

Bagger-Sørensen & Co. A/S

Tabletvej 1, 7100 Vejle

Reg. no. 51 45 23 13

Annual report for 2020



The annual report was presented and approved at the company's General Meeting on 24 March 2021

Hans-Henrik Eriksen,
CEO

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Management endorsement

The board and the director have, on this day's date, discussed and approved the annual report for the financial year 1 January - 31 December 2020 for Bagger-Sørensen & Co. A/S.

The annual report is submitted in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated and annual financial statements are in accordance with the Financial Statements Act and provide an accurate representation of the company and group's assets, liabilities and financial position as of 31 December 2020, as well as the company and group's activities and the company's cash flow for the financial year 1 January - 31 December 2020.

In our opinion, the management's report contains an accurate account of the matters to which the report relates.

The annual report is submitted for approval at the General

Meeting. Vejle, 24 March 2021

Management

Hans-Henrik Eriksen

Board

Steen Bagger-
Sørensen, Chairman

Erik G.
Hansen, Vice
Chairman

Claus Bagger-Sørensen

The independent auditor's audit

To the shareholders in Bagger-Sørensen & Co. A/S

Conclusion

We have audited the consolidated and annual financial statements for Bagger-Sørensen & Co. A/S for the financial year 1 January -

31 December 2020, which includes the utilised accounting policies, income statement, balance sheet, equity statement and notes for the company as well as the group and the company's cash flow statement. The consolidated and annual financial statements are prepared in accordance with the Financial Statements Act.

In our opinion, the consolidated and annual financial statements are in accordance with the Financial Statements Act and provide an accurate representation of the company and group's assets, liabilities and financial position as of 31 December 2020, as well as the company and group's activities and the company's cash flow for the financial year 1 January - 31 December 2020.

Basis for conclusion

We have conducted an audit in line with the international standards for auditing and the additional requirements applicable in Denmark. Our responsibility regarding these standards and requirements is described in detail in the auditing endorsement section "Auditor's responsibility for auditing the consolidated and annual financial statements." In accordance with international ethical regulations for auditors (IESBA's Code of Ethics) and the other applicable requirements in Denmark, we are independent of the company and we have also fulfilled our other ethical duties regarding these regulations and requirements. In our opinion, the final auditing evidence is sufficient and suitable as a basis for our conclusion.

Management's responsibility regarding the consolidated and annual financial statements

Management is responsible for the preparation of the consolidated and annual financial statements, which provide an accurate representation as set out in the Financial Statements Act. Management is further responsible for the internal checks, which management deems necessary for the preparation of the consolidated and annual financial statements in order to avoid significant errors, regardless of whether these errors are due to fraud or mistake.

During the preparation of the consolidated and annual financial statements, management is responsible for the evaluation of the company and group's ability to ensure continued operations; to inform of any conditions affecting operations where relevant, and to prepare the consolidated and annual financial statements on the basis of the accounting principle of continued operations, unless management intends to liquidate the company or the group, suspend operations or has no other realistic alternative other than to do so.

Auditor's responsibility for auditing the consolidated and annual financial statements

Our goal is to reach a high degree of certainty that the consolidated and annual financial statements, in their entirety, do not contain significant errors, regardless of whether these are due to fraud or mistakes and to provide an audit endorsement with a conclusion. A high degree of certainty is a high level of certainty, but it is not a guarantee that the audit, conducted in accordance with international auditing standards and the other requirements applicable in Denmark, will always uncover significant errors if they do exist. Errors can occur as a result of fraud or by mistake and can be regarded as significant if it is reasonable to expect that they, individually or overall, could influence the economic decisions taken by account users based on the consolidated and annual financial statements.

The independent auditor's audit

As part of the auditing, conducted in accordance with international auditing standards and the other requirements applicable in Denmark, we conduct professional evaluations and retain professional scepticism when auditing. Moreover:

