GLUNZ & JENSEN

To Nasdaq OMX Copenhagen A/S

Company announcement no. 469
November 22nd, 2019

INTERIM REPORT APRIL 1ST, 2019 – SEPTEMBER 30TH, 2019 (H1 2019/20)

Main conclusions

The H1 2019/20 report of the fiscal year was reviewed and approved at the Board of Directors meeting today. The Board of Directors announces the following consolidated financial statements year to date (YTD) for H1 (the first 6 months) of 2019/20.

The Board of Directors noted that the revenue in H1 of 2019/20 has decreased 5,2% to 101,1 million DKK compared to last year.

The Board of Directors noted that a worse than expected investment climate combined with the implications from the consolidation of production in Nyborg last year (which resulted in poor delivery- and quality performance) has led to a reduction in turnover for the current financial year.

EBITDA (before non-recurring costs) is impacted by the lower turnover as well as temporary lower income from the investment property (Selandia Park).

Consequently, Glunz & Jensen has revised the expectations for the full year 2019/20 to a revenue level at 195 million DKK and an EBITDA level (before non-recurring items and fair value adjustment on investment properties) at 10 million DKK.

- Revenue was 101,1 million DKK (2018/19: 106,7 million DKK).

- EBITDA was 10,1 million DKK before non-recurring items and fair value adjustment on investment properties (2018/19: 5,3 million DKK before non-recurring items and fair value adjustment on investment properties).

Non-recurring items YTD 2019/20 of 2,5 million DKK are related to the second phase of the Change4Succes plan and fair value cost in regard to major shareholder offer. 0,4 million DKK of the non-recurring items are related to impairment of lease improvements in Quakertown, US. (2018/19: 2,9 million DKK of which 2,7 million DKK are related to the production start-up of the flexo manufacturing in Nyborg). Fair value adjustment on investment properties are 0,0 million DKK (2018/19: 0,0 million DKK)

The full year revenue in Selandia Park A/S is expected to decrease by 0,8 million DKK in 2019/20 due to an unforeseen building renovation which expected to be finalized by Q4, 2019. Selandia Park A/S' composition of tenants will be changing in current year as Selandia Park A/S will increase its rental portfolio to other tenants hence providing less rental areas dedicated to Glunz & Jensen A/S. This will reclassify the entire property portfolio as an investment property portfolio. The reclassification will affect the value of the

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investment property portfolio, and it will be aligned in the reporting by 31/12-2019 when the rental portfolio is final and the building renovation has been completed. Fair value adjustments are excluded in the outlook (guidance) provided by Glunz & Jensen since 2016.

Highlights on the H1

- Group revenue during H1 2019/20 was DKK 101,1 million (2018/19: DKK 106,7 million) equal to an decrease of 5,2%. The prepress segment decreased 5,2% consisting of a 5,1% decrease in Offset revenue and a 5,3% decrease in the Flexo revenue. The revenue in Selandia Park A/S decreased with 6%.

- Gross profit is at DKK 21,9 million in H1 2019/20 (2018/19: 19,5 mill. DKK).

- EBITDA in H1 2019/20 was at DKK 10,1 million excluding non-recurring items and excluding fair value adjustments (2018/19: 5,3 mill. DKK excluding non-recurring items and excluding fair value adjustments) and DKK 8,0 million including non-recurring items of DKK 2,5 million.

- Non-recurring items at EBITDA level in H1 2019/20 is DKK 2,5 million (2018/19: 2,9 mill. DKK) related to Change4Success and fair value opinion.

- Profit after tax for the period H1 2019/20 was DKK -1,2 million (2018/19: DKK -4,0 million), corresponding to a result per share (EPS) at -0,6 DKK. (2018/19: -2,2 DKK)

- Net cash flows from operating activities amounted to DKK -5,2 million (2018/19: DKK -12,8 million), net cash flows from investing activities were DKK -1,5 million (2018/19: DKK -2,9 million) and the free cash flow was DKK -6,7 million (2018/19: DKK -15,7 million). The development in net cash flows from operating activities is due to the lack of profit for the period and the change in inventories and trade and other payables.

The outlook in Glunz & Jensen Holding A/S for the fiscal year 2019/20 has been revised to a revenue level at 195 million DKK and an EBITDA level (before non-recurring items and fair value adjustment on investment properties) at 10 million DKK.

