.186	239.583	-	239.583
Capital expenditure	3.202	671	3.873	-	3.873
Segment liabilities	56.267	96.498	152.765	-	152.765

Sales and purchases between the segments are made on terms equivalent to those that prevail in arm's length transactions.

Glunz & Jensen operates mainly in the European and North American markets.

External revenue is allocated to geographical areas on the basis of the customer's geographical location, whereas non-current assets are allocated to geographical areas based on the geographical location of the reporting units.

Geographical distribution

(DKK '000)	Revenue 2019/20	Revenue 2018/19	Non-current assets 2019/20 March 31st	Non-current assets 2018/19 March 31st
Group				
EMEA (Europe, Middle East, Africa) *	109.021	116.409	170.105	154.755
Americas	57.199	63.871	40	582
Asia and the Pacific	29.409	47.182	-	-
Total	195.629	227.462	170.145	155.337

* Selandia Park is included in EMEA.

7% of the Group's revenue relates to Denmark (2018/19: 7%).

Major customers:
Customers with a revenue of more than 10% of total revenue accounted for DKK 98,3 million in 2019/20 (2018/19: DKK 114,0 million).

Revenue:

April 1st – March 31st (DKK '000)	Group 2019/20	Group 2018/19
Type of Revenue		
Sale of goods	173.340	210.198
Sale of services	10.196	4.759
Rental income from investment properties	12.093	12.505
	195.629	227.462
Timing of revenue recognition		
Revenue recognized at a point in time	173.860	210.198
Revenue recognized over time	21.769	17.264
	195.629	227.462

3. Production costs

April 1st – March 31st (DKK '000)	Group 2019/20	Group 2018/19 Excl. IFRS16
Cost of goods sold	94.328	117.525
Inventory write-downs	1.364	3.548
Reversed inventory write-downs	(411)	(1.204)

Inventory write-downs are made based on an assessment that includes expectations as to future demand and use of the item concerned. As such expectations can change from year to year, significant fluctuations in the need for write-downs may occur. As a result, written-down inventories are sometimes reversed.

4. Staff costs

April 1st – March 31st (DKK '000)	Group 2019/20	Group 2018/19	Parent Company 2019/20	Parent Company 2018/19
Wages and salaries	61.146	54.818	4.127	4.169
Defined contribution plans	3.406	3.603	248	283
Other social security costs	3.471	6.197	8	9
	68.023	64.618	4.383	4.461
Staff costs are recognized as follows:				
Production costs	31.270	28.320	-	-
Labor transferred to inventory	12.021	12.602	-	-
Sales and distribution costs	16.134	13.890	-	-
Product development costs	-	1.101	-	-
Administrative expenses	8.598	8.705	4.383	4.461
	68.023	64.618	4.383	4.461

Right-sizing of the company carried severance costs for 33 employees in 2019/20 although most of the salary cost will be paid during 2020/21.

	Group 2019/20	Group 2018/19	Parent Company 2019/20	Parent Company 2018/19
Average number of full-time employees	158	171	2	2
Remuneration of the Executive Management:				
Salaries	3.457	3.908	3.457	3.908
Bonus	0	9	0	9
Remuneration of the Executive Management total	3.457	3.917	3.457	3.917
Remuneration of the Board of Directors:				
Directors' fees	700	800	700	800
Total remuneration of the Board of Directors	700	800	700	800

Executive Management:
Martin Overgaard Hansen CEO of Glunz & Jensen Holding A/S since September 1st, 2019. Henrik Blegvad Funk interim CEO of Glunz & Jensen Holdings A/S since March 1st, 2019 to August 31st, 2019 and CFO of Glunz & Jensen Holding A/S since April 1st, 2016. René Normann Christensen CEO until February 28th, 2019.

There are no defined benefit plans within the Group.

To tie the Board of Directors, the Executive Management, and other executive officers more closely to the Group, Glunz & Jensen Holding A/S had set up a share-based program.

In 2017, the Group set up an incentive program for the Board of Directors, the Executive Management and two executive officers. The program was based on warrants. A total of 185.820 warrants were issued in 2016/17, 84.624 of which were granted to the Board of Directors, 72.364 to the Executive Management and 28.832 to the rest of the management team. The warrant program was brought forward and excised by March 20th, 2018 due to the take-over bid by Heliograph Holding GmbH as announced on February 21st, 2018. The exercise price was fixed at DKK 41,50 per share of nominally DKK 20 and a risk-free interest rate at -0,30% p.a., calculated from December 30th, 2016 and until the warrants were in fact exercised. The exercise price was fixed based on the listed price one day after the publication of the Q3 report on April 27th, 2017 and up to May 2nd, 2017. The number of exercised and issued warrants by March 19th, 2018 were a total of 161.309 warrants with 59.595 warrants issued to the Board of Directors, 2.830 warrants to a previous member of the Board of Directors, 70.052 warrants issued to the Executive Management and 28.832 warrants issued to the rest of the management team. A total of 82.409 warrants remain unallocated and remain available until March 8th, 2022.

5. Auditors fee

April 1st – March 31st (DKK '000)	Group 2019/20	Group 2018/19	Parent Company 2019/20	Parent Company 2018/19
Total fees to the auditors:				
EY	575	630	204	228
	575	630	204	228
Statutory audit	418	467	85	135
Tax and VAT assistance	97	22	78	-
Other services	60	141	41	93
	575	630	204	228

Group:
Non-audit services provided by EY amounts to DKK 157 thousand in 2019/20 relating to sundry tax advisory services and other advisory services (2018/19: DKK 163 thousand).

Parent company:
Non-audit services provided by EY amounts to DKK 119 thousand in 2019/20 relating to sundry tax advisory services and other advisory services (2018/19: DKK 93 thousand).

6. Depreciation, amortization, and impairment losses

April 1st – March 31st (DKK '000)	Group 2019/20	Group 2018/19 Excl. IFRS16	Parent Company 2019/20	Parent Company 2018/19
Amortization, intangible assets	5.785	5.785	-	-
Depreciation, property, plant, and equipment	5.257	6.121	-	-
Impairment losses, property, plant, and equipment	426	-	-	-
Depreciation, leased assets	3.810	-	70	-
Impairment losses, leased assets	1.884	-	-	-
	17.162	11.906	70	-
Amortization, depreciation, and impairment losses are included in the following items:				
Production costs	7.769	4.834	-	-
Sales and distribution costs	701	250	-	-
Development costs	5.785	5.785	-	-
Administrative expenses	2.907	1.037	70	-
	17.162	11.906	70	-

Amortizations relating to intangible assets are recognized in development costs. See notes 11, 12 and 13 concerning impairment of intangible assets, property, plant, and equipment and leased assets.

7. Other operating income and expenses

April 1st – March 31st (DKK '000)	Group 2019/20	Group 2018/19
Other operating income		
Gain on sale of non-current assets	5	66
Other income	181	54
	186	120
Other operating expenses		
Loss on sale of non-current assets	147	-
	147	-

8. Financial income and expenses

April 1st – March 31st (DKK '000)	Group 2019/20	Group 2018/19 Excl. IFRS16	Parent Company 2019/20	Parent Company 2018/19 Excl. IFRS16
Financial income				
Interest income, cash, and cash equivalents etc.	8	8	-	-
Interest income from subsidiaries	-	-	1.191	-
Foreign exchange gains	79	351	-	-
Other financial income	-	396	-	-
	87	755	1.191	-
Interest on financial assets measured at amortized cost represents	8	8	1.191	-
Financial expenses				
Interest expenses, credit institutions	1.233	2.156	-	1
Interest expenses, leasing liabilities	201	-	1	-
Foreign exchange losses	681	767	12	1
Other financial expenses	1.069	2.208	9	32
	3.184	5.131	22	34
Interest on financial liabilities measured at amortized cost represents	1.434	2.156	1	1

The 2018/19 financial income and expenses include DKK 396 thousands in other financial income and DKK 1.220 thousands in other financial expenses related to the change of the long-term financing in Selandia Park A/S from Nykredit to Nordea.