- We identify and evaluate the risk of significant errors in the consolidated and annual financial statements, regardless of whether these are due to fraud or mistakes, and we formulate and conduct auditing procedures in reaction to these risks, gathering sufficient and appropriate auditing evidence to form the basis of our conclusion. The risk of not discovering significant errors due to fraud is higher than not discovering those due to mistakes, as fraud can encompass conspiracy, false documentation, intentional omissions, misguidance or infringement of internal checks.
- We gain an understanding of the internal checks relevant for auditing and the formation of auditing procedures, which are appropriate to the circumstances, however this is not done so as to reach a conclusion regarding the effectiveness of the company and group's internal checks.
- We provide an opinion on whether we consider the accounting policies utilised by the management to be suitable and whether we consider the financial estimates and relevant information prepared by the management to be appropriate.
- We reach a conclusion as to whether the management's preparation of the consolidated and annual financial statements are suitable on the accounting principle of continued operation and whether there is, on the basis of the auditing evidence, significant uncertainty regarding events, or conditions, which could cast substantial doubt regarding the company and group's ability to continue operating. If we conclude that there is significant uncertainty, then we must draw attention to the relevant information in the consolidated and annual financial statements in our auditing endorsement, or, if such information is not sufficient, modify our conclusion. Our conclusions are based on the auditing evidence gathered up until the date of producing an auditing endorsement. Future events or conditions can, however, result in the company and group no longer being able to continue operations.
- We provide an opinion on the overall presentation, structure and content of the consolidated and annual financial statements, including information in the notes and on whether the consolidated and annual financial statements reflect the underlying transactions and events, in such a way as to provide an accurate representation of reality.
- We obtain sufficient and appropriate auditing evidence of financial information for the company's commercial or business activities in order to reach a conclusion about the company's financial statement. We are responsible for leading, supervising and conducting the company audit. We are solely responsible for the auditing conclusion.

We communicate with upper management regarding issues such as the planned extent and timing of the audit, as well as regarding significant auditing observations, including any significant lack of internal checks, which we identify during the audit.

Statement on the management's report

Management is responsible for management's report.

The independent auditor's audit

Our conclusion from the consolidated and annual financial statements does not cover management's report and we do not express any form of conclusion with certainty regarding management's report.

In addition to our audit of the consolidated and annual financial statements, it is our responsibility to read management's report and consider whether it could be significantly inconsistent with the consolidated or annual financial statements or whether the knowledge we obtained from the audit could be considered to contain significant errors.

It is furthermore our responsibility to consider whether management's report contains sufficient information in order to meet the requirements of the Financial Statements Act.

Based on the work conducted, it is our opinion that management's report is in accordance with the consolidated and annual financial statements and has been prepared in accordance with the Financial Statements Act. We have not found any significant errors in management's report.

Aarhus, 24 March 2021

EY Authorised auditing associates
Reg. no. 30 70 02 28

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State-
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Company information

Company

Bagger-Sørensen & Co.
A/S Tabletvej 1
7100 Vejle

Telephone: 49288888

Reg.-no.: 51 45 23 13

Accounting period: 1 January - 31 December

2020 Registered office: Vejle

Board of Directors

Steen Bagger-Sørensen,
Chairman Erik G. Hansen,
Deputy Chairman Claus Bagger-
Sørensen

Management

Hans-Henrik Eriksen

Auditors

Authorised auditing associates
Vækkestergade 25
8000 Aarhus C

Main and key figures

Seen over a 5-year period, the company's development can be documented using the following main and key figures:

	Group				
	2020	2019	2018	2017	2016
	million DKK	million DKK	million DKK	million DKK	million DKK
Main figures					
Revenue	29	36	17	16	16
Earnings before depreciation and amortisation (EBITDA)	-31	-14	-37	32	-40
Earnings before financial items	-12	-74	-46	8	-89
Earnings from financial items	32	244	-127	20	114
Earnings from discontinued operations after tax	0	0	0	1,377	106
End of year earnings	21	128	-143	1,388	130
Balance sheet					
Balance sheet total	3,489	3,581	3,434	3,462	2,862
Investments in tangible assets	-70	-203	-186	-167	-263
Equity	2,903	2,793	2,921	3,066	1,680
Cash flow from:					
- operations	9	-66	-42	1,318	190
- investment operations	321	137	-128	-1,111	-195
- financial operations	-405	13	159	74	-142
This year's offsets in liquidity	-76	84	-11	281	-146
Number of employees	26	27	26	19	18
Key figures					
Solvency ratio	83.2%	78.0%	85.1%	88.6%	58.7%
Return on equity	0.7%	4.5%	-4.8%	58.5%	7.8%

Without adjustments to the comparative figures, the utilised accounting policies for investment properties up to and including 2020 have been changed so that the investment properties are included at fair value.

Cash flows given include discontinued operations.

The key figures have been prepared in accordance with the Danish Finance Society's recommendations and guidelines. Please refer to the definitions in the section on utilised accounting policies.