For further information please contact:

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FINANCIAL HIGHLIGHTS

In millions, except per share data	2019/20 H1	2018/19 H1 Excl. IFRS 16	2018/19 Year Excl. IFRS 16
Income statement			
Revenue	101,1	106,7	227,5
Gross profit	21,9	19,5	43,8
Operating profit/(loss) (EBITA)	(0,2)	(3,6)	(3,4)
Net financials	(1,3)	(1,5)	(4,4)
Profit/(loss) before tax	(1,5)	(5,4)	13,7
Profit/(loss) for the year	(1,2)	(4,0)	(6,9)
Profit/loss before non-recurring items, financial income and expenses, tax, depreciation, amortization and impairment of assets (EBITDA before non-recurring items) and fair value adjustment	10,1	5,3	16,4
Profit/loss before financial income and expenses, tax, depreciation, amortization and impairment of assets (EBITDA)	8,0	2,4	8,5
Balance sheet			
Assets			
Completed development projects	8,5	14,3	11,4
Other non-current assets	163,5	155,7	146,6
Current assets	83,7	91,7	81,6
Total assets	**255,7**	**261,7**	**239,6**
Liabilities			
Share capital	86,0	89,0	86,8
Non-current liabilities	95,3	77,9	80,2
Current liabilities	74,4	94,8	72,6
Total Equity and liabilities	**255,7**	**261,7**	**239,6**
Cash flows			
Cash flows from operating activities	(5,2)	(12,8)	10,6
Cash flows from investing activities[1]	(1,5)	(2,9)	(3,6)
Free cash flow	**(6,7)**	**(15,7)**	**7,0**
Cash flows from financing activities	6,4	12,2	(10,3)
Change in cash and cash equivalents for the year	**(0,3)**	**(3,5)**	**(3,3)**
[1)] including investments in property, plant and equipment	(1,5)	(2,9)	(3,2)
Financial ratios in %			
EBITDA margin	7,9	2,2	3,7
Operating margin (EBITA)	(0,2)	(3,4)	(1,3)
Return on assets (ROIC)	(0,1)	(1,2)	(1,3)
Return on equity (ROE)	(1,1)	(3,5)	(7,7)
Equity ratio	33,6	34,0	36,2
Other information			
Net interest-bearing debt	111,2	105,9	84,1
Interest coverage (EBITA)	(0,3)	(3,6)	(1,6)
Earnings per share (EPS)	(0,6)	(2,2)	(3,8)
Diluted earnings per share (EPS-D)	(0,6)	(2,2)	(3,8)
Cash flow per share (CFPS)	(2,9)	(7,0)	5,8
Book value per share (BVPS)	47,2	48,9	47,7
Share price (KI)	79	55	44
Average number of shares outstanding (in thousands)	1.821	1.821	1.821
Dividend per share	0,0	0,0	0,0
Average number of employees	168	177	171

Earnings per share and diluted earnings per share 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. Reference is made to the definitions of accounting policies in Glunz & Jensen's annual report for 2018/19.

THE DEVELOPMENT IN H1 2019/20

Compared to H1 2018/19 the period of H1 2019/20 provided a decrease in revenue to DKK 101,1 million (2018/19: DKK 106,7 million) equal to a decrease of 5,2%.

The prepress segment decreased 5,2% consisting of a 5,1% decrease in the Offset revenue and a 5,3% decrease in the Flexo revenue. The lower revenue in H1 2019/20 is thereby related to both the Offset and the Flexo segment.

Commercial efforts are ongoing, including price adjustments and production cost reductions.

The revenue in Selandia Park A/S decreased to DKK 5,8 million in H1 2019/20 from DKK 6,2 million in H2 2018/19. The decline is due to an unforeseen renovation of 2 buildings.

See note 3 (geographical distribution) for revenue figures for the different regions.

Gross profit

Gross profit is at DKK 21,9 million in H1 2019/20 (2018/19: DKK 19,5 million). The gross profit in H1 2018/19 was negatively impacted by unforeseen challenges in the start-up and initial consolidation process of the Flexo equipment operation in Nyborg, Denmark.

The gross profit margin was 21,7% in H1 2019/20 (2018/19: 18,3%)

The process of strengthening gross profit earnings through streamlining the production and supply chain – and adjusting sales prices will continue in 2019/20.