9. Tax on loss for the year

April 1st – March 31st (DKK '000)	Group 2019/20	Group 2018/19	Parent Company 2019/20	Parent Company 2018/19
Tax on loss for the year:				
Current tax	404	259	270	(3)
Adjustment of tax regarding previous years	-	109	11	-
Adjustment of deferred tax	(2.809)	(2.044)	61	87
Total tax on loss for the year	(2.405)	(1.676)	342	84
Analysis of tax on loss for the year:				
Tax charged at 22%	(4.578)	(1.887)	(3.973)	(1.499)
Tax effect of:				
Non-deductible Profit/loss after tax in subsidiaries	-	-	4.297	1.554
Non-taxable income and non-deductible expenses	(47)	365	7	29
Recognized deferred tax asset in foreign subsidiaries	-	(105)	-	-
Non-recognized deferred tax asset in foreign subsidiaries	2.403	-	-	-
Adjustment of tax calculated for foreign subsidiaries against 22%	(183)	(158)	-	-
Tax relating to previous years	-	109	11	-
	(2.405)	(1.676)	342	84
Effective tax rate	11,6%	19,5%	(1,9)%	(1,2)%

10. Earnings per share

April 1st – March 31st (DKK '000)	Group 2019/20	Group 2018/19 Excl. IFRS16
Loss for the year	(18.400)	(6.899)
Average number of shares	1.821	1.821
Average number of outstanding shares	1.821	1.821
Average dilutive effect of outstanding warrant program shares	-	-
Average number of outstanding shares, diluted	1.821	1.821
Earnings per share (EPS) (DKK)	(10,1)	(3,8)
Diluted earnings per share (EPS-D) (DKK)	(10,1)	(3,8)

11. Intangible assets

(DKK '000)	Completed develop-ment projects	Total
Group		
Total cost on April 1st, 2018	49.090	49.090
Total cost on March 31st, 2019	49.090	49.090
Amortization and impairment losses on April 1st, 2018	31.901	31.901
Amortization for the year	5.785	5.785
Amortization and impairment losses on March 31st, 2019	37.686	37.686
Carrying amount on March 31st, 2019	11.404	11.404
Total cost on April 1st, 2019	49.090	49.090
Total cost on March 31st, 2020	49.090	49.090
Amortization and impairment losses on April 1st, 2019	37.686	37.686
Amortization for the year	5.785	5.785
Amortization and impairment losses on March 31st, 2020	43.471	43.471
Carrying amount on March 31st, 2020	5.619	5.619

Group
Development projects:
Amortization relating to development projects is recognized in development costs.

Development costs of DKK 7.374 thousand (2018/19: DKK 7.137 thousand) were incurred in 2019/20. Hereof, DKK 0 (2018/19: DKK 0) are recognized in the balance sheet and DKK 7.374 thousand (2018/19: DKK 7.137 thousand) are recognized in the income statement as development costs.

On May 31st, 2020, Management tested the carrying amount of development projects. Project development plans and revenue budget approved by Management were compared to the project development processes, which included a follow-up on expenses incurred, time schedules and project completion. In fiscal 2018/19, similar impairment testing of development projects showed no need to recognize an impairment loss.

12. Property, plant, and equipment

(DKK '000)	Land and buildings	Other fixtures and fittings, tools, and equipment	Leasehold improve-ments	Total
Group				
Total cost on April 1st, 2018	95.703	35.140	1.881	132.724
Foreign exchange adjustments	70	162	-	232
Additions	79	699	2.424	3.202
Disposals	-	(3.335)	-	(3.335)
Total cost on March 31st, 2019	95.852	32.666	4.305	132.823
Depreciation and impairment losses on April 1st, 2018	43.323	33.328	23	76.674
Foreign exchange adjustments	49	101	-	150
Depreciation for the year	4.539	876	706	6.121
Depreciation of disposals	-	(3.331)	-	(3.331)
Depreciation and impairment losses on March 31st, 2019	47.911	30.974	729	79.614
Carrying amount on March 31st, 2019	47.941	1.692	3.576	53.209
Total cost on April 1st, 2019	95.852	32.666	4.305	132.823
Foreign exchange adjustments	10	41	-	51
Additions	47	306	-	353
Disposals	-	(2.380)	-	(2.380)
Property cost reclassified to investment properties	(62.372)	-	-	(62.372)
Total cost on March 31st, 2020	33.537	30.633	4.305	68.475
Depreciation and impairment losses on April 1st, 2019	47.911	30.974	729	79.614
Foreign exchange adjustments	8	32	-	40
Depreciation for the year	3.731	777	749	5.257
Impairment for the year	-	426	-	426
Depreciation of disposals	-	(2.380)	-	(2.380)
Property depreciation reclassified to investment properties	(27.048)	-	-	(27.048)
Depreciation and impairment losses on March 31st, 2020	24.602	29.829	1.478	55.909
Carrying amount on March 31st, 2020	8.935	804	2.827	12.566

Group:
As Glunz & Jensen have vacated more than 90 % of the former headquarter November 30th, 2019 the former headquarter properties have been reclassified to investment properties. Pease refer to note 14 Investment properties.

The carrying amount of land and buildings amounting to DKK 8.935 thousand (March 31st, 2019: DKK 47.941 thousand) had a registered mortgage on March 31st, 2020. The value of the relating collateral was DKK 6.597 thousand on March 31st, 2020 (March 31st, 2019: DKK 26.167 thousand).

On May 31st, 2020, Management tested the carrying amount of Property, plant, and equipment. The impairment test was prepared in accordance with the expectations as to the ongoing turn-around plan of the Glunz & Jensen business. In fiscal 2019/20, impairment testing showed a need to recognize an impairment loss of DKK 426 thousand. In fiscal 2018/19, impairment testing of Property, plant, and equipment showed no need to recognize an impairment loss.

13. Leased assets

(DKK '000)	Property	Other fixtures and fittings, tools, and equipment	Total
Group			
Adjusted balance on April 1st, 2019	15.601	4.165	19.766
Additions	-	1.017	1.017
Disposals	-	(129)	(129)
Depreciation for the year	(2.539)	(1.271)	(3.810)
Impairment for the year	(784)	(1.100)	(1.884)
Carrying amount on March 31st, 2020	12.278	2.682	14.960
Parent			
Adjusted balance on April 1st, 2019	-	-	-
Additions	-	483	483
Depreciation for the year	-	(70)	(70)
Carrying amount on March 31st, 2020	-	413	413

March 31st (DKK '000)	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Expected maturity:				
Due within 1 year or less	4.166	-	133	-
Due within 1-5 years	14.453	-	320	-
Due after 5 years	942	-	-	-
Total non-discounted leasing liabilities March 31st 2020	19.561	-	453	-
Leasing liabilities recognized in the balance sheet:				
Long-term liabilities	12.768	-	284	-
Short-term liabilities	4.065	-	121	-
Total liabilities	16.833	-	405	
Leasing liabilities recognized in income statement:				
Interest	201	-	1	-
Cost relating to leasing agreements with a term of less than 12 months or low value	389	-	-	-

Group:
In fiscal 2019/20, payments related to leases amounted to DKK 4.151 thousand, of which interest payments relating to recognized lease liabilities accounted for DKK 201 thousand and repayment of recognized lease liabilities account for DKK 3.950 thousand.

The weighted average discount rate applied is 5%.

On May 31st, 2020, Management tested the carrying amount of leased assets. The impairment test was prepared in accordance with the expectations as to the ongoing turn-around plan of the Glunz & Jensen business. In fiscal 2019/20, impairment testing showed a need to recognize an impairment loss of DKK 1.884 thousand.

Parent Company:
In fiscal 2019/20, payments related to leases amounted to DKK 79 thousand, of which interest payments relating to recognized lease liabilities accounted for DKK 1 thousand and repayment of recognized lease liabilities account for DKK 78 thousand.

The weighted average discount rate applied is 5%.

On May 31st, 2020, Management tested the carrying amount of leased assets. The impairment test was prepared in accordance with the expectations as to the ongoing turn-around plan of the Glunz & Jensen business. In fiscal 2019/20, impairment testing showed no need to recognize an impairment loss.

14. Investment properties

(DKK '000)	Group 2019/20	Group 2018/19
Opening balance on April 1st	90.724	90.612
Additions (subsequent expenditure)	7.041	671
Property reclassified from Land and buildings measured at cost less accumulated depreciation and accumulated impairment losses	35.325	-
Reevaluation reclassified property measured at fair value	6.211	-
Net loss from fair value adjustment	(2.301)	(559)
Closing balance on March 31st	137.000	90.724
Direct operating expenses (including repairs and maintenance) generating rental income (included in Production costs)	2.564	2.434
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in Administrative expenses)	1.306	1.212

The investment properties are located in Ringsted. Selandia Park A/S was established on June 1st, 2016. Selandia Park A/S' business objective is to invest in and operate a property portfolio.

