ANNUAL REPORT

April 1, 2018 – March 31, 2019

QUALITY, TRUST AND INNOVATION FOR THE GLOBAL PREPRESS INDUSTRY

CVR: 10239680
Glunz & Jensen Holding A/S – Lindholm Havnevej 29 – DK-5800 Nyborg

Glunz & Jensen is the world's leading supplier of innovative, high-quality plate making solutions for the global prepress industry. In addition to developing and producing processors for the offset and flexo printing industry, we also offer after sales service. 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 customers such as Agfa, Asahi, DuPont, Flint, Fujifilm, Heidelberg, Kodak and MacDermid, the world's largest suppliers of printing solutions. Glunz & Jensen market our products through a comprehensive and worldwide network of distributors and dealers, and has approx. 170 employees in our facilities in Denmark, Italy, Slovakia and USA.

Our goal is to be the most innovative hardware and services provider in our product areas, and thereby expanding our market share with global customers. At the same time, we will strengthen our earnings through optimization of prices, production, logistics and capacity utilization.

	OFFSET	FLEXO
Products	CtP and iCtP processors that prepare offset plates for traditional 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 customers groups	Media industry – production and newspapers, magazines books, etc.	Packaging industry.
Share of revenue	Approx. 50%	Approx. 50%
Sales channels	Through large customers as Agfa, Fuji, Heidelberg, Kodak and Cron as well as own sales.	Through large customers as Asahi, DuPont, Flint, Kodak and MacDermid as well as own sales.
Markets	Global.	Global
Main market drivers	Develop and supply new, innovative products and conceptual 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 environmental solutions that minimize resource consumption and waste water.

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

CONSOLIDATED AND PARENT COMPANY FINANCIAL 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, 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 2018/19

The financial year in 2018/19 is from April 1st, 2018 to March 31st, 2019 hence covering a period of 12 months. The comparison figures in the financial year 2017/18 are from June 1st 2017 to March 31st, 2018 hence covering a 10 months period only. The reader should be cautious in comparing 2018/19 to 2017/18 without this knowledge of the difference in number of months.

- Revenue in Glunz & Jensen Holding A/S came to DKK 227,5 million in 2018/19, compared to DKK 220,0 million in 2017/18 equal to a 3,4% increase in revenue in 2018/19. Offset revenue decreased by -9,6% (2017/18: -22,2%), while flexo revenue increased by 24,6% (2017/18: -3,7%).

- Gross profit before non-recurring costs totaled DKK 50,5 million (2017/18: DKK 63,3 million), equal to a gross profit margin of 22,2% (2017/18: 28,8%).

- Gross profit after non-recurring costs totaled DKK 43,8 million (2017/18: DKK 62,8 million), equal to a gross profit margin of 19,2% (2017/18: 28,5%).

- 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 16,4 million (2017/18: DKK 26,0 million).

- Profit 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 – the EBITDA was DKK 8,5 million (2017/18: DKK 26,8 million). The DKK 8,5 million EBITDA includes the fair value loss on investment properties at DKK -0,6 million (2017/18: DKK -0,1 million). The remaining difference in 2018/19 between the “before” and “after” EBITDA of approx. DKK 7,9 million mainly relates to production footprint costs and inventory adjustments and severance cost. The 2017/18 difference of DKK 0,9 million mainly relates to reversed provisions related to mainly severance cost.

- Loss for the year totaled DKK -6,9 million (2017/18: Profit of DKK 9,9 million), equal to a loss in earnings per share (EPS) of DKK -3,8 in 2018/19 (2017/18: Profit of DKK 6,0 per share).

- Net cash flows from operating activities came at DKK 10,6 million (2017/18: DKK 16,7 million), net investments were DKK 3,6 million (2017/18: DKK 2,5 million) and cash flow from financing was DKK -10,3 million due to repaying of mortgages to Nykredit and Nordea - and reduction of credit lines at Nordea (2017/18: DKK -12,3 million). The free cash flow was DKK 6,9 million (2017/18: DKK 14,1 million).

- The Board of Directors recommends that no dividend be distributed for 2018/19.

The 2018/19 revenue level and the 2018/19 level for EBITDA before non-recurring items and fair value adjustment on property value for Glunz & Jensen Holding A/S was in line with the guidance to the market on February 6th, 2019 which guided the revenue at the level of DKK 228 million and the EBITDA before non-recurring items and fair value adjustment on property value at the level of DKK 16 million.

GLUNZ & JENSEN

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

For easy reference please find below income statement which present the income statement before and after non-recurring items for 2018/19 (12 months) and 2017/18 (10 months).

	Group (12 months) **2018/19**			**Group** (10 months) **2017/18**		
April 1st/June 1st - March 31st (DKK '000)	Before non-recurring	Non-recurring	Total	Before non-recurring	Non-recurring	Total
Revenue	227.462	-	227.462	220.019	-	220.019
Production costs	(176.988)	(6.694)	(183.682)	(156.727)	(511)	(157.238)
Gross margin	50.474	(6.694)	43.780	63.292	(511)	62.781
Other operating income	120	-	120	113	-	113
Sales and distribution costs	(26.132)	(828)	(26.960)	(20.855)	2.111	(18.744)
Development costs	(7.137)	-	(7.137)	(8.738)	-	(8.738)
Administrative expenses	(12.823)	140	(12.683)	(16.347)	(629)	(16.976)
Other operating expenses	-	-	-	(141)	-	(141)
Fair value adjustments on investment properties	-	(559)	(559)	-	(118)	(118)
Operating profit/(loss)	4.502	(7.941)	(3.439)	17.324	853	18.177
Profit/(loss) after tax in associates	(760)	-	(760)	65	-	65
Financial income	755	-	755	346	-	346
Financial expenses	(5.131)	-	(5.131)	(4.890)	-	(4.890)
Profit/(loss) before tax	(634)	(7.941)	(8.575)	12.845	853	13.698
Income taxes	131	1.545	1.676	(3.592)	(187)	(3.779)
Profit/(loss) for the year	(503)	(6.396)	(6.899)	9.253	666	9.919
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	16.408	(7.941)	8.467	25.954	853	26.807

GLUNZ & JENSEN HOLDING A/S' LOCATIONS

GLUNZ & JENSEN

FINANCIAL HIGHLIGHTS

In millions, except per share data	DKK 12 months 2014/15	DKK 12 months 2015/16	DKK 12 months 2016/17	DKK 10 months 2017/18	DKK 12 months 2018/19	EUR 12 months 2018/19[1)]
Key figures						
Income statement						
Revenue	311,8	293,2	263,8	220,0	227,5	30,5
Gross profit	66,8	58,7	31,6	62,8	43,8	5,9
Operating profit/(loss) (EBITA)	(1,5)	(6,2)	(59,1)	18,2	(3,4)	(0,5)
Net financials	(1,2)	(2,7)	(7,9)	(4,5)	(4,4)	(0,6)
Profit/(loss) for the year	(2,7)	(8,9)	(61,0)	9,9	(6,9)	(0,9)
Profit/loss before non-recurring items, financial income and expenses, tax, depreciation, amortization and impairment of assets (EBITDA before non-recurring items)	20,3	10,2	15,3	26,0	16,4	2,2
Profit/loss before financial income and expenses, tax, depreciation, amortization and impairment of assets (EBITDA)	20,3	10,2	(11,6)	26,8	8,5	1,1
Balance sheet						
Assets						
Goodwill	11,8	11,8	-	-	-	-
Completed development projects	28,7	25,6	16,8	17,2	11,4	1,5
Other intangible assets	20,1	17,1	3,7	-	-	-
Other non-current assets	146,7	163,8	155,0	155,0	146,6	19,6
Current assets	139,7	122,4	93,0	106,7	81,6	11,0
Total assets	347,0	340,7	268,5	278,9	239,6	32,1
Liabilities						
Share capital	130,7	134,5	75,5	92,2	86,8	11,6
Non-current liabilities	105,8	101,1	81,4	81,1	80,2	10,8
Current liabilities	110,5	105,1	111,6	105,6	72,6	9,7
Total Equity and liabilities	347,0	340,7	268,5	278,9	239,6	32,1
Cash flows						
Cash flows from operating activities	19,7	10,5	7,5	16,7	10,6	1,4
Cash flows from investing activities[2)]	(10,9)	(7,9)	(5,3)	(2,5)	(3,6)	(0,5)
Cash flows from financing activities	(11,0)	(2,6)	(2,3)	(12,4)	(10,3)	(1,4)
Change in cash and cash equivalents for the year	(2,2)	0,0	(0,1)	1,8	(3,3)	(0,5)
[2)] including investments in property, plant and equipment	(5,1)	(3,6)	(1,5)	(2,2)	(3,2)	(0,4)
Financial ratios in %						
Operating margin (EBITA)	(0,5)	(2,1)	(22,4)	8,3	(1,3)	(1,5)
EBITDA margin	6,5	3,5	(4,4)	12,2	3,7	3,7
Return on assets (ROIC)	(0,4)	(1,9)	(19,6)	6,8	(1,3)	(1,3)
Return on equity (ROE)	(2,1)	(6,7)	(63,1)	11,8	(7,7)	(7,7)
Equity ratio	37,7	39,5	28,1	33,1	36,2	36,2
Other information						
Net interest-bearing debt	116,4	113,9	111,2	90,2	84,1	11,3
Interest coverage (EBITA)	(0,5)	(2,2)	(17,7)	7,3	(1,6)	(1,6)
Earnings per share (EPS)	(1,7)	(5,5)	(37,8)	6,0	(3,8)	(0,5)
Diluted earnings per share (EPS-D)	(1,7)	(5,5)	(37,6)	5,4	(3,8)	(0,5)
Cash flow per share (CFPS)	12,2	6,5	4,6	9,9	5,8	0,8
Book value per share (BVPS)	81,0	83,4	45,6	50,6	47,7	6,4
Share price (KI)	50	51	52	73	44	6
Average number of shares outstanding (in thousands)	1.613	1.613	1.615	1.664	1.821	1.821
Dividend per share	0,0	0,0	0,0	0,0	0,0	0,0
Average number of employees	232	238	225	195	171	171

For definitions of financial ratios, see page 61. 1) The DKK/EUR exchange rate applied is 7,465.
Numbers for 2014/15 - 2017/18 have not been adjusted to reflect new accounting policies, IFRS 9 and IFRS 15, adopted April 1st, 2018. Furthermore, the measurement of investment properties were changed from cost to fair value in 2015/16.

BUSINESS AND FINANCIAL REVIEW

Turnaround, Change4Success

The implementation of Change4Success was initiated in January 2017, continued in 2017/18 and into 2018/19. The Change4Success plan consisted of operational consolidations, price adjustments and organizational adjustments.

As the flexo market is still competitive and with the decreasing sales in the offset market, the Board of Directors was presented with phase two of Change4Success at the Board of Directors meeting on March 28th, 2019.

The phase two includes further operational consolidations, additional focus on the sales, new products addressing growth segments in the market and organizational adjustments.

The Board of Director's approved phase two of C4S to be implemented partly in 2019/20 and fully in 2020/21. It is estimated that phase two will add DKK 13 million in annual EBITDA to the group when fully implemented.