The subsidiary Fertin Pharma A/S was divested in 2017, which is why the earnings for discontinued activities after tax for 2017 and 2016 are shown in a separate line.

Management's

The group's and company's significant operations

As of 31 December 2020, Bagger-Sørensen & Co. A/S is the parent company for the following 100%-owned companies (subsidiaries):

- Gumlink A/S - Primarily owns receivables in connection with a previous company sale.
- Bagger-Sørensen AG – Is not involved in operations.
- Bagger-Sørensen Invest A/S – Real Estate Group, which, amongst other things, lets and manages property developments and sells land.
- Vecata Invest A/S – Operates and develops purchased businesses.
- Bagger-Sørensen Equity A/S – Operates and develops purchased businesses.

The parent company carries out, amongst other things, the administration of the group's liquid assets.

The development of activities and financial conditions

The group

The year's net earnings were DKK 21 million, compared with DKK 128 million in 2019, which equates to a downturn of DKK 107 million. The downturn is due to a reduction in financial net revenue. Cash flows from operations this year amounted to DKK 7 million, compared with DKK -66 million in 2019. The used cash flows from investment operations amounted to DKK 321 million, as opposed to DKK 137 million in 2019. Finally, DKK -404 million was used for cash flows from financial operations, as opposed to DKK 13 million in 2019. At the end of the year, cash and cash equivalents amounted to DKK 66 million, compared to DKK 142 million at the end of 2019.

As of 1 January 2020, the group changed its accounting policies so that investment property is included at fair value, in accordance with the paragraph 38 of the Financial Statements Act.

The effect of changing the policies is an increase in equity on 1 January 2020 of DKK 202,312 thousand, with a positive effect on annual profits, partly due to the fact that there is no depreciation and partly due to an adjustment of the fair value, which amounts to DKK 27,359 thousand after tax. As such, there is a positive impact on equity as of 31 December 2020 at DKK 229,671 thousand.

Below are comments regarding the development in the parent company and relevant

subsidiaries. Bagger-Sørensen & Co A/S (parent company)

The company's financial net income amounted to DKK 25 million, as opposed to DKK 259 million in 2019, equating to a difference of DKK 234 million.

As of 1 January 2020, the parent company changed its accounting policies so that investment property is included at fair value, in accordance with the paragraph 38 of the Financial Statements Act.

Management's

The effect of changing the policies is an increase in equity on 1 January 2020 of DKK 197,680 thousand, with a positive effect on annual profits, partly due to the fact that there is no depreciation and partly due to an adjustment of the fair value, which amounts to DKK 26,957 thousand after tax. As such, there is a positive impact on equity as of 31 December 2020 at DKK 224,638 thousand.

Gumlink A/S

The company's most significant active receivables are from loans from previous

company sales. Bagger-Sørensen AG

Bagger-Sørensen has no significant operations.

Bagger-Sørensen Invest A/S

During the financial year, the real estate group increased its real estate investments, and further development and construction activities were initiated, which is why the activity level in the real estate group is increasing.

Vecata Invest A/S

In recent years, Vecata Invest has not made any new investments, but have focused on already made

investments. Bagger-Sørensen Equity A/S

Bagger-Sørensen Equity A/S was not significantly active during the financial year but made its first investment after end of the financial year.

Significant events, which occurred after the end of the financial year

No events occurred after the end of the financial year, which could significantly affect the group's financial position.

The company's expected development, including special assumptions and uncertain factors.

The group's 2021 accounts will be significantly affected by the development in the financial market as well as the development of the portfolio companies.

With the uncertainty arising from Covid-19, including its impact on the financial markets and subsequent high fluctuations, the expected profit for 2021 equates to a return on the group's equity of 0-5%.

The company's knowledge resources, if they are of particular importance for future earnings

One of the company's most important resources is the expertise and knowledge possessed by its employees. A considerable investment is therefore made in developing employee qualifications.

Management's

Research and development operations in or for the company

The group has only limited research and development activities.

The year's earnings compared with the most recently published expectations

The group's 2020 result is significantly affected by the development in the financial market and the changed accounting policies for calculating investment property. With regards to the uncertainties present at the time, the 2019 annual report was submitted, no expectations were set for the 2020 profits.

Key aspects of the use of financial instruments

The company's goals and policies for managing financial risks

The company's management has conducted an evaluation of the group's risks, including cyber risks. It is the management's view that the necessary procedures for supervising and controlling these risks are in place.