November 30th, 2019 the former headquarter was reclassified from Land and buildings to investment properties as Glunz & Jensen utilize less than 10 % of the buildings. The difference between the fair value of the former headquarter and the property measured at cost less accumulated depreciation and accumulated impairment losses November 30th, 2019 of DKK 6.211 thousand are recognized in other comprehensive invoice. From December 1st, 2019 all buildings in Selandia Park A/S, Denmark are measured at fair value.

Almost all investment properties were leased to external tenants on March 31st, 2020. In 2018/19 the segment Selandia Park consisted of investment properties, land, and buildings. Glunz & Jensen utilized the land and buildings, while all investment properties were leased to external tenants on March 31st, 2019.

The carrying amount of investment properties amounting to DKK 137.000 thousand had a registered mortgage on March 31st, 2020 (March 31st, 2019: DKK 90.724 thousand). The value of the relating collateral was DKK 67.163 thousand at March 2020 (March 31st, 2019: DKK 51.619 thousand).

Please see note 1 Significant accounting estimates and judgements "Investment properties" and note 2 Segments "Rental of the Selandia Park properties".

15. Investment in subsidiaries

Parent Company (DKK '000)	Ownership interest 2019	Profit/(loss) for the year after tax 2019/20	Equity 2019/20
Glunz & Jensen A/S, Nyborg, Denmark	100,0%	(24.386)	1.177
Selandia Park A/S, Ringsted, Denmark	100,0%	4.852	52.384
Total		(19.534)	53.561

	Parent company 2019/20	Parent company 2018/19
Total cost on April 1st	100.000	100.000
Increase capital	20.000	-
Total cost on March 31st	120.000	100.000
Adjustments on April 1st	(52.037)	(46.479)
Profit/(loss) for the year	(19.534)	(7.062)
Value adjustments property reclassified to investment properties	6.211	-
Tax on property fair value adjustment	(1.367)	-
Foreign exchange adjustments	288	1.036
Value adjustment in hedges accounting	-	468
Adjustments on March 31st	(66.439)	(52.037)
Carrying value on March 31st	53.561	47.963
Non-amortized values	-	-

As of March 31st, 2020, the difference on initial recognition of the subsidiaries totaled DKK 0 thousand.

No tax liability will be incurred on realization of the Parent Company's investments in subsidiaries at carrying amount (2018/19: DKK 0 thousand).

During fiscal 2019/20 Glunz & Jensen A/S were granted a tax-free group contribution of DKK 20.000 thousand. Selandia Park A/S is going to distribute dividend amounting to DKK 20.000 in official fiscal statutory account 2019/20.

16. Investments in associates

The Group's investments in associates are measured using the equity method.

March 31st (DKK '000)	Group 2020	Group 2019
GKS International Ltd, UK (40% ownership interest)	227	183
	227	183

As the associate's revenue is less than 1% of consolidated revenue, the Management evaluates that the associates are not significant for which reason no further information is disclosed regarding this entity.

17. Deferred tax

(DKK '000)	Group 2019	Group 2018	Parent Company 2019	Parent Company 2018
Deferred tax on April 1st	(5.197)	(7.216)	(72)	146
Foreign exchange adjustments	16	106	-	-
Tax income/(expense) during the period recognized in profit or loss	2.809	2.044	(61)	(87)
Tax income/(expense) during the period recognized in other comprehensive income	(1.367)	(131)	-	(131)
Deferred tax on March 31st	(3.739)	(5.197)	(133)	(72)
Breakdown of deferred tax and recognition in the balance sheet:				
Deferred tax asset	981	1.406	-	-
Deferred tax liability	(4.720)	(6.603)	133	72
Total on March 31st	(3.739)	(5.197)	133	72

The value of tax loss carry-forwards has been recognized as a deferred tax asset in the companies where, based on the budget, it is considered very likely that they can be set off against future earnings and where a history of profit before tax in the last three years has been verified. The value of tax loss carry-forwards, DKK 6.145 thousand at March 31st, 2020 (March 31st, 2019: DKK 7.032 thousand), has not been recognized as a deferred tax asset, as it is not considered likely that they will be utilized.

(DKK '000)	Intangible assets	Property, plant, and equipment	Current assets	Liabilities	Tax loss carry-forwards etc.	Total
Group						
Deferred tax on April 1st, 2018	(4.400)	(5.355)	940	1.599	-	(7.216)
Foreign exchange adjustments	-	1	89	16	-	106
Recognized in profit/(loss) for the year, net	1.482	12	(258)	(1.427)	2.235	2.044
Recognized through other comprehensive income, net	-	-	-	(131)	-	(131)
Deferred tax on March 31st, 2019	(2.918)	(5.342)	771	57	2.235	(5.197)
Deferred tax on April 1st, 2019	(2.918)	(5.342)	771	57	2.235	(5.197)
Foreign exchange adjustments	-	2	14	-	-	16
Recognized in profit/(loss) for the year, net	1.482	(645)	(1.107)	643	2.436	2.809
Recognized through other comprehensive income, net	-	(1.367)	-	-	-	(1.367)
Deferred tax on March 31st, 2020	(1.436)	(7.352)	(322)	700	4.671	(3.739)
Parent Company						
Deferred tax on April 1st, 2018	-	-	-	146	-	146
Recognized in profit/(loss) for the year, net	-	-	-	(218)	-	(218)
Deferred tax on March 31st, 2019	-	-	-	(72)	-	(72)
Deferred tax on April 1st, 2019	-	-	-	(72)	-	(72)
Recognized in profit/(loss) for the year, net	-	-	-	(61)	-	(61)
Deferred tax on March 31st, 2020	-	-	-	(133)	-	(133)

18. Inventories

March 31st (DKK '000)	Group 2020	Group 2019
Raw materials and consumables	32.681	34.360
Finished goods and semi-manufacture goods	14.251	4.553
Total	46.932	38.913
Inventories recognized at net realizable value	123	41

19. Trade receivables

(DKK '000)	Group 2020	Group 2019
Trade receivables, gross	25.939	37.272
Changes in credit loss allowance:		
Allowance on April 1st	(1.731)	(2.167)
Additions in the year	(1.142)	(52)
Reversal in the year	-	488
Allowance on March 31st	(2.873)	(1.731)
Trade receivables, net	23.066	35.541

The credit risk of the various trade receivables is mainly associated with the customer's geographical location.

Breakdown of trade receivables, net, based on the customer's geographical location:

March 31st (DKK '000)	Group 2020	Group 2019
Western Europe	10.083	14.189
Eastern Europe	889	978
North America	8.054	13.604
Asia and Pacific	2.647	4.868
Rest of the world	1.393	1.902
Trade receivables, net	23.066	35.541

See to note 26, section debtor risks

20. Share capital and treasury shares

In 2017, the Group set up an incentive program for the Board of Directors, the Executive Management and two executive officers. The program was based on warrants. A total of 185.820 warrants were issued in the year. The warrant program was brought forward and excised by March 20th, 2018 due to the take-over bid by Heliograph Holding GmbH as announced on February 21st, 2018. The number of exercised and issued warrants by March 19th, 2018 was a total of 161.309 warrants.

As a consequence, the share capital in Glunz & Jensen Holding A/S consists of 1.821.309 shares as of March 2020 and likewise in March 2019, representing a nominal value of DKK 20 each. The total nominal value is DKK 36.426 thousand. No shares carry any special rights.

As of March 31st, 2020, and on March 31st, 2019 Glunz & Jensen Holding A/S hold no treasury shares.

Movements in the share capital during the last 5 years:	Number of shares	Nominal value
Capital increase in 2017/18	161.309	3.226.180
Disposal of treasury shares in 2017/18	6.617	132.340
Disposal of treasury shares in 2016/17	40.616	812.320

Glunz & Jensen Holding A/S has been authorized by the shareholders to acquire up to 25% of its treasury shares.

Please see to note 26 under the "Capital management" section.