Development in EBITDA

Profit/loss before non-recurring items, financial income and expenses, tax, depreciation, amortization and impairment of assets EBITDA was at DKK 10,1 million in H1 2019/20 (2018/19: DKK 5,3 million). H1 2019/20 includes non-recurring items at cost of DKK 2,5 million. (2018/19: DKK 2,9 million).

The EBITA was DKK -0,2 million in H1 2019/20 DKK including non-recurring cost of DKK 2,5 million (2018/19: DKK -3,6 million including non-recurring items at cost of DKK 2,9 million).

The net financial items represents a cost at DKK 1,3 million in H1 2019/20 (2018/19: DKK 1,5 million). The decrease is mainly caused by changed funding cost at the group's primary bank.

In H1 2019/20 tax on the profit of the period was an income at DKK 0,3 million (2018/19: DKK 1,4 million).

The profit for the period in H1 2019/20 was an net loss of DKK 1,2 million compared to net loss of DKK 4,0 million in H1 2018/19.

Balance sheet

The balance sheet for the group amounted to DKK 255,7 million end of September 2019 compared to DKK 239,6 million by the beginning of the financial year on April 1st, 2019. The difference mainly refer to IRFS 16 adjustment in 2019/20 as IFRS 16 lease liabilities amount to DKK 18,3 million end of September 2019 (September 2018: 0 DKK).

The equity was DKK 86,0 million on the balance day September 30th, 2019. This is an decrease by DKK 0,8 million from the year end March 31st, 2019 at DKK 86,8 million and the difference is mainly related to the loss for the period.

On March 31st, 2019 the equity solvency was 36,2% which is 2,6% higher than on September 30th, 2019. The decrease of 2,6% relate to the impact of IFRS 16. As a result the equity solvency is 33,6% on September 30th, 2019.

As in the previous years the activities in the Group have not significantly been affected by seasonal fluctuations.

Inventories amounted to DKK 46,4 million on September 30th, 2019 (2018/19: DKK 48,9 million). The decrease in inventory is due to the consolidation of flexo activities in. Trade receivables were DKK 30,8 million on September 30th, 2019 (2018/19: DKK 32,7 million).

Net interest bearing debt amounted to DKK 111,2 million on September 30th, 2019, of which DKK 18,3 million refer to IFRS 16 lease liabilities. On September 30th, 2018 net interest bearing debt amounted to DKK 105,9 million with no lease liabilities included.

Cash flow

Net cash flows from operating activities came at DKK -5,2 million in H1 2019/20 (2018/19: DKK -12,8 million), net cash flows from investing activities were DKK -1,5 million (2018/19: DKK -2,9 million) and the free cash flow was DKK -6,7 million compared to DKK -15,7 million in H1 2018/19.

Covenants

The main bank has linked the credit lines to financial covenants based on solvency, EBITDA and net interest bearing debt in Glunz & Jensen A/S calculated on September 30th, 2019. The company is complying with the financial covenants by September 30th, 2019.

Events after the balance sheet date

Glunz & Jensen as entered a license and service agreement with Heliograph Inc. in the US which means that Glunz & Jensen Inc. is relocating from Pennsylvania to South Carolina during Q4, 2019. Glunz & Jensen Inc. will continue as an independent and separate entity.

Outlook for 2019/20

The outlook in Glunz & Jensen Holding A/S for the fiscal year 2019/20 been revised to a revenue level at 195 million DKK and an EBITDA level (before non-recurring items and fair value adjustment on investment properties) at 10 million DKK.

Forward-looking statements

The forward-looking statements in this interim report reflect our current expectation for future events and financial results. Such statements are inherently subject to uncertainty, and actual results may differ from expectations. Factors which may cause the actual result to deviate from expectations include general economic developments and developments in the financial market, changes or amendments to legislation and regulation in our market and changes in demand for products, competition. See also the risk section in the annual report 2018/19.

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The annual reporting for 2019/20 covering the period April 1st, 2019 – March 31st, 2020 are expected to be announced June 4th, 2020.

MANAGEMENT'S REVIEW

Today, the Board of Directors and the Executive Management have discussed and approved the interim report of Glunz & Jensen Holding A/S for the period April 1st, 2019 – September 30th, 2019.

The interim report, which have been neither audited nor reviewed by the Group's auditor, has been prepared in accordance with IAS 34 "Interim financial reporting" as adopted by the EU and Danish disclosure requirements for interim reports of listed companies.