Bagger-Sørensen Invest A/S's opportunities and earnings are highly dependent on the general developments in the real estate market and developments in the local area.

The parent group's investments in listed securities, global private equity, property and infrastructure funds are included in the annual statement at market value. The company is therefore exposed to the global developments in market value for these activities.

The group conducts currency hedging of corporate bonds in USD. Other assets in foreign currency are not hedged, which is why the group has a foreign exchange risk on these assets.

As a result of the group owning securities and liquid assets, and as it has taken on external financing for operation and capital expenditures, the group is exposed to interest and exchange risks.

Where deemed necessary, credit assessments are conducted on an ongoing basis for customers and tenants where relevant.

Statutory statement on corporate social responsibility

At the beginning of 2017, the group disposed of the majority of its operating activities and thus the parent company is currently an investment firm with limited independent operating activities. The group laid down its policy on social responsibility (CSR policy), including human rights, climate and environmental impacts, social conditions, employee relations and anti-corruption. The CSR policy is being implemented. Amongst other things, this resulted in the creation of a whistle blower system for the company in 2020.

In 2020, the Covid-19 pandemic placed further pressure on the physical and mental work environment due to health risks and home quarantine. Bagger-Sørensen & Co has focussed heavily on protecting its employees during this time by following the authorities' guidelines and by providing PPE. Amongst other things, this has protected employees' health throughout the pandemic.

Management's

Ambition

The Bagger-Sørensen Group wants to ensure the company's development, growth and profit in a socially responsible way.

We are an over 100 year old, family-owned business that wants to cherish the family's values and name, just as we want to make a difference in the local community.

We also seek to actively support a number of UN Sustainable Development Goals (SDGs).

Description of the company's business model

The Bagger-Sørensen Group's key activities mainly consist of

- Passive asset management via external asset managers
- Real estate development in Denmark
- Agriculture and forestry in Denmark as well as forestry in Scotland
- Direct investments in portfolio companies.

The group employs approx. 26 employees.

Description of the company's corporate social responsibility

policies Environmental policies

Description of standards, guidelines and principles for social responsibility:

We want to behave responsibly in environmental and climate issues. We therefore seek to take the climate and environment into account when developing, constructing and operating real estate, as well as in connection with agriculture and forestry. We actively seek, both directly and indirectly, to invest in initiatives that can reduce the group's overall environmental impact.

The group's most significant risks of negatively impacting the environment are emissions linked to energy use and unintended leakages into the surrounding environment from the group's conduct and operations in real estate as well as agriculture and forestry.

Management's

Social and employee relations policies

Description of standards, guidelines and principles for social responsibility:

The group's employee relations are described in the group's Employee Handbook.

The Bagger-Sørensen Group wants to contribute to a balanced and diverse labor market and considers all employees to be equal, regardless of their age, gender, religion and ethnic background or the like.

The Bagger-Sørensen Group's code of conduct is based on mutual respect and helpfulness. Bullying or other forms of negative or discriminatory discrimination (including sexual harassment) by employees at any levels are not accepted.

A health policy has been established for the group's employees, and a working environment and safety organization (AMO) has been established to ensure the employees' well-being and safety.

The most significant risks with a negative effect on the group's employees are bullying, discrimination and sexual harassment.

Human rights policies

Description of standards, guidelines and principles for social responsibility:

The Bagger-Sørensen Group will support and respect human rights, both where we ourselves have active operations and where we indirectly have investments.

The group has established business and administrative procedures that ensure that employees and partners are treated in a way that meets the legal requirements for privacy and personal data protection.

The most significant risks for the group are a breach of privacy and a breach of personal data.

Anti-corruption and bribery policies

Description of standards, guidelines and principles for social responsibility:

We wish to maintain a high degree of integrity and responsibility and we do not participate or contribute to corruption or bribery. Furthermore, we will not in any other way unduly exercise influence on the public sector or other partners.

Similarly, we do not accept the involvement of our partners in corruption or bribery.

The most significant risks of corruption or bribery are in connection with suppliers and partners.

Management's

Description of other policies on social responsibility

Description of standards, guidelines and principles for social responsibility:

We wish to uphold local laws where we conduct direct activities and we will pay tax where we realise our income. We do not want to invest in aggressive tax constructs through tax havens. We aim to adhere to current guidelines for good management and responsible business operations.