Competitive offset market

Glunz & Jensen's Management estimates that the market volume remains unchanged with app. 600 millions square meter of plates are being used annually world-wide. The supply side is affected with more competition from Chinese manufacturers.

Competitive flexo market

Competition in the flexo market remained tough in 2018/19. Sales increased by 4,0% in 2018/19 compared to the period April 1st, 2017 to March 31st, 2018 which is estimated in line with overall market development. As previously communicated to the market during 2018/19, we have experienced start-up challenges during 2018/19 at our new flexo center in Nyborg (DK). Management estimates that the market volume continues to grow at 6-8% annually.

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.

Glunz & Jensen's ambition is to develop and produce competitive solutions at a gross profit that will contribute to sustainable profitability.

After sales services

The rollout of after sales service has been slower than expected in the fiscal year due to the focus on C4S.

Focus on efficiency and consolidation of production

To enhance efficiency and optimize capacity utilization, Glunz & Jensen has consolidated at fewer locations. By March 2018, the production in Glunz & Jensen s.r.l. (Italy) was transferred to the new site in Nyborg. The former Glunz & Jensen Microflex A/S organization started the move from Ringe to Nyborg in March 2018 and the move was finalized by June 2018. Most of the organization in Ringsted started moving to Nyborg in March 2018 and the move was completed by June 2018. Manufacturing sites have thereby been reduced from four to two being in Presov and Nyborg.

Fully rented 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. All properties are on long-term leases. Rental income was moderately higher during the year due to a new lessee at the previous headquarter from end of 2017 and due to general rent regulations.

Changes in the legal structure

The entities Wolly s.r.l. (Italy), Glunz & Jensen Ltd. (China) and Glunz & Jensen Ltd. (UK) were liquidated during 2018/19.

The legal changes were a part of the Change4Success turnaround plan.

OPTIMISATION OF THE VALUE CHAIN

Glunz & Jensen is one of the leading suppliers of innovative high-quality solutions for the global prepress industry. The Group develops, manufactures, sells and services processors for preparing printing plates for offset and flexo printing and delivers exposure, drying and lighting devices, assembly tables, plate counters and software for monitoring as well as complete prepress processes.

The product range is marketed through a global network of distributors and dealers and is sold to international OEM customers such as Agfa, Asahi, DuPont, Flint, Fuji, Heidelberg, Kodak, and MacDermid, the world's largest printing plate suppliers.

Focus on satisfactory profitability

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

Glunz & Jensen is committed to improving competitiveness and strengthening customer loyalty to ensure long-term profitability. Glunz & Jensen's strategy is based on four key themes:

1. Strengthening gross profit

Glunz & Jensen will strengthen gross and operating earnings through focus on equipment adding value to customer, product simplification and continued efficiency enhancements.

Price adjustments are being phased in on both offset and flexo products, and work is being done to reduce rebating to achieve the right price at the right quality.

The supply chain is being optimized by reducing the number of suppliers to achieve better terms, closer integration, reduction in inventories, thereby enhancing production efficiency. The Group is also working to reduce number of product families and implement modular production, which will reduce the number of components and exploit the opportunities for economies of scale. Finally, Glunz & Jensen has consolidated the offset production at the plant in Slovakia. Optimizing the supply chain will strengthen competitiveness by ensuring shorter delivery time and greater flexibility vis-à-vis our customers.

Production and other technical and administrative functions are streamlined on an ongoing basis, and capacity costs will also be adjusted to the future level of activity to ensure profitability.

2. Developing the leading position in the flexo market through the development and launch of innovative products

Glunz & Jensen is one of the largest providers and the customers' preferred supplier and development partner of flexo equipment for the packaging industry. The market 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.

New solutions are developed in close collaboration with customers and end users, with focus on print quality, environmental impact and print shop efficiency/automation.

3. Leading the market for offset prepress equipment

Offset is Glunz & Jensen's original business area where the main activity is the sale of CtP processors, which develop and prepare aluminum offset plates for printing newspapers, inserts, magazines, books, information, and promotional material.

Our focus is on reducing production costs through an efficient production setup for our customers, development of products better fit for market requirements combined with less environmental impact and energy consumption.

4. Growing the after-market business

Glunz & Jensen's after-market business includes sales of spare parts, installation, repair and preventive maintenance of hardware.

The management is expecting considerable revenue growth during the next years at approximately 25%.

After-market business includes both the offset and the flexo business. In addition to helping increase earnings, it strengthens the relationship with customers and provides valuable feedback and dialogue with the daily users.

Objective of strengthening long-term earnings capacity

Glunz & Jensen will selectively launch new products and solutions to satisfy customer and end users demands, maintain a leading market position, and strengthen profitability.

However, the EBITDA margin deteriorated in 2018/19 due to operational difficulties in the flexo segment. With the ongoing optimization throughout the value chain the management is targeting an EBITDA of 11% in 2019/20 and above 13% in 2020/21 before non-recurring items and before fair value adjustment on investment property.

OUTLOOK

For fiscal 2019/20, the Group revenue is expected to be at the DKK 225 million level, while operating profit (EBITDA) – excluding non-recurring items and fair value adjustments on investment properties – is expected at the DKK 25 million level as a result of the ongoing turnaround plan that continues in 2019/20 and in 2020/21.

Management estimates that Change4Success phase two will add DKK 13 million in annual EBITDA to the group when fully implemented.

It is the Company's intention to use the free cash flow to the greatest possible benefit to 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 will stabilize

The financial year in 2018/19 is from April 1st, 2018 to March 31st, 2019 hence covering a period of 12 months. The comparison figures in the financial year 2017/18 are from June 1st 2017 to March 31st, 2018 hence covering a 10 months period only. The reader should be cautious in comparing 2018/19 to 2017/18 without this knowledge of the difference in number of months.

The Group's revenue totaled DKK 227,5 million in 2018/19 (2017/18: DKK 220,0 million), corresponding to an increase in revenue of 3,4%. Revenue is in line with the latest announced expectations to revenue at the level of DKK 228 million.

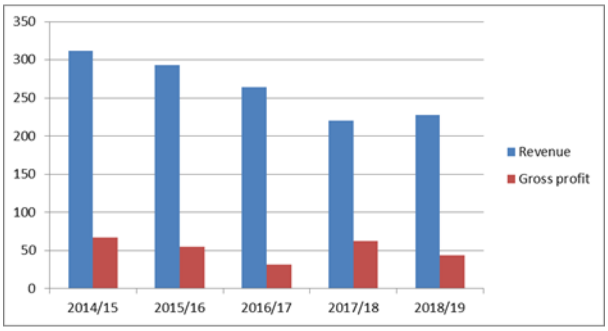

Figure #1: Revenue (DKKm), fiscal years, note 2017/18 at only 10 months

Revenue in offset decreased by 9,6%, flexo revenue increased by 24,6% and property by 30,2%. See figure #2.

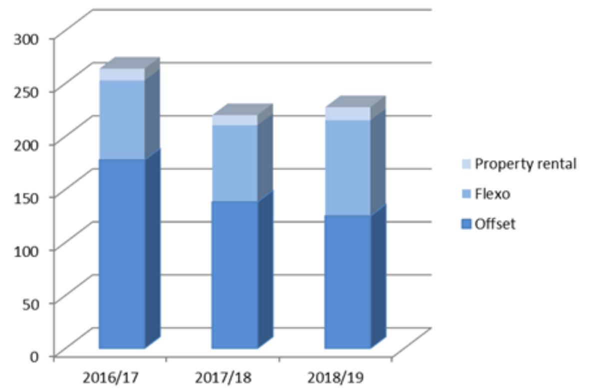

Figure #2: Revenue (million DKK) by product, fiscal years, note 2017/18 at only 10 months

New business for flexo

Glunz & Jensen is planning to launch a new thermal flexo processor, the Flexpro and the exposure Flexpose, in part during 2018/19 and fully during 2019/20.

Selandia Park

Rental income in Selandia Park A/S increased to DKK 12,5 million (2017/18: DKK 9,6 million), excluding rental income from Glunz & Jensen. All premises are fully leased.

Gross profit improvement

Gross profit before non-recurring items for 2018/19 totaled DKK 50,5 million (2017/18: DKK 63,3 million), corresponding to a gross margin of 22,2% against 2017/18 of 28,8%. Gross profit after non-recurring items was 19,2% in 2018/19 and 28,5% in 2017/18. See figure #3

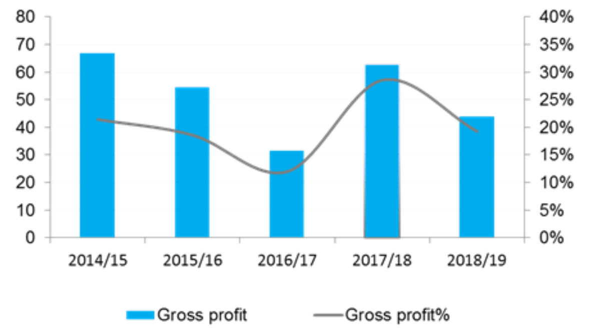

Figure #3: Gross profit and gross profit margin for the fiscal years after non-recurring cost

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

EBITDA impacted by a difficult year

Earnings before interest, tax, and depreciation and amortization (EBITDA) totaled DKK 8,5 million, (2017/18: DKK 26,8 million) <u>including</u> non-recurring items and <u>including</u> fair value adjustments on investment properties, corresponding to an EBITDA margin of 3,7% (2017/18: 12,2%). See figure #4.

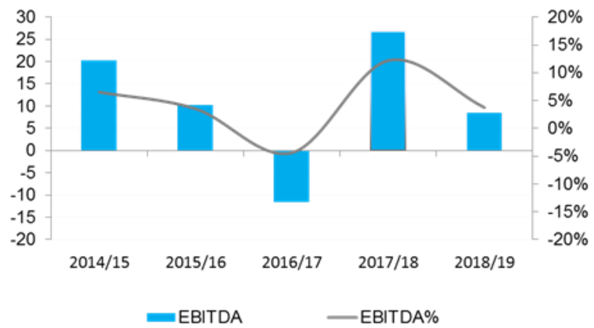

Figure #4: EBITDA/EBITDA margin after non-recurring items, all shown in fiscal years

Earnings before interest, tax, and depreciation and amortization (EBITDA) totaled DKK 16,4 million, (2017/18: DKK 26,0 million) excluding non-recurring items and excluding fair value adjustments on investment properties, corresponding to an EBITDA margin of 7,2% (2017/18: 11,8%). See figure #5.

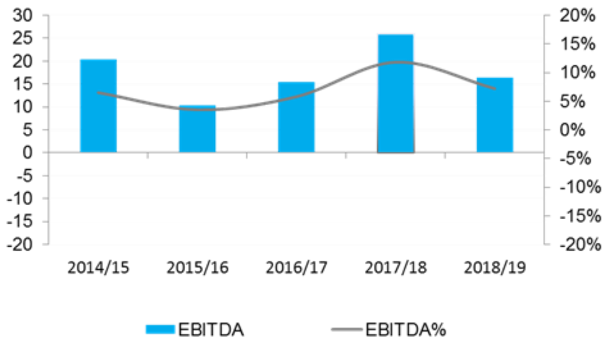

Figure #5: EBITDA/EBITDA margin before non-recurring items and before fair value adjustments on properties, all shown in fiscal years

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 C4S plan. Management expects to regain an EBITDA margin at 11% to 13% within the next to 1 to 2 years.