In our opinion, the interim financial statement give a true and fair view of the Group's assets, liabilities and financial position at September 30th, 2019 and of the results of the Group's operations and cash flows for the period April 1st, 2019 – September 30th, 2019.

We are of the opinion that the management report includes fair review of the development in the Group's operations and financial matters, the result for the period and the financial position of the consolidated entities as a whole as well as description of the principal risks and uncertainties facing the Group.

Nyborg, November 22nd, 2019

Executive Management

Martin Overgaard Hansen CEO	Henrik Blegvad Funk CFO

Board of Directors

Flemming Nyenstad Enevoldsen Chairman	Carsten Nygaard Knudsen Deputy Chairman
Rolf Pfiffner	
Kristian Kvistgaard*	Stig Nedergaard*

**Elected by the employees*

INCOME STATEMENT

(DKK millions)	Note	2019/20 H1	2018/19 H1 Excl. IFRS 16	2018/19 Year Excl. IFRS 16
Revenue	3	101,1	106,7	227,5
Production costs		(79,2)	(87,2)	(183,7)
Gross margin		21,9	19,5	43,8
Other operating income		0,1	0,1	0,1
Sales and distribution costs		(12,4)	(13,1)	(27,0)
Development costs		(2,9)	(2,9)	(7,0)
Administrative expenses		(6,9)	(7,2)	(12,7)
Other operating expenses		0,0	0,0	0,0
Fair value gains on investment property		0,0	0,0	(0,6)
Operating profit/(loss)		(0,2)	(3,6)	(3,4)
Profit/(loss) after tax in associates		0,0	(0,3)	(0,8)
Financial income		0,0	0,1	0,8
Financial expenses		(1,3)	(1,6)	(5,2)
Profit/(loss) before tax		(1,5)	(5,4)	(8,6)
Income taxes		0,3	1,4	(1,7)
Profit/(loss) for the year		**(1,2)**	**(4,0)**	**(6,9)**
Attributable to:				
Equity holders of Glunz & Jensen Holding A/S		(1,2)	(4,0)	(6,9)
Total		**(1,2)**	**(4,0)**	**(6,9)**
Earnings per share				
Basic earnings per share (DKK)		(0,6)	(2,2)	(3,8)
Diluted earnings per share (DKK)		(0,6)	(2,2)	(3,8)

STATEMENT OF COMPREHENSIVE INCOME

(DKK '000)	Note	2019/20 H1	2018/19 H1 Excl. IFRS 16	2018/19 Year Excl. IFRS 16
Profit/(loss) for the year		(1,2)	(4,0)	(6,9)
Other comprehensive income:				
Other comprehensive income after tax in associates		0,0	0,0	0,0
Exchange rate adjustments of investments in subsidiaries		0,4	0,9	1,0
Value adjustment of hedging instruments:				
Adjustments for the year		0,0	0,1	0,6
Value adjustments reclassified to financial expenses		0,0	(0,2)	0,0
Tax on value adjustment of hedging instrument		0,0	0,0	(0,1)
Total other comprehensive income		0,4	0,8	1,5
Total comprehensive income		**(0,8)**	**(3,2)**	**(5,4)**
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Attributable to:				
Equity holders of Glunz & Jensen Holding A/S		(0,8)	(3,2)	(5,4)
Total		**(0,8)**	**(3,2)**	**(5,4)**

BALANCE SHEET

(DKK millions)	Note	30th Sep. 2019	30th Sep. 2019 Excl. IFRS 16	31st Mar. 2019 Excl. IFRS 16
ASSETS				
Non-current assets				
Intangible assets				
Completed development projects		8,5	14,3	11,4
Development projects in progress		0,0	0,0	0,0
		8,5	**14,3**	**11,4**
Property, plant and equipment				
Property, plant and equipment		69,7	55,9	53,2
Investment properties		90,7	90,6	90,7
		160,4	**146,5**	**143,9**
Other non-current assets				
Investments in associates		0,2	0,8	0,2
Deferred tax		2,0	7,3	1,4
Deposits		0,9	1,1	1,1
		3,1	**9,2**	**2,7**
Total non-current assets		**172,0**	**170,0**	**158,0**
Current assets				
Inventories		46,4	48,9	38,9
Trade receivables		30,8	32,7	35,5
Other receivables		3,0	3,9	2,8
Income tax		0,0	2,1	0,4
Prepayments		2,1	2,7	2,4
Cash		1,4	1,4	1,6
Total current assets		**83,7**	**91,7**	**81,6**
TOTAL ASSETS		**255,7**	**261,7**	**239,6**