The group's main activity is passive asset management and investing in various types of securities. The following objectives have been set for the investments, which are expected to be implemented over the coming years:

Through the described investment guidelines, we will make demands on our partners and investment portfolios. We will, as far as possible, strive for our portfolios to be screened and assessed from an Environmental, Social and Governance ("ESG") perspective. Out of two comparable investments, we would prefer the one with the best ESG rating.

We will make a conscious choice to seek to invest in long-term investment themes that, in addition to normally expected returns and risk factors, can be classified as "sustainable", and - where possible - with a positive impact on one or more of the UN's SDGs.

We will accept investment in securities with a low ESG rating, if the underlying company openly and purposefully works to improve their ESG rating.

Statutory statement regarding the underrepresented gender

Description of policies regarding the underrepresented gender

Policies concerning the underrepresented gender

No changes were made to the composition of management in 2020, of which the underrepresented gender is 0%.

The Board of Directors has consisted for a number of years of three people, of which two are the company's main shareholders and an external member. All board members are men.

It is the aim that the board will be expanded in 2021 and 25% of board members will constitute the underrepresented gender by the end of the year.

Utilised accounting

The 2020 annual financial statement for Bagger-Sørensen & Co. A/S is presented in accordance with the Financial Statements Act's provisions for large companies in accounting class C.

With effect from the financial year 2020, the company has implemented the amendment law no.1716 of 27 December 2018 to the Financial Statements Act. The implementation of the amendment law has not affected the company's accounting policies for calculating and measuring assets and liabilities but rather it has only set a demand for further information.

The utilised accounting policies are harmonised for both the parent company's statement and the consolidated statement.

Change in applied accounting policies

Investment property was previously calculated at cost price minus depreciation, in accordance with paragraph 36 of the Financial Statements Act. The accounting policies have been changed so that investment properties shall henceforth be calculated at fair value, in accordance with paragraph 38 of the Financial Statements Act.

The reason for the change in policy is that, considering the company's activity with operating investment properties, the company leadership believes that the calculation of investment properties at fair value, in accordance with paragraph 38 of the Financial Statements Act, will represent a more true and fair image of the company's activities and profits.

Because it is not possible to determine the fair value retrospectively in a reliable manner, it is very difficult to allocate the difference in value between cost price and the fair value between 1 January 2020 and previous financial years. The total difference in value is therefore calculated for the equity, without adjustments to the comparative figures. The effect on the company of the change in policy is a positive regulation of value of DKK 202,312 thousand after tax, which is calculated for the equity from 1 January 2020. The tax effect amounts to DKK 51,932 thousand. The effect on the parent company of the change in policy is a positive regulation of value of DKK 197,680 thousand after tax, which is calculated for the equity from 1 January 2020. The tax effect amounts to DKK 2,199 thousand.

The accumulated effect of the change in policies amounts to the following as of 31 December 2020:

- End of year earnings before tax increased by DKK 27,470/26,957 thousand (group/parent).
- Annual tax from change in policy amounts to DKK 111/0 thousand (group/parent).
- End of year earnings after taxes increased DKK 27,359/26,957 thousand (group/parent).
- The balance amount is increased by DKK 281,714/226,837 thousand (group/parent).
- Equity is increased by DKK 229,671/224,638 thousand (group/parent) as a result of the change in policy.

General notes regarding inclusion and valuations

As it generates revenue, income is included in the income statement. Moreover, value adjustments from financial assets and liabilities are included. All costs, including depreciations and amortisations are also included in the income statement.

Utilised accounting

Assets are included in the balance sheet if it is likely that future economic benefits will flow over to the company and the parent company and if the asset's value can be valued reliably.

Liabilities are included in the balance sheet if it is likely that future economic benefits will flow from the group and the parent group and if the liability's value can be valued reliably.

Upon initial inclusion, assets and liabilities are valued at cost price. Subsequently, assets and liabilities are valued as described in each individual section of the statement below.

Certain financial assets and liabilities are valued at amortised cost price, whereby a constant effective interest is included across the maturity period. The amortised cost price is calculated as the original cost price minus any instalments, as well as the addition/deduction of accumulated amortisation from the difference between the cost price and the nominal sum.

Upon inclusion and valuation, predictable losses and risks, which occur prior to the annual financial statement's presentation and which confirm or refute conditions existing on the balance sheet date, are taken into account.