The difference between EBITDA before and after non-recurring is explained as follows; EBITDA was affected by non-recurring items (cost) of DKK 7,3 million and by fair value adjustments in properties (cost) at DKK 0,6 million in 2018/19 - mainly related to consolidation of flexo in Nyborg.

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.

Operating profit (EBITA) for the financial year 2018/19 represents a loss of DKK 3,4 million against a profit of DKK 18,2 million in 2017/18.

The Group's net financial expenses in 2018/19 totaled DKK 4,4 million (2017/18: DKK 4,5 million).

Financial income in 2018/19 amounted to DKK 0,8 million against DKK 0,3 million in 2017/18, while financial expenses amounted to DKK 5,1 million against DKK 4,9 million in 2017/18. The 2018/19 financial expenses include 1,2 MDKK in cost related to Selandia Park A/S's change of the long-term financing from Nykredit to Nordea.

Un-satisfactory results of operations

The Company reported a loss before tax of DKK 8,6 million in 2018/19, against a profit of DKK 13,7 million in 2017/18.

The Group recognized tax profit of DKK 1,7 million in 2018/19 against expenses of DKK 3,8 million in 2017/18. Profit for the year after tax was a loss of DKK 6,9 million (2017/18: a profit of DKK 9,9 million), corresponding to earnings per share (EPS) of DKK -3,8 (2017/18: DKK 6,0). The financial performance is considered un-satisfactory by the Executive Management and the Board of Directors.

Balance sheet

Reduction in tied-up capital on working capital

The Group's assets totaled DKK 239,6 million at March 31st, 2019 against DKK 278,9 million the year before.

Non-current assets were reduced by DKK 7,9 million primarily as a result of a depreciation of development projects.

Inventories were decreased from DKK 50,5 million last year to DKK 38,9 million. Partly due to the continuous adjustment and optimizing of the inventory – and the liquidation of the inventory in the Italian subsidiary. The number of day sales of inventory (DSI) decreased from 149 days in 2017/18 days to 134 days in 2018/19.

Trade receivables decreased by DKK 5,6 million to DKK 35,5 million. The number of day sales outstanding (DSO) are 61 compared to 57 in 2017/18.

Equity came at DKK 86,8 million, corresponding to a solvency ratio of 36,2%, compared to 33,1% the year before. The Board of Directors recommends to the Annual General Meeting that no dividend payment be distributed for fiscal 2018/19.

Interest-bearing debt totaled DKK 85,7 million at the end of 2018/19 (2017/18: DKK 95,0 million), of which DKK 67,2 million (2017/18: DKK 60,5 million) are long-term liabilities and DKK 18,5 million (2017/18: DKK 34,5 million) are current liabilities. Net interest-bearing debt was reduced by DKK 6,1 million during fiscal 2018/19 to DKK 84,1 million.

Cash flow and liquidity

Positive cash flow maintained

Cash flow from operating activities amounted to DKK 10,6 million in 2018/19 DKK (2017/18: DKK 16,7 million), due to the operating profit but primarily due to DKK 11,9 million positively changes in inventory and DKK 9,9 million positively change in receivables however reduced by trade payables and other payables contributed negatively by DKK -10,2 million in 2018/19.

Cash flow from investing activities was negative by DKK -3,6 million in 2018/19 (2017/18: DKK -2,5 million). Investments in intangible assets and property, plant and equipment amounted to DKK 3,9 million (2017/18: DKK 2,8 million).

The free cash flow thus amounted to DKK 6,9 million in 2018/19 (2017/18: DKK 14,1 million).

Satisfactory capital resources

At the end of fiscal 2018/19, the Group's total available credit facilities amounted to DKK 115,1 million compared to DKK 119,6 million at the end of 2017/18. DKK 85,7 million was utilized at the end of 2018/19 against DKK 95,0 million the year before.

Liquidity reserves totaled DKK 29,4 million by March 31st, 2019 (2017/18: DKK 24,6 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 and signed by the Company in June 3rd, 2019 as planned. Please refer to note 26 regarding covenants.

The Parent Company

The Parent Company's revenue totaled DKK 8,4 million in fiscal 2018/19 (2017/18: DKK 7,0 million).

Profit after tax in subsidiaries totaled a loss of DKK -7,1 million in fiscal 2018/19 (2017/18: a profit of DKK 11,1 million).

The Parent Company's profit after tax totaled a loss of DKK -6,9 million in 2018/19 against a profit of DKK 9,9 million in 2017/18.

The Parent Company's total assets amounted to DKK 89,2 million at March 31st, 2019 (2017/18: DKK 95,8 million).

EVENTS AFTER THE BALANCE SHEET DATE

No events have occurred since March 31st, 2019 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 4-8 weeks, which is market-based. 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 57% of total revenue. No customer accounts for more than 20% 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 patent-protected, 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 thermally-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.

Acquisitions are associated with risks. There is always uncertainty as to whether, after having been integrated into the Group, acquired companies will be able to realize the results expected at the time of acquisition.

For financial risks, please refer to note 26.

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, 2018 – March 31st, 2019. 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 2019/20.
- The members of the Board of Directors elected by the company in general meeting are elected for a period of two years. The Board of Directors previously assessed that this ensures better continuity on the Board than when all members are up for election each year. However, at the 2019 Annual General meeting it will be proposed to reduce the election period for board members to one year.
- Glunz & Jensen has no Board committees except for a remuneration committee, 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 a whole assumes the responsibilities of the committees.
- The annual report discloses only information about the total remuneration for the total Board of Directors and for each individual of the Executive Board. Individual remuneration of Board members 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.
- Glunz & Jensen has not established a whistleblower scheme yet. A whistle-blower scheme will be established during 2019/20.

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.

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 six members at the end of the fiscal year 2018/19, 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 23.

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 2018/19, eight 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 2018/19, directors' fees amounted to DKK 800.000, 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.

In fiscal 2017/18 the annual fee was reduced as the duration between the Annual General Meeting in 2017 and the Annual General Meeting in 2018 was close to 9 months only. The directors' fees amounted to DKK 605.000, including DKK 192.361 to the Chairman, DKK 115.417 to the Vice-Chairman and DKK 76.944 to every other member. DKK 54.722 was related to a retiring member of the Board of Directors and DKK 11.667 relates to a newly elected Board of Director from the employee side. Members of the Board of Directors were not subject to bonus schemes, but were subject to a 4-year warrant program, which was approved at the general meeting of shareholders on March 8th, 2017 and which entailed the advancement of warrants' earnings and utilization dates in accordance with the existing warrant program due to the takeover bid by Heliograph Holding GmbH which was announced February 21st, 2018. The utilization of the warrant program was announced on March 14th, 2018 and completed on March 20th, 2018.

The remuneration of the Executive Management is determined by the Board of Directors. In 2018/19, members of the Executive Management received a basic salary, including usual benefits such as free 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. The total remuneration paid to the Executive Management amounted to DKK 3,9 million in 2018/19.

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 2018/19 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

A statutory CSR statement, according to section 99a of the Danish Financial Statements Act, is part of the Management's review.

Social responsibility (CSR)

The Glunz & Jensen Group does not have an explicit, written social responsibility policy in place, for instance related to climate and environment impact and human rights, but adopts 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, but we do not have a specific policy that describes "respect for human rights" and "reduction of climate impacts".

Glunz & Jensen is committed to preserve and protect the environment and will work actively on reducing negative impact on the environment.

There are guidelines in the Group that determine that focus is initially on the employees, the environment and the education of young people.

As the Group does not have a structured action program and follow-up on results, it is not possible to give an account of specific results of the activities undertaken. Management continually assesses which concrete actions can be best implemented in the chosen focus areas.

Employees

All employees attend an annual employee development interview.

The Group has established safety committees in all locations and offers first aid courses to staff members and ongoing maintenance of these. The number of serious employee accidents was 1 in 2018/19. The Group has identified material risks as the potential for work related accidents.

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.

Environment

The Group focuses on environmental 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.

In addition, there is generally focus on energy consumption. Within the Group as well as between customers and suppliers, telephone and video conferences are widely used, which reduces the need for air travel, which, in addition to the environmental consequences, also offers financial benefits.

As part of the prepress industry, Glunz & Jensen places 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 are incorporated in new products from Glunz & Jensen, and, on demand, products are offered with water-saving solutions.

The Glunz & Jensen Group does not have an explicit, written policy in place, for instance related to environment issues because it has been assessed that here is minimal negative impact on environment issues in relation to the Group’s business activities.

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.

Diversity

The gender diversity statement for fiscal 2018/19 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 within 1 to 3 years. Currently, the Board of Directors consists of four 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 2 out of 13 at March 31st, 2019, corresponding to 15%. 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.

Climate

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

Anticorruption

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

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 44,00 against DKK 73,00 at the beginning of the year. The market value of the share capital amounted to DKK 80 million on March 31st, 2019.

In 2018/19, a total of 495.689 (2017/18: 687.864) shares were traded at a total market value of DKK 30,3 million (2017/18: DKK 41,6 million).

Share capital and voting rights

The share capital in Glunz & Jensen amounted to nominally DKK 36,4 million on March 31st, 2019. 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 2018/19 or 2017/18.

Ownership

At the end of the fiscal year, Glunz & Jensen had 766 (2017/18: 816) registered shareholders holding 93,1% (2017/18: 64,4%) 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 2018/19, and the Company's profit for the year will be transferred to next year.

Share price development since March 31st, 2016

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

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Phone:	+45 2139 0532
E-mail:	hbf@glunz-jensen.com

Carsten Knudsen, Chairman of the Board of Directors

Phone:	+45 2146 4236
E-mail:	carsten@carstenknudsen.com

Annual general meeting

The Company's Annual General Meeting will be held on Thursday, June 25th, 2019 at 15:00 PM at the Company's registered address, Lindholm Havnevej 29, DK-5800 Nyborg.

Shareholders on June 3rd, 2019

	Ownership interest (%)
Heliograph Holding GmbH, Konrad-Zuse-Bogen 18, 82152 Krailling, Germany	33,39
Strategic Investments A/S	6,61
MH Invest ApS	5,67
Notified according to the section 38 of the Danish Securities Trading Act *)	45,67
All other shareholders	54,33
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.