21. Provisions

(DKK '000)	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Warranty commitments on April 1st	1.630	1.300	-	-
Additions	517	1.392	-	-
Disposals	(818)	(1.062)	-	-
Warranty commitments on March 31st	1.329	1.630	-	-
Restructuring on April 1st	482	8.606	-	-
Foreign exchange adjustments	-	10	-	-
Additions	7.021	-	-	-
Paid	(482)	(8.134)	-	-
Restructuring on May 31st	7.021	482	-	-
Provisions on March 31st	8.350	2.112	-	-
Breakdown of provisions by non-current and current liabilities:				
Non-current liabilities	332	410	-	-
Current liabilities	8.018	1.702	-	-
Provisions on March 31st	8.350	2.112	-	-

Warranties

A provision has been made for warranty commitments to cover contract-related warranty complaints for goods already delivered. Warranty commitments are recognized as the goods are sold and are calculated based on historical warranty costs. The warranty commitments cover a period from 6 months to 2 years.

Warranty commitments comprise commitments under ordinary product guarantees of up to 1-2 years. The commitments are calculated based on historical warranty costs and are assessed for specific matters. The expenses are expected to be incurred over the next two years.

Restructuring

Provisions for restructuring costs comprise restructuring measures decided in connection with a restructuring of the entire Group as well as expenses related to the closure of various sites in Glunz & Jensen A/S. The main restructuring cost in 2019/20 relates to severance cost for 33 employees. The restructuring provisions will be paid during 2020/21.

22. Credit institutions

(DKK '000)	Due within 1-5 years	Due after 5 years	Due after 1 year, total	Due within 1 year	Total
Group					
Credit institutions on March 31st, 2019:					
Credit institutions (DKK), floating rate 3%	21.832	45.351	67.183	10.732	77.915
Credit institutions (EUR), floating rate 2%	-	-	-	7.390	7.390
Credit institutions (USD), floating rate 2%	-	-	-	370	370
	21.832	45.351	67.183	18.492	85.675
Credit institutions on March 31st, 2020:					
Credit institutions (DKK), floating rate 3%	21.698	39.985	61.683	23.016	84.699
Credit institutions (EUR), floating rate 3%	-	-	-	512	512
Credit institutions (GBP), floating rate 3%	-	-	-	673	673
Credit institutions (USD), floating rate 3%	-	-	-	13.042	13.042
	21.698	39.985	61.683	37.243	98.926

(DKK '000)	March 31st, 2019	Cash flows	Non-cash items	March 31st, 2020
Group				
Non-current credit institutions	67.183	(5.500)	-	61.683
Current credit institutions	18.492	18.751	-	37.243
	85.675	13.251	-	98.926

22. Credit institutions (continued)

(DKK '000)	March 31st, 2018	Cash flows	Non-cash items	March 31st, 2019
Group			-	
Non-current credit institutions	60.542	5.744	897	67.183
Current credit institutions	34.484	(16.003)	11	18.492
	95.026	(10.259)	908	85.675

The Parent Company has no credit facilities.

23. Other payables

March 31st (DKK '000)	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Non-current other payables:				
Holiday pay	1.267	-	-	-
Employee commitments	136	153	-	-
	1.403	153	-	-
Current other payables:				
Wages, salaries, holiday pay etc.,	8.112	9.499	1.125	998
Employee commitments	756	1.194	-	-
Accrued employee taxes	709	604	-	-
VAT and other taxes	595	921	404	259
Other payables	1.073	2.081	194	508
	11.245	14.299	1.723	1.765

Employees in Glunz & Jensen S.r.l., Italy, are entitled by law to receive compensation when they retire from the Company. The obligation earns a floating rate, which is fixed by the local authorities. Consequently, employee commitments are measured at fair value at both March 31st, 2020 and March 31st, 2019.

24. Prepayments from customers

March 31st (DKK '000)	Group 2020	Group 2019
Non-current prepayments from customers:		
Prepayment from tenants in Selandia Park	8.018	5.858
	8.018	5.858
Current prepayments from customers:		
Prepayments from customers in connection with the sale of goods and services	2.262	4.244
Prepayment from tenants in Selandia Park	1.887	6.543
	4.149	10.787

In 2012/13, Selandia Park rebuilt one office facility for an external tenant. Part of the rebuilding of the office was paid by the tenant upfront. The prepayment will be recognized as revenue by 2023/24.

25. Contingent liabilities and collateral

Group:
The shares in Glunz & Jensen A/S and Selandia Park A/S are pledged as security towards the main bank, Nordea. The Group has provided a company charge of DKK 35,0 million secured upon the Company's inventories, goodwill, domain names and rights, fixtures and operating equipment as well as unsecured claims relating to the sale of goods and services at a carrying amount of DKK 43,3 million. The company charge of DKK 35,0 million has been provided as security for credit facility of which 25,2 million has been drawn.

Please refer to note 12, Property, plant, and equipment and 14 Investment properties regarding collateral mortgage.

The Group is a party to a limited number of lawsuits and disputes. In Management's opinion, these lawsuits and disputes will not significantly affect the financial position of the Group.

Parent Company:
The Parent Company acts as guarantor for the subsidiaries' credit facilities. The financial guarantee on March 31st, 2020 amounted to DKK 30,0 million of which 25,2 million has been drawn (March 31st, 2019: DKK 35,0 million of which DKK 7,9 million has been drawn).

The Parent Company acts as management company for the jointly taxed Danish companies. Pursuant to the provisions of the Danish Corporate Income Tax Act, the Parent Company is thus liable to withhold tax at source on interest, royalties, and dividend for the jointly taxed companies for contingent liabilities and to withhold income taxes. The Parent Company recognized jointly tax receivables in the balance sheet amounting to DKK 0 on March 31st, 2020 (March 31st, 2019: DKK 0,0 million). The Parent Company's liability regarding joint tax may be impacted by future corrections of the taxable income. The companies in the joint taxation arrangement are not subject to withholding tax on dividend, interest, or royalties.

Please refer to note 12, Property, plant, and equipment and 14 Investment properties regarding collateral mortgage.

The Parent Company is a party to a limited number of lawsuits and disputes. In Management's opinion, these lawsuits and disputes will not significantly affect the financial position of the Parent Company.

26. Financial risks and financial instruments

Risk management policy:
As a result of its operating, investing, and financing activities, the Group is exposed to various financial risks, including market risks, credit risks and liquidity risks. It is the Group's policy not to speculate actively in financial risks. The Group's financial risk management is thus aimed exclusively at managing the financial risks that are a direct consequence of the Group's operating, investing, and financing activities.

Currency risk:
The Group's currency risk consists of transaction risks and currency translation risks.

The main part of the Group's sales is invoiced in EUR and USD. In 2019/20, approx. 78% of sales were invoiced in EUR and approx. 14% in USD (2018/19: 78% in EUR and 14% in USD).

The main part of the Group's expenses is paid in DKK (65%), EUR (27%) and USD (6%). In 2019/20, expenses paid in DKK, USD and EUR amounted to 98% of total expenses (2018/19: 99%). As Management considers the EUR/DKK exchange rate to be fixed, the Group's exposure to currency risks is limited.

As part of the Group's currency policy, Glunz & Jensen seeks only to reduce the impact of exchange rate fluctuations (EUR exempted) on its profits and financial position via financial instruments when the risk is assesses as unacceptable. As in 2019/20, future currency transactions are currently not hedged. Due to the foreign subsidiaries, Glunz & Jensen is exposed to currency translation risks insofar as part of the Group's earnings and net assets derive from these foreign subsidiaries and, therefore, are translated and included in the consolidated financial statements, which are presented in DKK.

An increase in the USD rate of 10% is estimated, all else being equal, to affect the Group's operating profit by approx. DKK 1,1 million (same level as in 2018/19). The estimate is based on the level of USD Profit/loss transactions in 2019/20.

Based on the Group's USD exposure at the balance sheet date, the impact of a hypothetical fluctuation of 10% of the USD/DKK exchange rate on the profit/(loss) for the year and consolidated equity amounts to DKK 0,2 million regarding cash and receivables (2018/19: DKK 0,1 million) and DKK 0,6 million regarding financial liabilities (2018/19: DKK 0,5 million), respectively.

Interest rate risk:
As a result of its investing and financing activities, the Group is exposed to interest rate fluctuations. Net interest-bearing debt on March 31st, 2020 amounted to DKK 97,5 million (March 31st, 2019: DKK 84,1 million).