BALANCE SHEET

(DKK millions)	Note	30th Sep. 2019	30th Sep. 2018 Excl. IFRS 16	31st Mar. 2019 Excl. IFRS 16
LIABILITIES				
Equity	5			
Share capital		36,4	36,4	36,4
Other reserves		5,2	4,0	4,8
Retained earnings		44,4	48,6	45,6
Total equity		**86,0**	**89,0**	**86,8**
Non-current liabilities				
Deferred tax		6,6	12,7	6,6
Provisions		0,4	0,3	0,4
Credit institutions		64,4	58,0	67,2
Lease liabilities		14,3	0,0	0,0
Prepayments from customers		9,4	6,8	5,8
Other payables		0,2	0,1	0,2
Total non-current liabilities		**95,3**	**77,9**	**80,2**
Current liabilities				
Credit institutions		29,8	49,3	18,5
Lease liabilities		4,0	0,0	0,0
Trade payables		21,3	22,0	27,3
Income tax		0,0	0,0	0,0
Provisions		1,4	3,8	1,7
Prepayments from customers		6,2	7,8	10,8
Other payables		11,7	11,4	14,3
Derivative financial liabilities (fair value)		0,0	0,5	0,0
Total current liabilities		**74,4**	**94,8**	**72,6**
Total liabilities		**169,7**	**172,7**	**152,8**
TOTAL EQUITY AND LIABILITIES		**255,7**	**261,7**	**239,6**

STATEMENT OF CASH FLOWS

(DKK millions)	Note	2019/20 H1	2018/19 H1 Excl. IFRS 16	2018/19 Year Excl. IFRS 16
Operating activities				
Profit/(loss) for the year		**(1,2)**	**(4,0)**	**(6,9)**
Adjustment for non-cash items etc.:				
Amortization, depreciation and impairment losses		8,2	6,0	11,9
Gain and loss on sale of non-current assets		0,0	0,0	(0,1)
Fair value gain on investment properties		0,1	0,0	0,5
Profit/(loss) after tax in associates		0,0	0,3	0,8
Other non-cash items, net		0,0	0,1	(0,1)
Provisions		(0,3)	(5,8)	(7,8)
Financial income		0,0	(0,1)	(0,8)
Financial expenses		1,3	1,6	5,2
Tax on operating profit		(0,3)	(1,4)	(1,7)
Cash flows from operating activities before changes in working capital		**7,8**	**(3,3)**	**1,0**
Changes in working capital:				
Changes in inventories		(7,4)	1,7	11,9
Changes in receivables		5,0	11,3	9,9
Changes in trade and other payables		(9,4)	(20,6)	(10,1)
Changes in working capital		(11,8)	(7,6)	11,7
Financial income paid		0,0	0,1	0,4
Financial expenses paid		(1,3)	(1,6)	(3,9)
Income taxes paid		0,1	(0,4)	1,4
Net cash flows from operating activities		**(5,2)**	**(12,8)**	**10,6**
Acquisition of intangible assets		0,0	0,0	0,0
Acquisition of items of property, plant and equipment	4	(1,5)	(2,9)	(3,2)
Acquisition of investment properties		0,0	0,0	(0,7)
Sale of items of property, plant and equipment		0,0	0,0	0,1
Dividends from associates		0,0	0,0	0,2
Net cash flows from investing activities		**(1,5)**	**(2,9)**	**(3,6)**
Free cash flow		**(6,7)**	**(15,7)**	**7,0**
Change in net interest-bearing debt		8,5	12,2	(10,3)
Repayment of lease liabilities		(2,1)	0,0	0,0
Net cash flows from financing activities		**6,4**	**12,2**	**(10,3)**
Net cash flows generated from operations		**(0,3)**	**(3,5)**	**(3,3)**
Cash and cash equivalents at the beginning of the year		1,6	4,8	4,8
Exchange gains/(losses)rate on cash and cash equivalents		0,1	0,1	0,1
Cash and cash equivalents at the end of the year		**1,4**	**1,4**	**1,6**

STATEMENT OF CHANGES IN EQUITY

(DKK millions)