Share-related key figures and financial ratios

	2014/15	2015/16	2016/17	2017/18	2018/19
Average number of shares outstanding (in thousands)	1.613	1.613	1.615	1.666	1.821
Earnings per share (EPS), %	(1,7)	(5,5)	(37,8)	6,0	(3,8)
Diluted earnings per share (EPS-D), %	(1,7)	(5,5)	(37,6)	5,4	(3,8)
Cash flow per share (CFPS), %	12,2	6,5	4,6	9,9	5,8
Book value per share (BVPS), %	81,0	83,4	45,6	50,6	47,7
Share price per share	50	51	52	73	44
Share price /book value	0,6	0,6	1,1	1,4	0,9
Market value of average number of shares (DKKm)	81	82	85	133	80
Dividend per share	-	-	-	-	-
Pay-out ratio, %	-	-	-	-	-

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

Board of Directors

Carsten Knudsen (1961)

CEO in Søgaarden-Sjælsø ApS.
Chairman of the Board of Directors.
Member of the Board of Directors of Glunz & Jensen Holding A/S since 2015. Up 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, Black Bidco ApS, Tresu A/S and in Dane Topco ApS Member of Board of Directors of Stibo Fonden, Languagewire A/S and Lyngsoe Systems A/S.

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

Michael Hove (1971)

CEO and owner of MH Investment ApS.
Member of the Board of Directors of Glunz & Jensen Holding A/S since 2016. Up for re-election in 2020. Regarded as independent.

Owner and Chairman of the Board of Directors of SalesPartners TM. Chairman in DLH A/S, Rovsing A/S, Antique 89 A/S and owner and managing partner of SalesPartners A/S. Co-Owner and board member in LeadManager ApS and HireXN Aps.

Competences: Many years of experience as executive coach for CEO and board of directors and independent investor primarily as private equity investor in startup and listed small cap companies. Specialty in turnaround and creating growth for small cap companies.

Rolf Pfiffner (1969)

CEO at Daetwyler Graphics AG.
Member of the Board of Directors of Glunz & Jensen Holding A/S since 2017. Elected in 2017 for a 2 year period and is up for election in 2019. 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.

Flemming N. Enevoldsen (1961)

CEO & Non-Executive Director.
Vice-Chairman of the Board of Directors.
Member of the Board of Directors of Glunz & Jensen Holding A/S since 2017. Elected in 2017 for a 2 year period and is up for election in 2019. Regarded as independent.

Chairman of the Board of Directors in: Insepa A/S, Espersen A/S, Port of Esbjerg, NorviGroup Holding A/S, Head Energy Danmark A/S, Head Energy A/S (Norway), Business Esbjerg, Delpro Wind A/S Suztain A/S and ABL Food A/S.

Member of the Board of Directors in Green Genius 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.

Stig Nedergaard (1988)*

Mechanical Engineer
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

Henrik Blegvad Funk (1964)

CEO of Glunz & Jensen Holdings A/S since March 1st, 2019 and CFO of Glunz & Jensen Holding A/S since April 1st, 2016.

The Board of Directors participated in all of the Board of Director meetings during 2018/19, except on the June 28th, 2018 meeting where Michael Hove was unable to participate.

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

No. of shares	2018/19	2017/18
Carsten Knudsen (Søgaarden-Sjælsø ApS)	52.157	52.157
Michael Hove (MH Invest ApS)	103.258	103.258
Rolf Pfiffner	0	0
Flemming N. Enevoldsen	3.807	2.907
Stig Nedergaard	0	0
Kristian Kvistgaard	0	0
Henrik Blegvad Funk	16.969	27.370

GROUP COMPANIES

Glunz & Jensen Holding A/S

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

Glunz & Jensen A/S

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Glunz & Jensen S.r.l.

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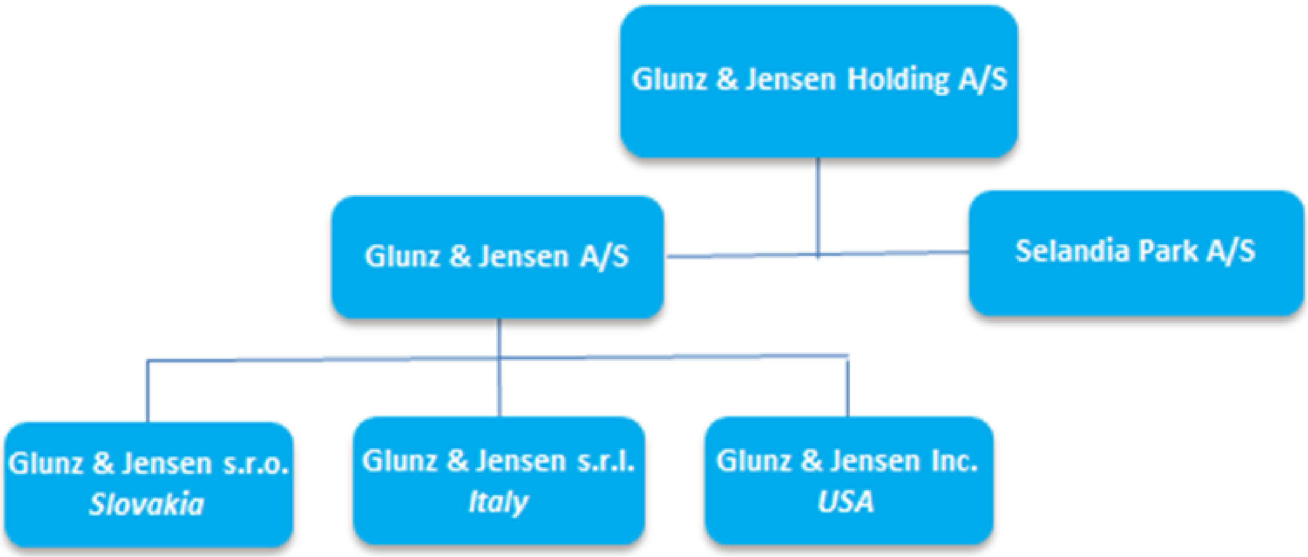
20090 Cesano Boscone (MI)
Italy
Tel. +39 02 90090164
jdu@glunz-jensen.com

Legal structure



MANAGEMENT'S REVIEW

The Board of Directors and the Executive Management have today's date considered and approved the annual report for 2018/19 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, 2019 and of the results of the Group's and the Company's activities and cash flows for the fiscal year April 1st, 2018 - March 31st, 2019.

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 3rd, 2019

Executive Management

Henrik Blegvad Funk
CEO

Board of Directors

Carsten Knudsen
Chairman

Flemming N. Enevoldsen
Vice Chairman

Rolf Pfiffner

Michael Hove Flemming N. Enevoldsen

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 1 April 2018 – 31 March 2019, 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 31 March 2019 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 April 2018 – 31 March 2019 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 24 years up to and including the financial year 2018/19.

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 2018/19. 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.

Valuation of investment property
Investment properties represents a significant part of the total assets (37%) of the Group and is valuated at fair value for an amount of DKK 90,724 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 38,913 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 31 March 2019. 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 3rd, 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Peter Gath
State Authorized
Public Accountant
mne19718

Søren Smedegaard Hvid
State Authorized
Public Accountant
mne31450

INCOME STATEMENT

Note	April 1st / June 1st- March 31st (DKK '000)	Group 2018/19 12 months	Group 2017/18 10 months	Parent Company 2018/19 12 months	Parent Company 2017/18 10 months
2	**Revenue**	227.462	220.019	8.420	7.040
3,4,6	Production costs	(183.682)	(157.238)	-	-
	Gross margin	43.780	62.781	8.420	7.040
7	Other operating income	120	113	-	-
4,6	Sales and distribution costs	(26.960)	(18.744)	-	-
4,6	Development costs	(7.137)	(8.738)	-	-
4,6	Administrative expenses	(12.683)	(16.976)	(8.139)	(8.652)
7	Other operating expenses	-	(141)	-	-
13	Fair value adjustments on investment properties	(559)	(118)	-	-
	Operating profit/(loss)	(3.439)	18.177	281	(1.612)
14	Profit/(loss) after tax in subsidiaries	-	-	(7.062)	11.127
	Profit/(loss) after tax in associates	(760)	65	-	-
8	Financial income	755	346	-	1
8	Financial expenses	(5.131)	(4.890)	(34)	(2)
	Profit/(loss) before tax	(8.575)	13.698	(6.815)	9.514
9	Income taxes	1.676	(3.779)	(84)	405
	Profit/(loss) for the year	(6.899)	9.919	(6.899)	9.919
	Attributable to:				
	Equity holders of Glunz & Jensen Holding A/S	(6.899)	9.919		
	Total	(6.899)	9.919		
	Proposed appropriation of the profit/(loss) for the year:				
	Retained earnings			(6.899)	9.919
	Total			(6.899)	9.919
	Earnings per share				
10	Basic earnings per share (DKK)	(3,8)	6,0		
10	Diluted earnings per share (DKK)	(3,8)	5,4		

STATEMENT OF COMPREHENSIVE INCOME

Note	April 1st / June 1st - March 31st (DKK '000)	Group 2018/19 12 months	Group 2017/18 10 months	Parent Company 2018/19 12 months	Parent Company 2017/18 10 months
	Profit/(loss) for the year	(6.899)	9.919	(6.899)	9.919
	Other comprehensive income:				
	Items that may be reclassified to the income statement:				
	Other comprehensive income after tax in associates	26	(16)	-	-
	Exchange rate adjustments of investments in subsidiaries	1.010	(971)	1.036	(987)
	Value adjustment of hedging instruments:				
	Adjustments for the year	634	597	634	597
	Value adjustments reclassified to financial expenses	(35)	(162)	(35)	(162)
	Tax on value adjustment of hedging instrument	(131)	(205)	(131)	(205)
	Total other comprehensive income	1.504	(757)	1.504	(757)
	Total comprehensive income	(5.395)	9.162	(5.395)	9.162
	Attributable to:				
	Equity holders of Glunz & Jensen Holding A/S	(5.395)	9.162		
	Total comprehensive income	(5.395)	9.162		

GLUNZ & JENSEN

BALANCE SHEET

Note	March 31st (DKK '000)	Group 2018/19	Group 2017/18	Parent Company 2018/19	Parent Company 2017/18
	ASSETS				
	Non-current assets				
11	**Intangible assets**				
	Completed development projects	11.404	17.189	-	-
		11.404	17.189	-	-
	Property, plant and equipment				
12	Property, plant and equipment	53.209	56.050	-	-
13	Investment properties	90.724	90.612	-	-
		143.933	146.662	-	-
	Other non-current assets				
14	Investments in subsidiaries	-	-	47.963	53.521
15	Investments in associates	183	1.090	-	-
16	Deferred tax	1.406	5.072	-	146
	Deposits	1.022	2.166	-	-
		2.611	8.328	47.963	53.667
	Total non-current assets	157.948	172.179	47.963	53.667
	Current assets				
17	Inventories	38.913	50.478	-	-
18	Trade receivables	35.541	41.178	-	-
	Receivables from subsidiaries	-	-	40.462	39.829
	Other receivables	2.833	6.000	-	-
	Income tax	406	2.124	134	1.964
	Prepayments	2.348	2.062	591	154
	Cash	1.594	4.829	33	159
	Total current assets	81.635	106.671	41.220	42.106
	TOTAL ASSETS	239.583	278.850	89.183	95.773