During 2018/19 Selandia entered into a DKK 74,0 million floating-rate, 14-year DKK-based bond loan. All of the interest-bearing debt earns interest at floating rates.

work positive

26. Financial risks and financial instruments (continued)

A 1 percentage point change in the general interest rate level relative to the balance sheet date is estimated to affect the Group's profit/loss for the year by DKK 0,8 million and consolidated equity by DKK 0,8 million based on financial commitments at March 31st, 2020 (March 31st, 2019: an effect on the profit/loss for the year of DKK 0,7 million and consolidated equity of DKK 0,7 million). The estimate does not include adjustments concerning repayment and borrowing.

Credit risk:
The Group may realize losses if trade and other receivables are not settled. The majority of the Group's goods and services are sold to large companies with which Glunz & Jensen has long-term relationships. The four largest customers account for approx. 59% of total revenue. The Group normally requires prepayment from new customers.

Based on the Group's internal credit procedures, the credit risk associated with the various trade receivables mainly relates to the customer's geographical location. Trade receivables deemed to have a high credit quality (low risk) are estimated to relate to Western Europe and North America. Conversely, trade receivables relating to Asia, Eastern Europe and rest of the world are deemed to have a lower credit quality (medium and high risk). As part of the Group's risk management, past due receivables are monitored on a monthly basis. Historically, the Group has realized only minor bad debts.

The write down in 2019/20 is based on historical observed default rates adjusted for estimates of uncertainties in project related activities and market conditions.

As of March 31st, 2020 29,6% of the trade receivables are due (March 31st, 2019 24,9%).

Trade receivables which were past due but not impaired, are also included, as follows:

March 31st (DKK '000)	Expected default rate 2020	Group 2020	Expected default rate 2019	Group 2019
Maturity of trade receivables:				
0-30 days	10,2%	6.318	0,5%	7.567
30-60 days	6,7%	692	0,1%	1.338
Over 60 days	76,0%	663	64,0%	926
Total		7.673		9.831

In the expected default rate is included effect of Covid-19.

No loss is expected on receivables from subsidiaries in the Parent Company.

Please refer to note 19 regarding the credit quality of trade receivables.

Liquidity risk:
Liquidity risk is the risk that Glunz & Jensen will be unable to meet its obligations as they fall due because of its inability to liquidate assets or obtain adequate funding.

The Group's interest-bearing liabilities amounted to DKK 98,9 million on March 31st, 2020 (March 31st, 2019: DKK 85,7 million).

On March 31st, 2020, the Group's credit facilities amounted to DKK 104,7 million (March 31st, 2019: DKK 115,1 million) of which DKK 98,9 million has been drawn (March 31st, 2019: DKK 85,7 million). The liquidity reserve amounted to DKK 5,8 million on March 31st, 2020 (March 31st, 2019: DKK 29,4 million).

The liabilities fall due as follows:

Group

(DKK '000)	Carrying amount	Payment obligation	In 1 year or less	1-5 years	Over 5 years
On March 31st, 2019					
Non-derivative financial instruments:					
Credit institutions and banks	85.675	86.012	18.837	21.827	45.348
Trade payables	27.232	27.232	27.232	-	-
Total	112.907	113.244	46.069	21.827	45.348
On March 31st, 2020					
Non-derivative financial instruments:					
Credit institutions and banks	98.926	100.300	38.617	21.698	39.985
Lease liabilities	16.833	19.561	4.167	14.452	942
Trade payables	19.930	19.930	19.930	-	-
Total	135.689	139.791	62.714	36.150	40.927

26. Financial risks and financial instruments (continued)

Parent Company

(DKK '000)	Carrying amount	Payment obligation	In 1 year or less	1-5 years	Over 5 years
On March 31st, 2019					
Non-derivative financial instruments:					
Trade payables	528	528	528	-	-
Total	528	528	528	-	-
On March 31st, 2020					
Non-derivative financial instruments:					
Lease liabilities	405	453	133	320	
Trade payables	78	78	78	-	-
Total	483	531	211	320	-

The maturity analysis is based on undiscounted cash flows, including estimated interest payments. Interest payments are based on current market conditions.

During 2018/19 the Group entered into a DKK 75,0 million floating-rate, 14-year DKK-based bond loan. The Group did not enter into any new long-term debt agreements in 2019/20.

Management believes that the Group has sufficient cash resources to cover planned operations and ongoing investments.

Capital management:
It is the Group's policy that capital is distributed to the shareholders via dividends or that Glunz & Jensen purchases treasury shares if and when earnings justify it. This means that during periods of low and unstable income, the equity ratio must be high, while it may be reduced if earnings stabilize at a higher level than achieved in recent years.

On March 31st, 2020, the equity ratio was 29,8% (2018/19: 36,2%). Based on the performance during 2019/20 and the outlook for 2020/21, the Board of Directors proposes to the Annual General Meeting that no dividend be distributed for fiscal 2019/20.

Fair values:
There was no difference between the fair values and the carrying amounts of financial assets and liabilities on March 31st, 2020 or on March 31st, 2019. Short-term, floating-rate bank loans are measured at price of 100. The methods used are unchanged compared with last year.

27. Related parties

Group:
The Group's related parties are the members of the Board of Directors and the Executive Management and their family members.

Apart from contracts of employment, no agreements were entered into between the Group and the Executive Management in the year. Remuneration to the Board of Directors and the Executive Management is disclosed in note 4.

On March 31st, 2020, the following shareholders owned more than 5% of Glunz & Jensen Holding A/S' share capital and voting rights:

Heliograph Holding GmbH 45,02% and Strategic Investments A/S 16,17%. The Glunz & Jensen company announcement no. 438 of April 4th, 2019 stated that Uniwill Invest 1 ApS and Ralf Villumsen combined represented a part of the voting shares equivalent to more than 5% of the votes and less than 10% of the votes in Glunz & Jensen Holding A/S and the company announcement no. 469 of September 8th, 2019 stated that Klaus Zwisler represented a part of the voting shares equivalent to 6,65% of the votes.

Related party transactions are carried through on arm's length and are eliminated through consolidation.

Transactions with associates

April 1st – March 31st (DKK '000)	Group 2019/20	Group 2018/19
Sale of parts and services	35	52
Dividend received	-	174

27. Related parties (continued)

Parent Company:
The Parent Company's related parties are the members of the Board of Directors and the Executive Management and their family members.

Apart from contracts of employment, no agreements were entered into between the Group and the Executive Management in the year. Remuneration to the Board of Directors and the Executive Management is disclosed in note 4.

Other related parties of the Parent Company include subsidiaries as mentioned in note 14 and associates. The Danish group companies are jointly taxed. On March 31st, 2020, tax of DKK 0 was transferred between the Parent Company and the Danish subsidiaries (March 31st, 2019: DKK 0,0 million).

On March 31st, 2020, the following shareholders owned more than 5% of Glunz & Jensen Holding A/S' share capital and voting rights:

Heliograph Holding GmbH 45,02% and Strategic Investments A/S 16,17%. The Glunz & Jensen company announcement no. 438 of April 4th, 2019 stated that Uniwill Invest 1 ApS and Ralf Villumsen combined represented a part of the voting shares equivalent to more than 5% of the votes and less than 10% of the votes in Glunz & Jensen Holding A/S and the company announcement no. 469 of September 8th, 2019 stated that Klaus Zwisler represented a part of the voting shares equivalent to 6,65% of the votes.

There were no transactions with associates during 2019/20.

Related party transactions are carried through on arm's length.

April 1st – March 31st (DKK '000)	Parent Company 2018/19	Parent Company 2017/18
Sale of services to subsidiaries	8.570	8.420
Interest income from subsidiaries	1.191	-

28. Events after the balance sheet date

Based on the difficulties related to the current business environment in general related to Covid-19 which makes normal business operations challenging and following the past years efforts to turn Glunz & Jensen S.r.l. around and into a profitable organization, including injecting significant amounts of cash over the past years, the Board of Directors in the parent company (Glunz & Jensen A/S) has decided to prioritize the operations in the parent company Glunz & Jensen A/S (Denmark) and the subsidiary Glunz & Jensen s.r.o. (Slovakia). The decision was made on May 15th, 2020 as the parent company Glunz & Jensen A/S concluded that it is expected to be unable to provide further support to Glunz & Jensen S.r.l. and it is possible that this decision will affect the going concern of Glunz & Jensen S.r.l. The composition of the balance sheet provisions in Glunz & Jensen A/S may lead to reversals of accruals (liabilities) during 2020/21 hence adjusting the EBITDA in 2020/21. However, some uncertainty is currently expected to the outcome of the decision on not to provide further support to Glunz & Jensen S.r.l. and therefore some uncertainty may be expected related to the provisions. The negative value of the Glunz & Jensen S.r.l. net assets is DKK 5,2 million as of March 31st, 2020.