The consolidated financial statement

The consolidated financial statement includes the parent company BSCO and its subsidiaries, for which BSCO either directly or indirectly owns more than 50% of the voting rights or has decisive influence by other means. Companies for which the group owns between 20% and 50% of the voting rights and exercises significant but not decisive influence are regarded as associated companies, in accordance with the group overview.

The consolidated financial statement is produced as a summary of the parent company's and subsidiary companies' annual statements. It is conducted by compiling the common accounting items. Upon consolidation, company internal income and costs, shareholdings, internal intermediaries and dividends, as well as realised and unrealised gains and losses through transactions between consolidated companies are eliminated.

Equity shares in subsidiaries are compensated by the appropriate share of the subsidiary's fair value from net assets and liabilities at the point of acquisition.

Recently acquired or recently founded companies are included in the consolidated financial statement from the point of acquisition. Sold or liquidated companies are included in the consolidated income statement until the point of divestment. Comparative figures are not adjusted for recently acquired, sold or liquidated companies.

Acquired companies are included in the consolidated financial statement according to the acquisition method with reevaluation of all identified activities and liabilities at fair value on the day of acquisition. Fair value is accounted on the basis of trades on an active market, alternatively calculated by using the commonly accepted valuation model. The fair value of the investment properties is calculated using a discounted cash flow model, based on a retrospective discounting of future income. Fixed assets are listed at fair value on the basis of obtained valuations, which build upon a total valuation of the machine park.

Utilised accounting

Equity shares in associated companies are valued at the appropriate share of the companies' internal value, calculated based on the parent company's accounting policies with elimination of unrealised company internal gains and losses. In both the financial statements, the appropriate share of the associated companies' income after elimination of the appropriate share of internal gains/losses is included.

Company mergers

Recently acquired or recently founded companies are included in the consolidated statement from the point of acquisition. Sold or liquidated companies are included in the consolidated income statement until the point of divestment.

Comparative figures are not adjusted for recently acquired, sold or liquidated companies.

Gains or losses from the divestment of subsidiaries and associated companies are calculated as the difference between the divestment sum and the accountable value of net assets at the point of sale, including depreciated goodwill and expected costs for sale and divestment.

Upon purchasing new companies, the acquisition method is used, whereby the recently purchased companies' identified assets and liabilities are valued at fair value at the point of take over. Costs for restructuring, which are included in the company taken over prior to the day of take over, and which are not agreed upon as a part of the company's transfer, are included in the take over balance and thereby also in the establishment of goodwill. Restructuring undertaken by the company taken over, is included in the income statement. The tax effect of the revaluations conducted is taken into account.

Positive differences (goodwill) between the cost price and the fair price of the identified assets and liabilities of the company taken over are included as intangible assets and are depreciated systematically in the income statement after individual evaluation of their economic lifespans.

Negative differences (negative goodwill) are included as income in the income statement from the point of takeover, provided that the general requirements for income inclusion are met. Historic badwill listed prior to 1 January 2016, is included in the long-term debt obligations and depreciated over their evaluated economic lifespan, although by a maximum of 20 years.

Goodwill and negative goodwill from acquired companies can be adjusted until 12 months after the takeover.

Group internal company mergers

When merging group internal companies, the book value method is used, whereby the divested company's identified assets and liabilities are valued using accounting values at the time of the decision to transfer.

Minority shareholders

Subsidiary company items are 100% included in the consolidated financial statement. Minority shareholders' proportional share of the subsidiaries' profits and equity are presented separately in the profit distribution and in a separate section under equity.

Utilised accounting

Income statement

Revenue

Income from the sale of commodities and finished products are included in the income statement if the risk transfer, normally upon the point of delivery to the buyer, has taken place and if the income can be calculated reliably and is expected to be received.

Revenue is valued at the fair value of the agreed remuneration ex. VAT and taxes levied on behalf of the third party. All forms of discount given are included in the revenue.

Work carried out at own expense and under assets

Work carried out at own expense and under assets covers internal hours relating to intangible and tangible fixed assets.

Expenses for raw and auxiliary materials

Expenses for raw and auxiliary materials include the consumption of raw materials and auxiliary materials, which are used to generate the annual revenue.

Other financial income

Other financial income includes sections of a secondary nature relating to company operations.

Other financial expenses

Other financial expenses includes sections of a secondary nature relating to company operations.

Other financial expenses

Other external expenses cover expenses for distribution, sale, advertising, administration, premises, losses to debtors, operational leasing costs etc.