Note	March 31st (DKK '000)	Group 2018/19	Group 2017/18	Parent Company 2018/19	Parent Company 2017/18
	LIABILITIES				
19	**Equity**				
	Share capital	36.426	36.426	36.426	36.426
	Other reserves	4.751	3.247	4.751	3.247
	Retained earnings	45.641	52.540	45.641	52.540
	Total equity	86.818	92.213	86.818	92.213
	Non-current liabilities				
16	Deferred tax	6.603	12.288	72	-
20	Provisions	410	300	-	-
21	Credit institutions	67.183	60.542	-	-
23	Prepayments from customers	5.858	7.798	-	-
22	Other payables	153	113	-	-
	Total non-current liabilities	80.207	81.041	72	-
	Current liabilities				
21	Credit institutions	18.492	34.484	-	-
	Trade payables	27.232	32.138	528	697
	Income tax	47	9	-	-
20	Provisions	1.702	9.606	-	-
23	Prepayments from customers	10.786	9.389	-	-
22	Other payables	14.299	19.372	1.765	2.863
26	Derivative financial liabilities (fair value)	-	598	-	-
	Total current liabilities	72.558	105.596	2.293	3.560
	Total liabilities	152.765	186.637	2.365	3.560
	TOTAL EQUITY AND LIABILITIES	239.583	278.850	89.183	95.773

GLUNZ & JENSEN

STATEMENT OF CHANGES IN EQUITY

Group (DKK '000)	Share capital	Retained earnings	Hedging reserve	Treasury shares	Translation reserve	Total
Equity May 31st, 2017	33.200	38.800	(698)	(531)	4.702	75.473
Changes in equity 2017/18						
Profit/(loss) for the year	-	9.919	-	-	-	9.919
Other comprehensive income						
Other comprehensive income after tax in associates	-	-	-	-	(16)	(16)
Exchange rate adjustments of investments in subsidiaries	-	-	-	-	(971)	(971)
Value adjustment of hedging instruments:						
Net value adjustment of hedging instruments	-	-	597	-	-	597
Value adjustments reclassified to financial expenses	-	-	(162)	-	-	(162)
Tax on value adjustment of hedging instruments	-	-	(205)	-	-	(205)
Total other comprehensive income	-	-	230	-	(987)	(757)
Total comprehensive income for the year	-	9.919	230	-	(987)	9.162
Transactions with owners:						
Share capital increase, warrant program	3.226	3.473	-	-	-	6.699
Share-based payments, warrant program	-	571	-	-	-	571
Disposal of treasury shares	-	(223)	-	531	-	308
Total transactions with owners	3.226	3.821	-	531	-	7.578
Equity March 31st, 2018	36.426	52.540	(468)	-	3.715	92.213
Changes in equity 2018/19						
Profit/(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

Parent Company (DKK '000)	Share capital	Retained earnings	Hedging reserve	Treasury shares	Translation reserve	Total
Equity May 31st, 2017	33.200	38.800	(698)	(531)	4.702	75.473
Changes in equity 2017/18						
Profit/(loss) for the year	-	9.919	-	-	-	9.919
Other comprehensive income:						
Value adjustment of hedging instruments:						
Exchange rate adjustments of investments in subsidiaries	-	-	-	-	(987)	(987)
Net value adjustment of hedging instruments	-	-	597	-	-	597
Value adjustments reclassified to financial expenses	-	-	(162)	-	-	(162)
Tax on value adjustment of hedging instruments	-	-	(205)	-	-	(205)
Total other comprehensive income	-	-	230	-	(987)	(757)
Total comprehensive income for the year	-	9.919	230	-	(987)	9.162
Transactions with owners:						
Share capital increase, warrant program	3.226	3.473	-	-	-	6.699
Share-based payments, warrant program	-	571	-	-	-	571
Disposal of treasury shares	-	(223)	-	531	-	308
Total transactions with owners	3.226	3.821	-	531	-	7.578
Equity March 31st, 2018	36.426	52.540	(468)	-	3.715	92.213
Changes in equity 2018/19						
Profit/(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

STATEMENT OF CASH FLOWS

Note	April 1st / June 1st - March 31st (DKK '000)	Group 2018/19 12 months	Group 2017/18 10 months	Parent Company 2018/19 12 months	Parent Company 2017/18 10 months
	Operating activities				
	Profit/(loss) for the year	(6.899)	9.919	(6.899)	9.919
	Adjustment for non-cash items etc.:				
	Amortization, depreciation and impairment losses	11.906	8.630	-	-
	Gain and loss on sale of non-current assets	(66)	(2)	-	-
	Fair value gain on investment properties	559	248	-	-
	Profit/(loss) after tax in subsidiaries	-	-	7.062	(11.127)
	Profit/(loss) after tax in associates	760	(65)	-	-
	Other non-cash items, net	(133)	28	-	571
	Provisions	(7.798)	(4.164)	-	(507)
	Financial income	(755)	(346)	-	(1)
	Financial expenses	5.131	4.890	34	2
	Tax on operating profit	(1.676)	3.779	84	(405)
	Cash flows from operating activities before changes in working capital	1.029	22.917	281	(1.548)
	Changes in working capital:				
	Changes in inventories	11.926	(10.096)	-	-
	Changes in payable and receivables from subsidiaries	-	-	(633)	(4.501)
	Changes in receivables	9.867	(2.486)	(437)	(117)
	Changes in trade and other payables	(10.166)	10.276	(1.267)	(38)
	Changes in working capital	11.627	(2.306)	(2.337)	(4.656)
	Financial income paid	416	269	-	1
	Financial expenses paid	(3.896)	(4.516)	(34)	(2)
	Income taxes paid	1.385	291	1.964	(697)
	Net cash flows from operating activities	10.561	16.655	(126)	(6.902)
2, 11	Acquisition of intangible assets	-	(608)	-	-
2, 12	Acquisition of items of property, plant and equipment	(3.202)	(2.161)	-	-
13	Acquisition of investment properties	(671)	-	-	-
12	Sale of items of property, plant and equipment	70	231	-	-
	Dividends from associates	174	-	-	-
	Net cash flows from investing activities	(3.629)	(2.538)	-	-
	Free cash flow	6.932	14.117	(126)	(6.902)
19	Share capital increase	-	6.699	-	6.699
19	Disposal of treasury shares	-	308	-	308
21	Change in net interest-bearing debt	(10.258)	(19.352)	-	-
	Net cash flows from financing activities	(10.258)	(12.345)	-	7.007
	Net cash flows generated from operations	(3.326)	1.772	(126)	105
	Cash and cash equivalents at the beginning of the year	4.829	3.071	159	54
	Exchange gains/(losses)rate on cash and cash equivalents	91	(14)	-	-
	Cash and cash equivalents at the end of the year	1.594	4.829	33	159

NOTES

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.

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 16, which states that tax loss-carry forward are expected to be utilized by 2021/22 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.

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 and offset revenue decline averaging about 10% per year. All ongoing development projects proceed as planned, and there is no information from customers or competitors which indicates that the new products will not sell as expected. The Group's completed development projects at March 31st, 2019 are amortized over 2 years. The uncertainties in the impairment test relate to estimated future sales and product life.

Please see note 11 concerning intangible assets and note 12 regarding property 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:

Accounting period:

During 2017/18 Glunz & Jensen Holding A/S decided to change the accounting period from June 1st - May 31st to April 1st - March 31st in order to streamline the year-end process As a result the annual report for 2017/18 consists of 10 months whereas the annual report for 2018/19 consists of 12 months.

1. Significant accounting estimates and judgements (continued)

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 marked 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 consists of investment properties, land and buildings. Glunz & Jensen utilizes the land and buildings, while all investment properties are leased to external tenants at March 31st, 2019.

2. Segment information

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

April 1st, 2018 – March 31st, 2019 (12 months) (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 loss on investment properties	-	(559)	(559)	-	(559)
Depreciation and impairment of property, plant and equipment	5.785	-	5.785	-	5.785
Amortization and impairment of intangible assets	3.687	2.434	6.121	-	6.121
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

2. Segment information (continued)

June 1st, 2017 – March 31st, 2018 (10 months) (DKK '000)	Prepress market	Selandia Park	Total segments	Elimi-nations	Consoli-dated
External revenue	210.444	9.575	220.019	-	220.019
Inter-segment	-	1.998	1.998	(1.998)	-
Total revenue	210.444	11.573	222.017	(1.998)	220.019
Fair value gains on investment properties	-	118	118	-	118
Depreciation and impairment of property, plant and equipment	3.872	-	3.872	-	3.872
Amortization and impairment of intangible assets	2.735	2.023	4.758	-	4.758
Operating profit/(loss)	9.827	8.350	18.177	-	18.177
Profit/(loss) after tax in associates	65	-	65	-	65
Net financials	(3.117)	(1.427)	(4.544)	-	(4.544)
Segment profit/(loss) before tax	6.775	6.923	13.698	-	13.698
Segment assets	145.913	132.937	278.850	-	278.850
Capital expenditure	2.720	49	2.769	-	2.769
Segment liabilities	90.164	96.473	186.637	-	186.637

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 2018/19 12 months	Revenue 2017/18 10 months	Non-current assets 2018/19 March 31st	Non-current assets 2017/18 March 31st
Group				
EMEA (Europe, Middle East, Africa)*	116.409	113.231	154.755	163.200
Americas	63.871	61.406	582	651
Asia and the Pacific	47.182	45.382	-	-
Total	227.462	220.019	155.337	163.851

* Selandia Park is included in EMEA.

7% of the Group's revenue relates to Denmark (2017/18: 6%).

Major customers:
Customers with a revenue of more than 10% of total revenue accounted for DKK 114,0 million in 2018/19 (2017/18: DKK 107,6 million).

Revenue:

April 1st / June 1st – March 31st (DKK '000)	Group 2018/19 12 months	Group 2017/18 10 months
Type of Revenue		
Sale of goods	210.718	205.159
Sale of services	4.239	5.285
Rental income from investment properties	12.505	9.575
	227.462	220.019
Timing of revenue recognition		
Revenue recognized at a point in time	210.198	205.159
Revenue recognized over time	17.264	14.860
	227.462	220.019

3. Production costs

April 1st / June 1st – March 31st (DKK '000)	Group 2018/19 12 months	Group 2017/18 10 months
Cost of goods sold	117.525	109.678
Inventory write-downs	3.548	1.110
Reversed inventory write-downs	(1.204)	(1.796)

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 / June 1st – March 31st (DKK '000)	Group 2018/19 12 months	Group 2017/18 10 months	Parent Company 2018/19 12 months	Parent Company 2017/18 10 months
Wages and salaries	54.818	52.236	4.169	5.535
Defined contribution plans	3.603	2.689	283	259
Other social security costs	6.197	5.015	9	(12)
	64.618	59.940	4.461	5.782
Staff costs are recognized as follows:				
Production costs	28.320	24.431	-	-
Labor transferred to inventory	12.602	8.133	-	-
Sales and distribution costs	13.890	14.418	-	-
Product development costs	1.101	2.045	-	-
Labor transferred to development projects	-	352	-	-
Administrative expenses	8.705	10.561	4.461	5.782
	64.618	59.940	4.461	5.782
Average number of full-time employees	171	195	2	2
Remuneration of the Executive Management:				
Salaries	3.908	3.296	3.908	3.296
Bonus	9	1.320	9	1.320
Warrant program	0	222	0	222
Remuneration of the Executive Management total	3.917	4.838	3.917	4.838
Remuneration of the Board of Directors:				
Directors' fees	800	605	800	605
Warrant program	-	260	-	260
Total remuneration of the Board of Directors	800	865	800	865

Executive Management:
Henrik Blegvad Funk CEO of Glunz & Jensen Holdings A/S since March 1st, 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 the 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, 2020.