No other events have occurred since March 31st, 2020 which is deemed to have a significant impact on the Group's or the Parent Company's financial position.

29. New accounting standards

The IASB has issued a number of new standards and amendments not yet in effect or endorsed by the EU and therefore not relevant for the preparation of the 2019/20 consolidated financial statements. Glunz & Jensen Holding A/S expects to implement these standards when they take effect. None of the new standards issued are currently expected to have any significant impact on the consolidated financial statements when implemented.

30. Accounting policies

Glunz & Jensen Holding A/S is a limited company domiciled in Denmark. The annual report for the period April 1st, 2019 - March 31st, 2020 includes both consolidated financial statements of Glunz & Jensen Holding A/S and its subsidiaries (the Group) and the separate financial statements of the Parent Company.

The annual report of Glunz & Jensen Holding A/S for 2019/20 has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

The Board of Directors discussed and approved the annual report of Glunz & Jensen Holding A/S for 2019/20 on June 4th, 2020. The annual report will be submitted to the shareholders of Glunz & Jensen Holding A/S for adoption at the Annual General Meeting on June 30th, 2020.

Basis of preparation

The annual report is presented in DKK, rounded to the nearest amount in DKK thousands. The annual report is prepared using the historical cost principle. However, recognized derivatives are measured at fair value. Non-current assets are measured at the lower of their carrying amount before the reclassification and fair value less selling costs.

Adoption of new and revised IFRSs

Glunz & Jensen Holding A/S has implemented all the relevant new or amended financial reporting standards and interpretations as adopted by the EU that are effective as of April 1st, 2019 including:

- IFRS 16, Leases (issued 2016, effective date April 1st, 2019)

IFRS 16 has replaced IAS 17, Leases and FIRS 16 has introduced a changed accounting model for a lessee. Previously, lease contracts for a lessee were classified as either operating or finance leases. IFRS 16 requires the majority of operating leases to be recognized as lease assets with a related lease liability, similar to the previous accounting of finance leases. The lease payments, previously accounted for as operating expenses, have been split into an interest cost and a repayment of the lease liability. The lease assets are depreciated over the term of the lease contract.

We have implemented IFRS 16 using the modified retrospective approach, with a lease asset value equal to the lease liability value upon transition. Consequently, 2018/19 comparative figures are reported according to IAS 17 and have not been restated to reflect the numbers according to IFRS 16. This applies to all numbers prior to April 1st, 2019 in text and tables, throughout this entire report.

Upon implementation, we have applied the following exemptions:

- Not to recognize leasing agreements with a term of less than 12 months or low value.
- Not to reconsider whether a contract is or contains a leasing agreement.
- To determine a discount rate on a portfolio of leasing agreements with uniform characteristics.

In assessing future leasing payments, the Group has reviewed the Group's operational leasing agreements and has identified the leasing payments relating to a leasing component and that are fixed or variable but that change in line with fluctuations in an index or interest rate. The Group has chosen not to recognize payments relating to service components as part of the leasing obligation.

In reviewing the anticipated leasing period, the Group has identified the termination leasing period in the agreement plus periods covered by extension options that the management can reasonably expect to utilize and also periods covered by termination period options that the management is most probably not expecting to utilize.

For leasing agreements, the Group finds that the anticipated leasing period amounts to the non-cancellable leasing period in the agreements, as the Group does not have a history of utilizing the extension options of similar agreements.

Upon implementation April 1st, 2019, we have recognized a right of use asset of DKK 19,8 million and a lease liability of DKK 19,8 million. The implementation has no effect on equity. The right of use assets relate primarily to land and buildings with depreciation periods ranging 5 - 7 years and operating assets with depreciation periods ranging 1 – 4 years.

The weighted average discount rate applied is 5%.

(DKK millions)	
Rent and lease obligations, disclosed, not recognized as liabilities March 31st, 2019 (IAS 17)	22,0
Discounting effect with alternative borrowing rate April 1st, 2019	(1,9)
Short term and low value leases excluded	(0,3)
Lease liabilities recognized April 1st, 2019	19,8

Implementation of IFRS 16 has no effect on the underlying cash flows. However, due to the lease payment being split into interest costs and a repayment of the lease liability, the presentation in the cash flow statement has changed. The change has improved the cash flow from operation activities as well as free cash flow by DKK 4,2 million whereas the cash out-flow from financing activities has been negatively impacted by DKK 4,0 million.

No other new standards or interpretations have had effect on the financial statements of the Group

Except for the change mentioned above in regard to IFRS 16, the accounting policies have been applied consistently in the financial year and to comparative figures.

Description of accounting policies

Consolidated financial statements

The consolidated financial statements include the Parent Company Glunz & Jensen Holding A/S and subsidiaries in which Glunz & Jensen Holding A/S holds or can exercise, directly or indirectly, more than 50% of the voting rights or otherwise has control of the subsidiary in question.

The consolidated financial statements are prepared by aggregating the Parent Company's and the individual subsidiaries' financial statements, applying the Group's accounting policies. Intra-group income and expenses, shareholdings, balances, and dividends as well as realized and unrealized gains arising from intra-group transactions are eliminated on consolidation.

Entities in which the Group holds between 20% and 50 % of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates.

Business combinations

Newly acquired or established companies are recognized in the consolidated financial statements from the date of acquisition. Enterprises sold or otherwise disposed of are recognized in the consolidated financial statements until the date of sale/disposal. Comparative figures are not restated to reflect newly acquired companies. Discontinued operations are presented separately, see below.

In the acquisition of new entities over which the Group obtains control, the acquisition method is used, meaning that the acquired entities' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Intangible assets identified are recognized if they can be separated or if they originate from contractual terms. The tax effect of the revaluations performed is taken into account.

Positive balances (goodwill) between the purchase consideration for the acquired enterprise and the fair value of the acquired assets, liabilities and contingent liabilities are recognized as asset in intangible assets and tested for impairment at least once a year. The first impairment test is performed before the end of the acquisition year. Upon acquisition, goodwill is allocated to the cash-generating unit which subsequently forms the basis for impairment testing. Goodwill and fair value adjustments arising from acquisition of foreign entities with a functional currency other than DKK are accounted for as assets and liabilities of the foreign entity. This means that goodwill and fair value adjustments are initially translated at the foreign entity's functional currency at the transaction date. Negative goodwill arising on acquisition is recognized directly in the income statement at the date of acquisition.

The consideration for an entity consists of the fair value of the consideration paid for the acquiree. If the final determination of the consideration is contingent on one or more future events, such events are recognized at fair value at the date of acquisition. Expenses relating to the acquisition are recognized in profit or loss when incurred.

If, at the date of acquisition, there is uncertainty as to the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the purchase consideration, initial recognition is made on the basis of initially calculated values. These values may be adjusted or additional assets or liabilities may be recognized, until 12 months after the acquisition if new information is obtained about circumstances that existed at the date of acquisition and which would have affected the calculation of the values at the date of acquisition had such information been known. Subsequently, goodwill is not adjusted. Changes in estimates of conditional purchase considerations are generally recognized directly in the income statement.

Gains or losses on disposal of subsidiaries are calculated as the difference between the selling price or the settlement price and the carrying amount of net assets, including goodwill at the date of the disposal and the expenses relating to the disposal.

Foreign currency translation

A functional currency is designated for each of the reporting entities in the Group. The functional currency is the currency used in the primary economic environment in which the reporting entity operates. Transactions denominated in currencies other than the functional currency are transactions in foreign currencies.

Transactions in foreign currencies are translated into the functional currency at the exchange rate at the transaction date. Gains and losses arising between the rate at the transaction date and the rate at the date of payment are recognized in the statement of comprehensive income under financial income and expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate at the balance sheet date. Differences between the rate at the balance sheet date and the rate at the transaction date or the exchange rate stated in the latest annual report are recognized in the statement of comprehensive income under financial income and expenses.

On recognition of foreign subsidiaries and associates with a functional currency other than DKK, items in the statement of comprehensive income are translated at average rate rates that do not differ significantly from the rates ruling at the transaction date. Balance sheet items in subsidiaries and the equity share of associates are translated at closing rates.