	Share capital	Retained earnings	Hedging reserve	Translation reserve	Total
Equity March 31st, 2019	**36,4**	**45,6**	**-**	**4,8**	**86,8**
Changes in equity in H1 2019/20					
Profit/(loss) for the year	-	(1,2)	-	-	(1,2)
Other comprehensive income:					
Value adjustment of hedging instruments:					
Other comprehensive income after tax in associates	-	-	-	0,0	0,0
Exchange rate adjustments of investments in subsidiaries	-	-	-	0,4	0,4
Total other comprehensive income	-	-	-	0,4	0,4
Total comprehensive income for the year	-	(1,2)	-	0,4	(0,8)
Equity September 30th, 2019	**36,4**	**44,4**	**-**	**5,2**	**86,0**
Equity March 31st, 2018	**36,4**	**52,6**	**(0,5)**	**3,7**	**92,2**
Changes in equity in H1 2018/19					
Profit/(loss) for the year	-	(4,0)	-	-	(4,0)
Other comprehensive income:					
Value adjustment of hedging instruments:					
Other comprehensive income after tax in associates	-	-	-	0,0	0,0
Exchange rate adjustments of investments in subsidiaries	-	-	-	0,9	0,9
Net value adjustments of hedging instruments	-	-	0,1	-	0,1
Value adjustments reclassified to financial	-	-	(0,2)	-	(0,2)
Tax on value adjustment of hedging instruments	-	-	0,0	-	0,0
Total other comprehensive income	-	-	(0,1)	0,9	0,8
Total comprehensive income for the year	-	(4,0)	(0,1)	0,9	(3,2)
Equity September 30th, 2018	**36,4**	**48,6**	**(0,6)**	**4,6**	**89,0**

NOTES

Note 1 Accounting policies
The interim report of the Group for the first half of 2019/20 is presented in accordance with IAS 34 ”Presentation of financial statements ” as approved by the EU and additional Danish disclosure requirements regarding interim reporting by listed companies.

The accounting policies applied in the interim report are consistent with the accounting policies applied in the annual report 2018/19 with exception of changes stated below. The accounting policies are described in note 30 on page 55 to which reference are made.

The Group has implemented all new EU approved standards and interpretations effective as of 1st April, 2019. Of these standards and interpretations, only IFRS 16 has had a material impact on the Group’s Financial Statements.

Effective 1st April, 2019, the Group applied the new reporting standard on Leases, IFRS 16. Implementation of the standard has had a material effect on the Group’s financial statements, as the distinction between operating and finance leases is removed. Under IFRS 16, all leases (including leases previously classified as off-balance sheet in accordance with IAS 17) are recognized in the balance sheet as right-of-use assets and with corresponding lease liabilities. Recognition occurs at the date on which the leased assets are available for use by the Group. The Group transitioned to IFRS 16 in accordance with the modified retrospective approach. Consequently, previous period comparative figures will not be adjusted in the financial statements.

In accordance with the transition provisions laid down in IFRS 16, the Group have used the following transition provisions in connection with the implementation of the standard:

- 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 interminable leasing period in the agreement plus periods covered by extendable options that the management can reasonably expect to utilize and also periods covered by notice period options that the management is most probably not expecting to utilize.

For leasing agreements for operating assets, the Group finds that the anticipated leasing period amounts to the interminable leasing period in the agreements, as the Group does not have a history of utilizing the extension options of similar agreements.

In the assessment of the anticipated rental period for tenancy contracts for property, the properties have, for strategic reasons, been assessed to have an anticipated rental period of 6-7 years.

Glunz & Jensen Group’s 2018/19 Annual Report showed an operating lease commitment of DKK 22,0 million at 31st March, 2019. The disclosed operating lease commitment at 31st March, 2019 is bridged to the calculated lease liabilities in accordance with IFRS 16 as follows.

(DKK millions)	
Disclosed operation lease commitment 31st March, 2019	22,0
Short-term and low value leases (recognized as incurred)	(1,2)
Discount effect 1st April, 2019	(1,9)
Lease liability recognized 1st April, 2019	**(18,9)**
Current	3,8
Non-current	15,1

A weighted average incremental borrowing rate of 5 % was applied.

At transition, financial liabilities and property, plant and equipment increased by DKK 18,9 million.

No restatement of comparison figures was carried out, apart from the inclusion of additional line items in the balance sheet statement representing lease liabilities and an additional line item in the income statement representing financial costs related to lease liabilities. No other new standards or interpretations have had effect on the financial statements of the Group.