Other external expenses also covers research and development expenses, which do not meet the criteria for activation.

Personnel expenses

Personnel expenses cover salary and wages, including holiday pay, pensions and other expenses for the company's employees' social security, etc. Personnel expenses given include allowances provided by public authorities.

Amortisation and depreciation

Amortisation and depreciation includes the annual amortisation and depreciation of intangible and tangible fixed assets.

Utilised accounting

Adjustments to investment properties

Adjustments to investment properties include the annual change in the fair value of investment properties.

Financial income and expenses

Financial income and expenses are included in the financial statement with the sums, which are relevant for the financial year. Financial items include interest gains and expenses, financial expenses from leasing, realised and unrealised exchange rate gains and losses from securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities, as well as supplements and allowances from the account tax schemes, etc.

Earnings from equity shares in subsidiary companies and associated companies

The appropriate share of the individual subsidiary companies' income is included in the parent company's income statement after tax and full elimination of internal gains/losses.

In both the consolidated and the parent company's income statements, the appropriate share of the associated companies' income after tax and elimination of the appropriate share of internal gains/losses is included.

Income tax expenses

The parent company is subject to the Danish rules regarding joint taxation of the group's Danish subsidiaries. Subsidiaries are included in the joint taxation from the point of consolidation in the consolidated financial statement up until the point that they are no longer consolidated.

The parent company is the administrative group responsible for joint taxation and as a result settles all of the group's payments to the tax authorities.

The relevant Danish corporate tax is divided between the jointly taxed companies in relation to their taxable incomes at the point of paying joint taxation contributions. In relation to this, companies with fiscal deficits receive joint taxation contributions from companies, which have been able to use this deficit to reduce their own fiscal surplus.

Annual tax, which consists of the current annual company tax and changes to postponed tax, is included in the income statement with the part, which can be attributed to the year's income and directly under equity with the part, which can be attributed to items directly under equity.

Utilised accounting

Balance sheet

Intangible fixed assets

Goodwill

Positive differences (goodwill) between cost price and fair value of identified assets and liabilities taken over, including provisions for restructuring, are included under intangible assets and are depreciated throughout the income statement after individual evaluation of their economic lifespan. Goodwill from acquired businesses can be adjusted until the end of the year after acquisition.

The accountable value of goodwill is constantly evaluated and amortised at recovery value throughout the income statement, so long as the accountable value exceeds the expected future net income from the company or activity to which the goodwill is related.

Development projects, patents and licences

Development costs include expenses, wages and depreciations, which can be directly attributed to the company's development operations.

Development projects, which are clearly defined and identifiable, and where technical feasibility, sufficient resources and a potential future market or development potential in the business can be evidenced, and where there is intent to manufacture, promote or use the project, are included under intangible assets, if the cost price can be calculated reliably and if there is a sufficient guarantee that the future revenue from these can cover the costs for production, sales, administration and development. Further development costs are included in the income statement, after the costs have been incurred.

Development projects, which are included in the balance sheet, are valued at cost price with the deduction of accumulated depreciations and amortisations.

After completing the development work, the development costs are depreciated equally over their evaluated economic lifespan. The depreciation period is normally 5 years.

Patents and licences are valued at cost price, with the deduction of accumulated depreciations and amortisations. Patents are depreciated equally over the remaining patent term and licences are depreciated over the agreement period, although by a maximum of 20 years.

Gains and losses through the sale of development projects, patents and licences are calculated as the difference between the sales price minus the sales costs and the accountable value at the time of sale. Gains or losses are included in the income statement under depreciations and amortisations.

Tangible fixed assets

Production facilities and machines, as well as other facilities, operation material and inventory are valued at cost price minus the accumulated depreciations and amortisations.

Utilised accounting

The depreciation basis is calculated taking into account the asset's remaining value at the end of its lifespan and is reduced by further possible amortisations. The depreciation term and the remaining value are established at the point of acquisition and are re-evaluated annually. If the remaining value exceeds the asset's accountable value, then depreciation is discontinued.

If the depreciation term or the accountable value change, the effect on future depreciation is included as a change in accounting estimates.

Cost price covers the acquisition price and other costs directly related to the acquisition until the point at which the asset is ready for use. For own-generated assets, the cost price covers direct and indirect costs for materials, components, sub-contractors and salaries.

Interest costs on loans taken out for the direct financing of the manufacture of tangible assets are included in the cost price over the manufacturing period. All indirectly attributable loan costs are included in the income statement.