Exchange rate differences arising on the translation of the opening equity of subsidiaries and associates at closing rates and on the translation of items in the statement of comprehensive income from average rates to closing rates are recognized in the consolidated financial statements under other comprehensive income in equity as a separate translation reserve.

Derivative financial instruments

Derivative financial instruments are recognized at fair value. The fair value of derivative financial instruments is recognized in other receivables (positive value) and in other payables (negative values). Offsetting of positive and negative values only occurs when the Company is entitled to and intends to settle several derivative financial instruments net.

Fair values of derivative financial instruments are determined based on current market data.

Any gains or losses arising from fair value adjustments of derivative financial instruments are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and later reclassified to profit or loss when the hedge item affects profit or loss.

For derivative financial instruments that do not qualify for recognition as hedging instrument, fair value adjustments are recognized under financial income and expenses in the statement of comprehensive income.

Statement of comprehensive income

Revenue

The Glunz & Jensen Group's main activities lie within flexo and offset, which are both part of the prepress market. All products and services are connected to setters and printing equipment. In addition to equipment, Glunz & Jensen sells installation of the equipment, service, and spare parts.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The recognized revenue is measured at the market value of the agreed price exclusive of VAT and fees collected on behalf of third parties. All forms of discounts will be recognized in revenue.

Any part of the total remuneration that is variable, e.g. in the form of discounts, bonuses, penalties, etc., will be recognized in revenue only when reasonably certain that no repayments will be made in subsequent periods, i.e. as the result of failure to meet goals, etc.

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment. The normal credit term is 30 to 90 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Customers are not entitled to return purchased goods.

The sale of services includes service packages and extended guarantees concerning products sold. The services typically include one performance obligation which is recognized on a straight-line basis over the period during which the services are provided.

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

Costs

The Group distributes the cost, including depreciation and amortization and wages and salaries, by the functions production costs, sales and distribution costs, development costs and administrative expenses. Costs not directly attributable to a function are allocated to the functions based on the number of employees in each function.

Administrative expenses comprise operating expenses relating to the Group's investment property.

Development costs comprise research costs and any development costs not qualifying for capitalization and depreciation and amortization of capitalized development projects.

Administrative expenses comprise operational expenses relating to the Group's rental property.

Other operating income and expenses

Other operating income and expenses comprise items of a secondary nature, including gains and losses from disposal of intangible assets and property, plant and equipment, which are measured as the selling price less selling costs and the carrying value at the time of sale.

Financial income and expenses

Financial income and expenses comprise interest, including interest on lease liabilities, fair value gains and losses on securities, realized and unrealized foreign exchange adjustments, amortization and surcharges and allowances under the tax prepayment scheme. Also included are realized and unrealized gains and losses relating to derivative financial instruments not qualifying as effective hedges.

Income tax expense

Glunz & Jensen Holding A/S is jointly taxed with its Danish subsidiaries. The current Danish income tax charge is allocated among the jointly taxed entities in proportion to their taxable income.

Tax for the year, comprising current income tax for the year and changes in deferred tax, including such changes as follow from changes in the tax rate, is recognized in profit or loss, other comprehensive income or in equity, depending on where the relevant item is recognized.

Balance sheet

Development projects, patents, and trademarks

Development costs comprise costs and salaries and depreciation and amortization relating to the Group's development activities.

Development costs on an individual project are recognized as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that the asset will be available for use or sale, the technical feasibility of completing the intangible asset so that the asset will be available for use or sale, its intention to complete and its ability and intention to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to reliably measure the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit, which is 3-10 years. During the period of development, the asset is tested for impairment annually.

Other development costs are expensed as incurred.

Patents and trademarks are measured at cost less any accumulated depreciation and accumulated impairment losses. Patents are amortized on a straight-line basis over the term of the patent. Trademarks are amortized using the straight-line method over their expected useful live. The amortization period is 3-5 years.

The amortization periods mentioned above also apply to acquired assets.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the asset is available for use.

Subsequent costs, e.g. for the replacement of components of an item of property, plant or equipment, are recognized in the carrying amount of the asset when it is likely that the expenditure of the replacement involves a future financial benefit for the Group. The carrying amount of the replaced components ceases to be recognized in the balance sheet and is transferred to profit or loss. All other costs related to general repair and maintenance are recognized in profit or loss as and when incurred.

The cost value of a total asset is divided into separate components that are depreciated separately if the useful lives of the individual components differ. Items of property, plant and equipment are depreciated on a straight-line basis over their expected useful lives:

Production buildings and components	10-20 years
Technical installations	10-15 years
Administration buildings and components	10-25 years
Other fixtures and fittings	3-5 years

Land is not depreciated.

The depreciation basis is determined taking into account the residual value of the asset and any impairment losses. The residual value is determined at the date of acquisition and is re-assessed annually. If the residual value exceeds the carrying amount of the asset, depreciation will cease. If the depreciation period or the residual value is changed, the effect on depreciation going forward is recognized as a change in accounting estimates.

Leased assets, from April 1st, 2019

A lease asset and a lease liability are recognized in the balance sheet when a right-of-use lease asset is transferred to the group or the parent company for the term of the lease pursuant to a concluded lease agreement and the group obtains the right to substantially all of the economic benefits from the use of the identifiable asset and the right to control the use of the identifiable asset. Service components are excluded from the lease liability.

On initial recognition, lease liabilities are measured at the present value of the future lease payments, discounted using an alternative interest rate.

The lease liability is measured at amortized cost using the effective interest rate method. The lease liability is re-measured when there is a change in the underlying contractual cash flows due to changes in an index or an interest rate, if there is a change to the estimate of a residual value guarantee, or if there is a change to the assessment as to whether it is reasonably certain that a purchase option, an extension option or a termination option will be exercised.

On initial recognition, the right-of-use asset is measured at cost, corresponding to the value of the lease liability adjusted for prepaid lease payments plus any initial direct costs and estimated costs for dismantling, removing and restoring or similar and less any discounts or other types of incentive payments granted by the lessor.

On subsequent recognition, the asset is measured at cost less any accumulated depreciation and impairment. The right-of-use asset is depreciated over the shorter of the lease term and the useful life of the asset. Depreciation charges are recognized in the income statement on a straight-line basis.

The right-of-use asset is adjusted for any changes in the lease liability due to changes in the lease terms or changes in the contractual cash flows as a result of changes in an index or an interest rate.

Lease assets are depreciated on a straight-line basis over the estimated lease term.

The lease asset and the lease liability are presented separately by the group and the parent company in the balance sheet.

The group and the parent company have elected not to recognize right-of-use assets of low value and short-term leases in the balance sheet and instead to recognize lease payments concerning these leases in the income statement on a straight-line basis.

Leased assets, before April 1st, 2019

All lease contracts were classified as operating leases according to IAS 17, Leases, based on an assessment of the terms and conditions of each contract. Therefore, no lease assets and lease liabilities were previously recognized in the balance sheet.

Investment property

Investment properties are measured initially at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment" up to the date of change in use. At the same date the property are evaluated to fair value and the adjustment between the cost value and fair value are recognized as other comprehensive income.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured using the equity method.

Investments in subsidiaries and associates are measured at the proportionate share of the entities' net asset value calculated in accordance with the Group's accounting policies minus or plus unrealized intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the purchase method of accounting.

Investments in subsidiaries and associates with negative net asset values are measured at DKK 0, and any amounts owed by such entities are written down insofar as the amount receivable is considered irrecoverable. If the Parent Company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognized under "Provisions".

Net revaluation of investments in subsidiaries and associates is recognized in the net revaluation reserve according to the equity method under equity where the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be declared before the annual report of Glunz & Jensen Holding A/S is adopted are not taken to the net revaluation reserve.

Impairment of non-current assets

Development projects are tested annually for evidence impairment.

Deferred tax assets are tested for impairment annually and are written down if it is deemed likely that the deferred tax asset cannot be utilized against tax on future income or set off against deferred tax liabilities in the same legal tax entity and jurisdiction. This assessment takes into account the type and nature of the recognized deferred tax asset, the estimated period for set-off of the deferred tax asset etc.

Other long-term assets are tested for impairment once a year. When there is evidence that an asset may be impaired, the recoverable amount of that asset is determined. The recoverable amount is the higher of the net selling price of the asset and the net present value of the expected future net cash flows.