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5. Auditors fee

April 1st / June 1st – March 31st (DKK '000)	Group 2018/19 12 months	Group 2017/18 10 months	Parent Company 2018/19 12 months	Parent Company 2017/18 10 months
Total fees to the auditors:				
EY	630	871	228	321
Other	77	361	-	-
	707	1.232	228	321
Statutory audit	467	589	135	120
Tax and VAT assistance	99	220	-	40
Other services	141	423	93	161
	707	1.232	228	321

6. Depreciation, amortization and impairment losses

April 1st / June 1st – March 31st (DKK '000)	Group 2018/19 12 months	Group 2017/18 10 months
Amortization, intangible assets	5.785	3.872
Depreciation, property, plant and equipment	6.121	4.758
	11.906	8.630
Amortization, depreciation and impairment losses are included in the following items:		
Production costs	4.834	4.311
Sales and distribution costs	250	349
Development costs	5.785	3.893
Administrative expenses	1.037	77
	11.906	8.630

Amortization, depreciation and impairment loss relating to intangible assets are recognized in production costs and development costs. See notes 11 and 12 concerning impairment of intangible assets and property, plant and equipment.

7. Other operating income and expenses

April 1st / June 1st – March 31st (DKK '000)	Group 2018/19 12 months	Group 2017/18 10 months
Other operating income		
Gain on sale of non-current assets	66	109
Other income	54	4
	120	113
Other operating expenses		
Loss on sale of non-current assets	-	6
Other expenses	-	135
	-	141

8. **Financial income and expenses**

April 1st / June 1st – March 31st (DKK '000)	Group 2018/19 12 months	Group 2017/18 10 months	Parent Company 2018/19 12 months	Parent Company 2017/18 10 months
Financial income				
Interest income, cash and cash equivalents etc.	8	9	-	1
Foreign exchange gains	351	221	-	-
Other financial income	396	116	-	-
	755	346	-	1
Interest on financial assets measured at amortized cost represents	347	9	-	1
Financial expenses				
Interest expenses, credit institutions	2.156	2.503	1	2
Foreign exchange losses	767	1.009	1	-
Other financial expenses	2.208	1.378	32	-
	5.131	4.890	34	2
Interest on financial liabilities measured at amortized cost represents	3.390	2.503	1	2

9. **Tax on profit/(loss) for the year**

April 1st / June 1st – March 31st (DKK '000)	Group 2018/19 12 months	Group 2017/18 10 months	Parent Company 2018/19 12 months	Parent Company 2017/18 10 months
Tax on profit/(loss) for the year:				
Current tax	259	(2.017)	(134)	-
Adjustment of tax regarding previous years	109	170	-	(251)
Adjustment of deferred tax	(2.044)	5.626	218	(154)
Total tax on profit/(loss) for the year	(1.676)	3.779	84	(405)
Analysis of tax on profit/(loss) for the year:				
Tax charged at 22%	(1.887)	3.015	(1.499)	2.093
Tax effect of:				
Non-deductible impairment of investments in subsidiaries	-	-	1.554	(2.448)
Non-taxable income and non-deductible expenses	365	268	29	295
Non-recognized deferred tax asset in foreign subsidiaries	(105)	889	-	-
Adjustment of tax calculated for foreign subsidiaries against 22%	(158)	(563)	-	-
Danish jointly taxed companies	-	-	-	(94)
Tax relating to previous years	109	170	-	(251)
	(1.676)	3.779	84	(405)
Effective tax rate	19,5%	27,6%	(1,2)%	(1,3)%

10. **Earnings per share**

April 1st / June 1st – March 31st (DKK '000)	Group 2018/19 12 months	Group 2017/18 10 months
Profit/(loss) for the year	(6.899)	9.919
Average number of shares	1.821	1.664
Average number of outstanding shares	1.821	1.664
Average dilutive effect of outstanding warrant program shares	-	157
Average number of outstanding shares, diluted	1.821	1.821
Earnings per share (EPS) (DKK)	(3,8)	6,0
Diluted earnings per share (EPS-D) (DKK)	(3,8)	5,4

11. Intangible assets

(DKK '000)	Completed develop-ment projects	Develop-ment projects in progress	Total
Group			
Total cost at June 1st, 2017	44.793	3.690	48.483
Foreign exchange adjustments	(1)	-	(1)
Additions	-	608	608
Transfer	4.298	(4.298)	-
Total cost at March 31st, 2018	49.090	-	49.090
Amortization and impairment losses at June 1st, 2017	28.029	-	28.029
Foreign exchange adjustments	-	-	-
Amortization for the year	3.872	-	3.872
Amortization and impairment losses at March 31st, 2018	31.901	-	31.901
Carrying amount at March 31st, 2018	17.189	-	17.189
Total cost at April 1st, 2018	49.090	-	49.090
Acquisition cost at March 31st, 2019	49.090	-	49.090
Amortization and impairment losses at April 1st, 2018	31.901	-	31.901
Amortization for the year	5.785	-	5.785
Amortization and impairment losses at March 31st, 2019	37.686	-	37.686
Carrying amount at March 31st, 2019	11.404	-	11.404

Group
Development projects:
Amortization and impairment losses relating to development projects are recognized in development costs.

Development costs of DKK 7.137 thousands (2017/18: DKK 9.346 thousands) are recognized in the annual report. Hereof, DKK 0 (2017/18: DKK 608 thousands) are recognized in the balance sheet and DKK 7.137 thousands (2017/18: DKK 8.738 thousands) are recognized in the income statement as development costs.

On May 31st, 2019, 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 2017/18, 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 at June 1st, 2017	95.170	35.719	-	130.889
Foreign exchange adjustments	58	(122)	-	(64)
Additions	49	231	1.881	2.161
Disposals	(18)	(244)	-	(262)
Transfer	444	(444)	-	-
Total cost at March 31st, 2018	95.703	35.140	1.881	132.724
Depreciation and impairment losses at June 1st, 2017	39.329	32.856	-	72.185
Foreign exchange adjustments	36	(48)	-	(12)
Depreciation for the year	3.774	961	23	4.758
Depreciation of disposals	(13)	(244)	-	(257)
Transfer	197	(197)	-	-
Depreciation and impairment losses at March 31st, 2018	43.323	33.328	23	76.674
Carrying amount at March 31st, 2018	52.380	1.812	1.858	56.050
Total cost at 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 at March 31st, 2019	95.852	32.666	4.305	132.823
Depreciation and impairment losses at 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 at March 31st, 2019	47.911	30.974	729	79.614
Carrying amount at March 31st, 2019	47.941	1.692	3.576	53.209

Group:
The carrying amount of land and buildings amounting to DKK 47.941 thousand (March 31st, 2018: DKK 52.380 thousand) had a registered mortgage at March 31st, 2019. The value of the relating collateral was DKK 26.167 thousand at March 31st, 2019 (March 31st, 2018: DKK 27.030 thousand).

In fiscal 2018/19 and 2017/18, impairment testing of Property, plant and equipment show no need to recognize an impairment loss.

13. Investment properties

(DKK '000)	Group 2018/19	Group 2017/18
Opening balance at April 1st / June 1st	90.612	90.730
Additions (subsequent expenditure)	671	0
Net profit/(loss) from fair value adjustment	(559)	(118)
Closing balance at March 31st	90.724	90.612

The Group's investment properties consist of its properties in Ringsted, Denmark exclusive of the property used as group headquarter. All investment properties are leased to external tenants.

Based on the discounted cash flow method, the fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the life of the asset, including an exit or terminal value. This method involves the projection of a series of cash flows on real property interest.

The fair value of the investment properties (fair value level 3) is measured using the discounted cash flow method and based on estimated net cash flow over a 15 year period based on estimated rental income from the existing tenants. It is expected, that the existing lease contracts will be extended when they expires. The existing lease contracts expire in the period from 2021 to 2026.

13. Investment properties (continued)

Significant non observable input in the fair value calculation:	Group 2018/19	Group 2017/18
Yearly average rent regulation in %	2,0	1,7
Maintenance per m ^{2} in DKK	42	40
Occupancy rate in %	100,0	100,0
Discount rate in %	7,5	7,5

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 10,7 million.

The discount rate is based on available information from commercial real estate agents and the Executive Management's assessments.

Group:
The carrying amount of investment properties amounting to DKK 90.724 thousand had a registered mortgage at March 31st, 2019 (March 31st, 2018: DKK 90.612 thousand). The value of the relating collateral was DKK 51.619 thousand at March 2019 (March 31st, 2018: DKK 46.758 thousand).

14. Investment in subsidiaries

Parent Company (DKK '000)	Ownership interest 2019	Profit/(loss) for the year after tax 2018/19	Equity 2018/19
Glunz & Jensen A/S, Nyborg, Denmark	100,0%	(12.821)	5.275
Selandia Park A/S, Ringsted, Denmark	100,0%	5.759	42.688
Total		(7.062)	47.963

	Parent company 2018/19	Parent company 2017/18
Total cost at April 1st / June 1st	100.000	100.000
Total cost at March 31st	100.000	100.000
Adjustments at April 1st / June 1st	(46.479)	(56.849)
Profit/(loss) for the year	(7.062)	11.127
Foreign exchange adjustments	1.036	(987)
Value adjustment in hedges accounting	468	230
Adjustments at March 31st	(52.037)	(46.479)
Carrying value at March 31st	47.963	53.521
Non-amortized values	-	-

As at March 31st, 2019, the difference on initial recognition of the subsidiaries totaled DKK 0 thousand.

No tax liability will be applied on realization of the Parent Company's investments in subsidiaries at carrying amount (2017/18: DKK 0 thousand).

15. Investments in associates

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

March 31st (DKK '000)	Group 2019	Group 2018
GKS International Ltd, UK (40% ownership interest)	183	1.090
	183	1.090

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.