Note 2 Significant accounting estimates and judgements

When preparing the interim report in accordance with the Group's accounting policies, it is necessary that Management makes estimates and lays down assumptions that affect the recognized assets, liabilities, revenues and expenses.

Management bases its estimates on historical experience and other assumptions considering relevant at the time in question. These estimates and assumption form the basis of the recognized carrying amounts of assets and liabilities and the derived effect on the income statement. The actual results may deviate over time. Reference is made to note 1, significant accounting estimates and judgements page 36 in the annual report 2018/19 for further details.

Note 3 Segment information

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

(DKK millions)

April 1st, 2019 – September 30th, 2019	Prepress market	Selandia Park	Total segments	Eliminations	Consolidated
External revenue	95,3	5,8	101,1	-	101,1
Inter-segment	-	0,5	0,5	(0,5)	-
Total revenue	95,3	6,3	101,6	(0,5)	101,1
Fair value gains on investment properties	-	0,0	0,0	-	0,0
Depreciation and impairment of property, plant and equipment	3,7	1,2	4,9	-	4,9
Amortization and impairment of intangible assets	2,9	0,0	2,9	-	2,9
Operating profit/(loss)	(4,6)	4,4	(0,2)	-	(0,2)
Profit/(loss) in associates	0,0	-	0,0	-	0,0
Financial income and expenses, net	(1,0)	(0,3)	(1,3)	-	(1,3)
Segment profit/(loss) before tax	(5,6)	4,1	(1,5)	-	(1,5)
Segment assets	115,3	140,4	255,7	-	255,7
Capital expenditure	0,3	1,2	1,5	-	1,5
Segment liabilities	75,2	94,5	169,7	-	169,7

(DKK millions)

April 1st, 2018 – September 30th, 2018 Excl. IFRS 16	Prepress market	Selandia Park	Total segments	Eliminations	Consolidated
External revenue	100,5	6,2	106,7	-	106,7
Inter-segment	-	0,8	0,8	(0,8)	-
Total revenue	100,5	7,0	107,5	(0,8)	106,7
Fair value gains on investment properties	-	0,0	0,0	-	0,0
Depreciation and impairment of property, plant and equipment	1,9	1,2	3,1	-	3,1
Amortization and impairment of intangible assets	2,9	0,0	2,9	-	2,9
Operating profit/(loss)	(8,7)	5,1	(3,6)	-	(3,6)
Profit/(loss) in associates	(0,3)	-	(0,3)	-	(0,3)
Financial income and expenses, net	(0,9)	(0,6)	(1,5)	-	(1,5)
Segment profit/(loss) before tax	(9,9)	4,5	(5,4)	-	(5,4)
Segment assets	130,2	131,5	261,7	-	261,7
Capital expenditure	2,9	0,0	2,9	-	2,9
Segment liabilities	81,2	91,5	172,7	-	172,7

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

For further information regarding the investment properties in Selandia Park please refer to page 43 in the Annual report 2018/19.

Geographical distribution

(DKK millions)	2019/20 H1	2018/19 H1	2018/19 Year
EMEA (Europe, Middle East, Africa)	47,9	54,6	116,4
Americas	34,2	26,4	63,9
Asia and the Pacific	19,0	25,7	47,2
Total	**101,1**	**106,7**	**227,5**

Selandia Park is included in EMEA.

Note 4 Acquisition and sale of tangible assets

In H1 2019/20 the Group acquired tangible assets for DKK 1,5 million (H1 2018/19: DKK 2,9 million). The acquisition in both 2019/20 and 2018/19 relates to leasehold improvements.

No sales of tangible assets were made during 2019/20 or 2018/19.

Note 5 Share capital and treasury shares

As at September 30th, 2019 and at September 30th, 2018 the share capital consists of 1.821.309 shares representing a nominal value of DKK 20 each. No shares carry any special rights.

By September 30th, 2019 and by September 30th, 2018 Glunz & Jensen Holding A/S held no treasury shares.

Further information regarding share capital and treasury shares, including movements in the share capital, can be found in the annual report 2018/19 on page 46.

Note 6 Related parties
The Group's related parties are the member of the Board of Directors and the Executive Management and their family members.

No agreements were entered between the Group and the Executive Management in H1 2019/20.

Glunz & Jensen as entered a license and service agreement with Heliograph Inc. in the US. The agreement is considered to be based on normal market conditions and consists of a framework that enables the 2 companies to benefit from using the same facilities and to certain extend enables the use of cross functional staff.