An impairment loss is recognized when the carrying amount of an asset or its cash-generating unit exceeds the recoverable amount of the asset or its cash-generating unit. Impairment losses are recognized in the statement of incomprehensive income under production costs, development costs, sales and distribution costs and administrative expenses. However, impairment losses in respect of goodwill are recognized in a separate line in the statement of incomprehensive income.

Impairment losses on other long-term assets are reversed to the extent that changes have occurred in the assumptions and estimates on the basis of which the impairment loss was recognized. Impairment losses are reversed only to the extent that the new carrying amount of the asset does not exceed the carrying amount it would have had net of amortization and net of depreciation if the impairment loss had not been recognized.

Inventories

Inventories are measured at cost using the FIFO method.

Goods for resale, raw materials and consumables are measured at cost, comprising the purchase price plus delivery costs. Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct labor costs and production overheads. Production overheads comprise indirect materials and labor costs as well as maintenance and depreciation of production machinery, factory buildings and equipment and factory administration and management costs.

Where the net realizable value is lower than cost, inventories are written town to such lower value. The net realizable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence, and developments in the expected selling price.

Receivables

Receivables are measured at amortized cost. A credit loss allowance is made upon initial recognition based on historical observed default rates adjusted for forward looking estimates (simplified 'expected credit loss' model). The cost of the credit loss allowances is included in sales and distribution costs. A loss is considered realized when it is certain that we will not recover the receivable, e.g. in case of bankruptcy or similar.

Prepayments

Prepayments include expenses paid in respect of subsequent fiscal years.

Equity

Dividend:
Dividend proposed for the year is recognized as a liability at the time it is adopted at the Annual General Meeting. The amount proposed as dividend for the year is stated as a separate item in equity.

Translation reserve:
The translation reserve in the consolidated financial statements includes accumulated foreign exchange differences arising on the translation of the financial statements of foreign subsidiaries from their functional currency to the presentation currency of the Group.

Hedging reserve:
The hedging reserve contains the accumulated net change in the fair value of hedging transactions qualifying as cash flows hedges for which the hedged transaction has not yet been realized.

Revaluation reserve:
The revaluation reserve contains adjustment occurred during transfers to (or from) investment property when there is a change in use.

Share-based payment

Share-based incentive schemes under which executive officers may only opt to purchase shares in the Company (equity-settled, share-based payment arrangements) are measured at the fair value of the equity instruments at the grant date and are recognized in the income statement under staff costs over the vesting period. The counter entry is taken directly to equity.

The fair value of the equity instruments is measured using the Black-Scholes model with the parameters indicated in note 4.

Income tax and deferred tax

Current tax payable and receivable is recognized in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method, providing for all temporary differences between the carrying amount and the tax base of assets and liabilities. However, the following items are not recognized: goodwill not deductible for tax purposes and other items – apart from business combinations – where temporary differences have arisen at the date of acquisition that neither affect profit/(loss) nor taxable income.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognized as other non-current assets at the value at which they are expected to be utilized, either by elimination against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

The deferred tax charge is adjusted in respect of elimination of unrealized intra-group profits and losses.

Deferred tax is measured on the basis of the tax rules and at the tax rates that will apply under the legislation enacted at the balance sheet date in the relevant countries when the deferred tax is expected to crystallize in the form of current tax. Changes in deferred tax as a result of changes in tax rates are recognized in the statement of comprehensive income.

Under the joint taxation rules, Glunz & Jensen Holding A/S, as the management company, becomes liable vis-à-vis the tax authorities for the subsidiaries' income taxes as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable and receivable are recognized in the balance sheet under receivables from/payables to subsidiaries.

Provisions

Provisions comprise estimated commitments regarding warranty obligations and restructuring etc.

Provisions are recognized when, as a result of events occurring before or at the balance sheet date, the Group has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are measured at Management's best estimate of the amount required to settle the obligation at the balance sheet date.

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data.

Restructuring costs are recognized as liabilities when a detailed, formal restructuring plan has been announced not later than at the balance sheet date to the parties affected by the plan.

Pension obligations

Payments relating to defined contribution plans under which the Group regularly pays fixed contributions into an independent pension fund are recognized in profit or loss in the period in which they are earned, and outstanding payments are recognized in the balance sheet under other payables.

There are no defined benefit plans within the Group.

Financial liabilities

Payables to credit institutions are recognized at the date of borrowing at fair value (corresponding to the net proceeds received) less transaction costs paid. In subsequent periods, payables to credit institutions are measured at amortized cost, corresponding to the capitalized value using the effective interest rate method. Accordingly, the difference between the proceeds and the nominal value (capital loss) is recognized in profit or loss over the term of the loan.

Other liabilities are measured at net realizable value.

Prepayments from customers

Prepayments from customers include payments received which relate to subsequent financial years.

Cash flow statement

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

The cash flow effect of acquisitions and disposals of entities is shown separately under cash flows from investing activities. Cash flows from acquisitions of entities are recognized in the cash flow statement from the date of acquisition, and cash flows from disposals of entities are recognized up to the date of disposal.

Cash flows from operating activities are determined as profit/(loss) for the year adjusted for non-cash operating items, changes in working capital, interest received and paid, including interest on lease liabilities, and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities; acquisitions and disposals of intangible assets, property, plant and equipment, investment properties and other non-current assets; and acquisitions and disposals of securities that are not recognized as cash and cash equivalents.

Cash flows from financing activities comprise changes in the size or composition of the share capital and associated expenses as well as raisings of loans, repayment of interest-bearing debt, including repayment of lease liabilities, purchase and sale of treasury shares, and payment of dividends as well as dividend received from subsidiaries.

Cash and cash equivalents comprise deposits with credit institutions and cash.

Segment information

Segment information is prepared in accordance with the Group's accounting policies and internal financial reporting.

The Group presents two reportable segments: the prepress marked and the property rental Selandia Park.

Segment revenue, segment expenses, segment assets and liabilities are those items that are directly attributable to the individual segment or can be allocated to the segment on a reliable basis.

Segment assets are those assets that are employed directly by the segment in its operating activities, including non-current assets, inventories, trade receivables, other receivables, prepayments and cash and cash equivalents.

Segment liabilities are those liabilities that result from the segments' operating activities, including trade liabilities, borrowings, lease liabilities and other liabilities.

Additional segment information is stated regarding consolidated revenue broken down by geographic market.

DEFINITIONS OF RATIOS

Earnings per share (EPS) and diluted earnings per share (EPS-D) are calculated in accordance with IAS 33.

Other ratios are calculated in accordance with the online version "Recommendations & Financial Ratios" issued by the Danish Finance Society.

The ratios in the annual report are calculated as follows:

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Operating margin	$\frac{\text{Operating profit (EBITA) x 100}}{\text{Revenue}}$
Operating margin before non-recurring costs	$\frac{\text{EBITA before non-recurring costs x 100}}{\text{Revenue}}$
EBITDA margin	$\frac{\text{Profit before interest, tax, amortization, depreciation and impairment x 100}}{\text{Revenue}}$
EBITDA margin before non-recurring costs	$\frac{\text{EBITDA before non-recurring costs x 100}}{\text{Revenue}}$
Return on assets (ROIC)	$\frac{\text{Operating profit x 100}}{\text{Average operating assets}}$
Return on equity (ROE)	$\frac{\text{Profit or loss for the year x 100}}{\text{Average Equity}}$
Equity ratio	$\frac{\text{Equity at year-end x 100}}{\text{Liabilities at year-end}}$
Interest coverage	$\frac{\text{Operating profit (EBITA) + interest income}}{\text{Interest expenses}}$
Earnings per share (EPS)	$\frac{\text{Profit(loss) for the year}}{\text{Average number of shares outstanding}}$
Diluted earnings per share (EPS-D)	$\frac{\text{Diluted earnings}}{\text{Diluted average number of shares outstanding}}$
Cash flow per share (CFPS)	$\frac{\text{Cash flows from operating activities}}{\text{Diluted average number of shares outstanding}}$
Book value per share (BVPS)	$\frac{\text{Equity at year-end}}{\text{Numbers of shares at year end}}$
Pay-out ratio	$\frac{\text{Total dividend paid}}{\text{Profit or loss for the year}}$
Share price/book value (KI)	$\frac{\text{Share price}}{\text{BVPS}}$

Glunz & Jensen Holding A/S
Lindholm Havnevej 29
5800 Nyborg, Denmark
+45 5768 8181
gj@glunz-jensen.com

www.glunz-jensen.com