16. Deferred tax

(DKK '000)	Group 2019	Group 2018	Parent Company 2019	Parent Company 2018
Deferred tax at April 1st / June 1st	(7.216)	(1.561)	146	(8)
Foreign exchange adjustments	107	(234)	-	-
Tax income/(expense) during the period recognized in profit or loss	1.781	(5.626)	(87)	(51)
Tax income/(expense) during the period recognized in other comprehensive income	131	205	(131)	205
Deferred tax at March 31st	(5.197)	(7.216)	(72)	146
Breakdown of deferred tax and recognition in the balance sheet:				
Deferred tax asset	1.406	5.072	-	146
Deferred tax liability	(6.603)	(12.288)	72	-
Total at March 31st	(5.197)	(7.216)	72	146

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 7.032 thousand at March 31st, 2019 (March 31st, 2018: DKK 8.138 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 at June 1st, 2017	(5.292)	(7.498)	3.762	2.758	4.709	(1.561)
Foreign exchange adjustments	-	(13)	(94)	(127)	-	(234)
Recognized in profit/(loss) for the year, net	892	2.156	(2.728)	(1.237)	(4.709)	(5.626)
Recognized through other comprehensive income, net	-	-	-	205	-	205
Deferred tax at March 31st, 2018	(4.400)	(5.355)	940	1.599	-	(7.216)
Deferred tax at April 1st, 2018	(4.400)	(5.355)	940	1.599	-	(7.216)
Foreign exchange adjustments	-	1	89	17	-	107
Recognized in profit/(loss) for the year, net	1.482	12	(258)	(1.690)	2.235	1.781
Recognized through other comprehensive income, net	-	-	-	131	-	131
Deferred tax at March 31st, 2019	(2.918)	(5.342)	771	57	2.235	(5.197)
Parent Company						
Deferred tax at June 1st, 2017	-	-	-	(8)	-	(8)
Disposals	-	-	-	(51)	-	(51)
Recognized in profit/(loss) for the year, net	-	-	-	205	-	205
Deferred tax at March 31st, 2018	-	-	-	146	-	146
Deferred tax at April 1st, 2018	-	-	-	146	-	146
Recognized in profit/(loss) for the year, net	-	-	-	(218)	-	(218)
Deferred tax at March 31st, 2019	-	-	-	(72)	-	(72)

17. Inventories

March 31st (DKK '000)	Group 2019	Group 2018
Raw materials and consumables	34.360	33.826
Finished goods and semi-manufacture goods	4.553	16.652
Total	38.913	50.478
Inventories recognized at net realizable value	41	271

18. Trade receivables

(DKK '000)	Group 2019	Group 2018
Trade receivables, gross	37.272	43.345
Changes in credit loss allowance:		
Allowance at April 1st / June 1st	(2.167)	(2.026)
Additions in the year	(52)	(528)
Reversal in the year	488	387
Allowance at March 31st	(1.731)	(2.167)
Trade receivables, net	35.541	41.178

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 2019	Group 2018
Western Europe	14.189	19.836
Eastern Europe	978	825
North America	13.604	6.499
Asia and Pacific	4.868	10.674
Rest of the world	1.902	3.344
Trade receivables, net	35.541	41.178

See to note 26, section debtor risks

19. 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 at March 2018 and likewise at March 2019, representing a nominal value of DKK 20 each. The total nominal value is DKK 36,4 million. No shares carry any special rights.

As at March 31st, 2019, and at March 31st, 2018 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.

20. Provisions

(DKK '000)	Group 2019	Group 2018	Parent Company 2019	Parent Company 2018
Warranty commitments at April 1st / June 1st	1.300	1.495	-	-
Additions	1.392	691	-	-
Disposals	(1.062)	(886)	-	-
Warranty commitments at March 31st	1.630	1.300	-	-
Restructuring at April 1st / June 1st	8.606	12.578	-	507
Foreign exchange adjustments	10	8	-	-
Paid	(8.134)	(3.980)	-	(507)
Restructuring at May 31st	482	8.606	-	-
Provisions at March 31st	2.112	9.906	-	-

Breakdown of provisions by non-current and current liabilities:				
Non-current liabilities	410	300	-	-
Current liabilities	1.702	9.606	-	-
Provisions at March 31st	2.112	9.906	-	-

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 and announced in 2016/17 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 restructuring provisions will be paid during 2019/20.

21. Credit institutions

(DKK '000)	Due within 1-5 years	Due after 5 years	Due after 1 year, total	Due within 1 year
Group				
Credit institutions at March 31st, 2018:				
Credit institutions (DKK), floating rate 6%	14.572	29.162	43.734	21.297
Credit institutions (EUR), floating rate 5%	5.665	11.143	16.808	12.666
Credit institutions (USD), floating rate 5%	-	-	-	521
	20.237	40.305	60.542	34.484
Credit institutions at March 31st, 2019:				
Credit institutions (DKK), floating rate 3%	21.832	45.351	67.183	10.732
Credit institutions (EUR), floating rate 2%	-	-	-	7.390
Credit institutions (USD), floating rate 2%	-	-	-	370
	21.832	45.351	67.183	18.492

The Group's credit facilities earn a floating rate as of March 31st. 2019. End of 2017/18 one loan were swapped to a fixed-rate loan via an interest rate swap. At March 31st, 2019, this fixed-rate loan amounted to DKK 0 (March 31st, 2018: DKK 3.710 thousand).

(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

21. Credit institutions (continued)

(DKK '000)	March 31st, 2017	Cash flows	Non-cash items	March 31st, 2018
Group			-	
Non-current credit institutions	66.183	(5.641)		60.542
Current credit institutions	48.084	(13.605)	5	34.484
	114.267	(19.246)	5	95.026

The Parent Company has no credit facilities.

22. Other payables

March 31st (DKK '000)	Group 2019	Group 2018	Parent Company 2019	Parent Company 2018
Non-current other payables:				
Employee commitments	153	113	-	-
	153	113	-	-
Current other payables:				
Wages, salaries, holiday pay etc.,	9.499	13.696	998	2.234
Employee commitments	1.194	1.862	-	-
Accrued employee taxes	604	765	-	-
VAT and other taxes	921	708	259	56
Other payables	2.081	2.341	508	573
	14.299	19.372	1.765	2.863

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, 2019 and March 31st, 2018.

23. Prepayments from customers

March 31st (DKK '000)	Group 2019	Group 2018
Non-current prepayments from customers:		
Prepayment from tenants in Selandia Park	5.858	7.798
	5.858	7.798
Current prepayments from customers:		
Prepayments from customers in connection with the sale of goods and services	4.244	1.646
Prepayment from tenants in Selandia Park	6.543	7.743
	10.787	9.389

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 by 2023/24.

24. Operating leases

March 31st (DKK '000)	Group 2019	Group 2018	Parent Company 2019	Parent Company 2018
Expected maturity:				
Due within 1 year or less	4.842	4.422	-	226
Due within 1-5 years	13.574	11.606	-	223
Due after 5 years	3.572	5.679	-	-
Rental and lease liabilities	21.988	21.707	-	449
Rental and lease payments, operating leases	5.848	2.293	211	263

Assets held under operating leases comprise production equipment and vehicles. The Group's rental obligations consist of long-term office leases in the Denmark, Italy and US.

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 30,0 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 55,6 million. The company charge of DKK 30,0 million has been provided as security for bank debt.

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 at March 31st, 2019 amounted to DKK 35,0 million of which 7,9 million has been drawn (March 31st, 2018: DKK 42,6 million of which DKK 18,9 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 at March 31st, 2019 (March 31st, 2018: DKK 0,7 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 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 2018/19, approx. 78% of sales were invoiced in EUR and approx. 14% in USD (2017/18: 73% in EUR and 18% in USD).

The main part of the Group's expenses is paid in DKK (67%), EUR (24%) and USD (8%). In 2018/19, expenses paid in DKK, USD and EUR amounted to 99% of total expenses (2017/18: 96%). 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 polity, 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 2018/19, 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 0,4 million as in 2017/18. The estimate is based on the level of USD transactions in 2018/19.

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 0,1 million regarding cash and receivables (2017/18: DKK 0,3 million) and DKK 0,5 million regarding financial liabilities (2017/18: DKK 0,3 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 at March 31st, 2019 amounted to DKK 84,1 million (March 31st, 2018: DKK 90,2 million).

During 2018/19 Selandia entered into a DKK 74,0 million floating-rate, 14-year DKK-based bond loan. At the same time all previously existing long-term property loans in Selandia were repaid including a interest rate swap. As a result the fair value of the interest rate swap amounted to DKK 0 at March 31st, 2019, (March 31st, 2018: DKK 0,6 million). All of the interest-bearing debt earns interest at floating rates. As the interest rate swap were considered a hedging of the future cash flows of the underlying loans, any fair value adjustments were taken directly to equity.

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 0,7 million and consolidated equity by DKK 0,7 million based on financial commitments at March 31st, 2019 (March 31st, 2018: an effect on the profit/loss for the year of DKK 0,7 million and consolidated equity of DKK 0,5 million). Interest payments relating to the interest rate swap were included in the estimate 2017/18. 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. 57% 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 2018/19 is based on historical observed default rates adjusted for estimates of uncertainties in project related activities and market conditions. Previously, provisions for credit loss on trade receivables were calculated in accordance with an expected loss model. This resulted in credit loss being recognized only once a loss event incurred.

As at March 31st, 2019 24,9% of the trade receivables are due (March 31st, 2018 21,3%).

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

March 31st (DKK '000)	Expected default rate 2019	Group 2019
Maturity of trade receivables:		
0-30 days	0,5%	7.567
30-60 days	1,0%	1.338
Over 60 days	64,0%	926
Total		9.831

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

Please refer to note 18 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 85,7 million at March 31st, 2019 (March 31st, 2018: DKK 95,0 million).

At March 31st, 2019, the Group's credit facilities amounted to DKK 115,1 million (March 31st, 2018: DKK 119,6 million) of which DKK 85,7 million has been drawn (March 31st, 2018: DKK 95,0 million). The liquidity reserve amounted to DKK 29,4 million at March 31st, 2019 (March 31st, 2018: DKK 24,6 million).

The liabilities fall due as follows:

Group

(DKK '000)	Carrying amount	Payment obligation	In 1 year or less	1-3 years	3-5 years	Over 5 years
At March 31st, 2018						
Non-derivative financial instruments:						
Credit institutions and banks	95.026	99.767	35.947	11.068	10.989	41.763
Trade payables	32.138	32.138	32.138	-	-	-
Derived financial instruments:						
Interest rate swap	598	634	-	634	-	-
Total	127.762	132.539	68.085	11.702	10.989	41.763
At March 31st, 2019						
Non-derivative financial instruments:						
Credit institutions and banks	85.675	86.012	18.837	10.913	10.914	45.348
Trade payables	27.232	27.232	27.232	-	-	-
Total	112.907	113.244	46.069	10.913	10.914	45.348

26. Financial risks and financial instruments (continued)

Parent Company

(DKK '000)	Carrying amount	Payment obligation	In 1 year or less	1-3 years	3-5 years	Over 5 years
At March 31st, 2018						
Non-derivative financial instruments:						
Trade payables	697	697	697	-	-	-
Total	697	697	697	-	-	-
At March 31st, 2019						
Non-derivative financial instruments:						
Trade payables	528	528	528	-	-	-
Total	528	528	528	-	-	-

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. At the same time all previously existing long-term property loans were repaid including an interest rate swap. The Group did not enter into any new long-term debt agreements in 2018/17.

The Group's primary loan agreement 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 2018/19 Glunz & Jensen did breach the EBITDA covenant; however a new agreement with the banker was made. The budget for 2019/20 was presented to and accepted by the Group's main banker in March 2019.

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.

At March 31st, 2019, the equity ratio was 36,2% (2017/18: 33,1%). Based on the performance during 2018/19 and the outlook for 2019/20, the Board of Directors proposes to the Annual General Meeting that no dividend be distributed for fiscal 2018/19.

Fair values:
There was no difference between the fair values and the carrying amounts of financial assets and liabilities at March 31st, 2019 or at March 31st, 2018. Short-term, floating-rate bank loans are measured at price of 100. The methods used are unchanged compared with last year.

The methods include derivative financial instruments:
Interest rate swaps were measured using generally accepted valuation techniques based on relevant, observable swap curves and exchange rates. Externally calculated fair values based on discounted future cash flows were included.

Group

(DKK '000) **Fair value measurement hierarchy for assets and liabilities using:**	Observable inputs (Level 2)	Un-observable inputs (Level 3)	Total
At March 31st, 2018			
Financial liabilities:			
Interest rate swap	598	-	598
Total financial liabilities	598	-	598
At March 31st, 2019			
Financial liabilities:			
Total financial liabilities	-	-	-

There are no fair value measurement hierarchy for assets and liabilities in the parent company.

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.

At March 31st, 2019, the following shareholders owned more than 5% of Glunz & Jensen Holding A/S' share capital and voting rights:

Heliograph Holding GmbH (33,31%) and MH Invest ApS (5,67%).

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

Transactions with associates April 1st / June 1st – March 31st (DKK '000)	Group 2018/19 12 months	Group 2017/18 10 months
Sale of parts and services	52	-
Dividend received	174	-

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. At March 31st, 2019, tax of DKK 0 was transferred between the Parent Company and the Danish subsidiaries (March 31st, 2018: DKK 0,7 million).

At March 31st, 2019, the following shareholders owned more than 5% of Glunz & Jensen Holding A/S' share capital and voting rights:

Heliograph Holding GmbH (33,31%) and MH Invest ApS (5,67%).

There were no transactions with associates during 2018/19.

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

April 1st / June 1st – March 31st (DKK '000)	Parent Company 2018/19 12 months	Parent Company 2017/18 10 months
Sale of services to subsidiaries	8.420	7.040

28. Events after the balance sheet date

No events have occurred since March 31st, 2019 which is deemed to have a significant impact on the Group's og the Parent Company's financial position.

29. New accounting standards

IASB has issued the following new accounting standards and interpretations that were not mandatory for Glunz & Jensen Holding A/S at the time of preparation of the 2018/19 annual report:

- IFRS 16 Leases
- IFRS 17 Insurance Contracts
- IFRS 9 Prepayment Features with Negative Compensation - Amendments to IFRS 9
- IAS 19 Plan Amendment, Curtailment or Settlement - Amendments to IAS 19
- IAS 28 Long-term Interests in Associates and Joint ventures — Amendments to IAS 28
- IFRIC 23 Uncertainty over Income Tax Treatments
- Conceptual Framework — Amendments to References to the Conceptual Framework in IFRS Standards
- Annual Improvements to IFRSs 2015-2017 Cycle

Of the above, IFRS 16 and Amendments to IFRS 9 have been adopted by the EU.

The adopted but not yet effective standards and interpretations will be implemented in line with becoming mandatory to Glunz & Jensen Holding A/S. Of the aforementioned standards and interpretations, only IFRS 16 has, to some extent, been assessed to have a potential impact on recognition and measurements at Glunz & Jensen Holding A/S. The Group has conducted a preliminary analysis of the anticipated effect of IFRS 16. The results of this are described below.

IFRS 16 Leases was issued in the middle of January 2016. The standard that enters into force for financial years starting 1 January 2019 or later changes the accounting treatment substantially for leasing contracts that are currently treated as operational leasing agreements. The standard requires all leasing contracts, regardless of type with few exceptions, to be recognized in the lease holder's balance sheet as an asset with an associated leasing liability.

At the same time, the lease holder's profit and loss statement will be affected as the annual leasing cost will in future consist of two elements, an amortization and an interest expense, compared to today where the annual cost for operational leasing liabilities is recognized in an amount under operating costs.

Finally, the Group's cash flow statement will be affected, as the current operational leasing conditions that are now presented as cash flows from operating activities will be presented as financing activities going forward with regard to instalments and as financing activity or operating activity, depending on the chosen accounting policies, with regard to interest.

IFRS 16 requires additional and more extensive information than IAS 17, depending on the scope and complexity of the Group's leasing agreements.

Transition to IFRS 16
In 2018/19, Glunz & Jensen Holding A/S has carried out a detailed analysis of the impact of the new standards on the Group.

The Group intends to implement IFRS 16 using the simplified transition method, under which the leasing obligations will be recognized at the current value of the remaining leasing provisions as of April 1st, 2019 with a discount for the Group's marginal interest on borrowing. As of April 1st, 2019 the leasing asset is recognized at the same value as the leasing obligation. Comparison figures will not be adjusted.

In accordance with the transition provisions laid down in IFRS 16, the Group intends to use 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 7 years.

29. New accounting standards (continued)

When discounting lease payments to current value, the Group has used its alternative borrowing rate, which constitutes the cost of taking external financing for a corresponding asset with a financing period corresponding to the term of the lease in the currency in which lease payments are settled. The Group has documented the alternative borrowing rate for each leasing agreement portfolio with uniform characteristics.

In the assessment of the Group's alternative borrowing rate, the Group has, for its tenancy agreements for properties, recognized its alternative borrowing rate based on a rate from a real estate credit bond with a term corresponding to the term of the tenancy agreement and in the same currency in which rent payments are settled. Interest on the financing of the part that a real estate loan cannot be used for has been estimated based on a benchmark interest plus a credit margin derived from the Group's existing credit facilities. The Group has corrected the credit margin for the lessor's right to reclaim the asset in the event of defaulting on lease payments (secured debt).

Based on the analysis performed, the Group also anticipates recognizing leasing assets and equivalent leasing obligations totaling around DKK 19 million or approximately 8% of the balance sheet total. The rules for implementation stipulate that the effect on equity as of April 1st, 2019 is DKK 0.

At the same time, anticipated leasing payments in 2019/20 will total approximately DKK 4 million (interest and instalments), in accordance with IFRS 16 as presented as a financing activity.

The effect on the 2019/20 results will, based on the current leasing agreement portfolio, be less than DKK 1 million both before and after tax.

30. Accounting policies

Glunz & Jensen Holding A/S is a limited company domiciled in Denmark. The annual report for the period April 1st, 2018 - March 31st, 2019 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 2018/19 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 2018/19 on June 3rd, 2019. The annual report will be submitted to the shareholders of Glunz & Jensen Holding A/S for adoption at the Annual General Meeting on June 28th, 2019.

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.

In 2017/18 Glunz & Jensen Holding A/S decided to change the accounting period from June 1st - May 31st to April 1st - March 31st in order to streamline the year-end process. As a result the annual report for 2017/18 consists of 10 months whereas the annual report for 2018/19 consists of 12 months.

The comparative figures for 2017/18 have not been restated.

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

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, 2018, including IFRS 9 and IFRS 15.

The implementation has not had a significant impact on recognition, measurement or disclosures in the Annual Report 2018/19 and is not expected to have significant impact on the financial reporting for future periods.

IFRS 9
IFRS 9 has replaced IAS 39, Financial instruments; recognition and measurement. The standard introduced a new model for classification and measurement of financial assets and liabilities based on the business model applied by the entity and the characteristics of the underlying cash flows. It also introduced a new impairment model for financial assets.

The changed impairment approach has not had a significant impact to the Group and no adjustment to the impairment of trade receivables has been made upon transition.

IFRS 15
IFRS 15 has replaced IAS 11, Construction contracts and IAS 18, Revenue and associated interpretations. The new standard introduced a new model for recognizing and measurement of revenues from sales contracts with customers.

The Group has implemented IFRS 15 using the modified retrospective application. The comparative numbers have not been adjusted.

The most relevant changes compared to current accounting policy are:

- A sales transaction must be recognized as revenue in the income statement as control (which can take place either at a given date or over time) over the good or service, respectively, is transferred to the customer (the current "risk and rewards" principle is thus replaced by a control principle).
- New and more detailed guidelines on how to identify partial transactions under a contract and how to recognize and measure the individual components.

The Group has implemented IFRS 9 according to the transition provisions. There was no transition effect upon implementation April 1st, 2018.

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.

Foreign exchange adjustments of intra-group balances with foreign subsidiaries that are considered part of the net investment in subsidiaries with a functional currency other than DKK are recognized in the consolidated financial statements under other comprehensive income in equity as a separate translation reserve. Correspondingly, foreign exchange gains and losses on that part of loans and derivative financial instruments entered into to hedge the net investment in such entities which effectively hedge against corresponding exchange gains/losses on the net investment in the entity are recognized as other comprehensive income.

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 equipment 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, 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.

Other intangible assets

Other intangible assets, including intangible assets acquired in business combinations, are measured at cost less any accumulated amortization and accumulated impairment losses. Other intangible assets are amortized using the straight-line method over their expected useful life, which is 5-10 years.

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.

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.

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

Goodwill and intangible assets with an indefinite useful life are tested for evidence of impairment annually, the first impairment test being performed prior to the end of the year of acquisition. Development projects are also tested annually for evidence impairment.

Goodwill and other intangible assets are tested together with the other non-current assets of the cash-generating unit to which the assets have been allocated and are written down to the recoverable amount in profit or loss if the carrying amount is higher.

The recoverable amount is calculated as the net present value of expected future net cash flows from the cash-generating unit to which the goodwill relates.

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 goodwill are not reversed. 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.

Assets held for sale

Assets held for sale comprise non-current assets and disposal groups which are intended for sale. A disposal group is a group of assets which will be disposed of together by means of a sale or similar in a single transaction. Liabilities relating to assets "held for sale" are liabilities directly associated with these assets, which will be transferred at the time of the transaction. Assets are classified as "held for sale" if their carrying amount will primarily be recovered by means of a sale within 12 months in accordance with a formal plan rather than by means of continued use.

Assets or disposal groups held for sale are measured at the lower of the carrying amount at the time of classifications as "held for sale" and the fair value less selling costs. No depreciation or amortization is applied to assets from the time they are classified as "held for sale".

Impairment losses arising in connection with initial classification as "held for sale" and gains or losses on subsequent measurement at the lower of carrying amount and fair value less selling costs are recognized in the income statement under the items to which they relate. Gains and losses are disclosed in the notes.

Assets and associated liabilities are recognized separately in the balance sheet, and the main items are specified in the notes. The comparative figures in the balance sheet are not restated.

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.

Reserve for treasury shares:
Reserve for treasury shares comprises the purchase price of the Group's treasury shares. Dividends received in respect of treasury shares are recognized in equity as retained earnings.

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.

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 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 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, 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, 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 graphic business 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.

Non-current segment assets those non-current assets that are employed directly by the segment in its operating activities, including intangible assets and property, plant and equipment and investment properties. Current segment assets are those assets that are employed directly by the segment in its operating activities, including 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 payables 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 (EBITA)	$\frac{\text{Operating profit (EBITA) x 100}}{\text{Revenue}}$
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 (EBITA)	$\frac{\text{Operating profit (EBITA) + interest income}}{\text{Interest expenses}}$
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)	$\frac{\text{Share price}}{\text{BVPS}}$

work positive

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