The cost price of a whole asset is divided into separate components, which are depreciated individually if the lifespan of the individual components is different and the individual component constitutes a significant part of the total cost price.

Equal depreciations are conducted based on the following evaluation of assets' expected lifespans and remaining values:

	Lifespan
Production facilities and machines	5-23 years
Other facilities, operation material and inventory	3-5 years
Furnishing of rented premises	6-30 years

Gains or losses from the sale of property, plants and equipment are included in the income statement under other operating income and other operating expenses, respectively.

Investment properties

Investment properties are calculated at cost price upon initial accounting and at fair value for subsequent calculations.

Investment properties are calculated individually for each property at an estimated fair value. Calculations are conducted either by using an estate agent's valuation or by using a return-based valuation model, where the value is calculated on the basis of the investment properties' operational returns and an individually-fixed return requirement. The return requirement is set individually for each property.

Expenses, which give the investment property new or improved characteristics when compared with the characteristics at the point of acquisition and thereby improve the property's future returns, are added to the cost price as an improvement. Expenses, which do not give an investment property new or improved characteristics, are included in the income statement under property expenses.

Like other material assets, investment properties, apart from grounds, have a limited lifespan. The reduction in value which takes place as an investment property ages is reflected in the investment property's ongoing calculation at fair value. There are therefore no systematic deductions over the investment property's lifespan.

Utilised accounting

Value adjustments are calculated in the income statement under the item "Value regulation of investment properties".

Equity in subsidiaries and associated companies

Equity shares in the subsidiaries and associated companies are valued at the appropriate share of the companies' internal value, calculated based on the company's accounting policies with deductions or supplements of unrealised company internal gains and losses and with supplements or deductions of the remaining value from added value and positive goodwill, calculated using the take over method. Negative goodwill is included in the statement upon purchase of the capital share. If the negative goodwill relates to contingent liabilities acquired, negative goodwill will not be recognised as income until the contingent liabilities have been settled or lapse.

Equity shares in the subsidiary and associated companies with accountable negative internal value are valued at DKK 0 and any outstanding credit in these companies is amortised in the event that the credit is irrecoverable. In the event that the parent company has a legal or actual liability to cover the deficit, which exceeds the credit, the remaining balance will be included under provisions.

Other securities and equity shares, fixed assets

Other securities consist of publicly traded and unlisted shares, which are regarded as long-term investments by management. Publicly traded and unlisted shares are valued at fair value. The fair value of unlisted shares is calculated on the basis of current market data and recognised valuation methods for unlisted shares (level 3 in the fair value hierarchy). Realised and unrealised exchange rate gains and losses are included in the income statement.

Impairment of fixed asset value

The carrying amount of intangible and tangible fixed assets, as well as equity shares in subsidiaries, associated companies and capital interests are assessed annually for indications of impairment, in addition to predicted depreciation.

Should there be any indications of impairment, then each individual asset and each group of assets will be subject to an amortisation test. Assets are amortised to recovery value if this is lower than the carrying amount.

The recovery value is the highest value of the net sale price and capital value minus the expected expenses upon sale. The capital value consists of the current value of the expected net cash flows from use of the asset or group of assets and the expected net cash flows from the sale of the asset or group of assets after its lifespan.

Inventories

Inventories are calculated at cost price using the FIFO method. If the net realizable value is lower than the cost price, it is depreciated to this lower value.

The cost price for trade goods, raw goods and auxiliary materials covers the purchase price plus any delivery costs.

The cost price for manufactured final products, as well as goods being manufactured, covers the cost price for the raw goods, auxiliary materials, direct salary and indirect production costs.

Utilised accounting

Indirect production costs include intangible assets and salaries, as well as maintenance and depreciation of the machines used in the production process, factory buildings, equipment and costs for factory administration and management. Loan costs are not included in the cost price.

The net realised value of inventories is calculated at the expected sale price minus the direct completion costs and the costs incurred to effectuate the sale. The value is obtained by taking into account the inventories' marketability, obsolescence and expected sale price developments.

Receivables

Receivables are calculated at amortised cost price.

Amortisation is carried out when tackling loss if there is believed to be an objective indication that a receivable or a portfolio of receivables has impaired value. If there is an objective indication that an individual receivable has impaired value, then individual amortisation will be conducted.

Amortisations are calculated as the difference between the accountable value of receivables and the current value of the expected cash flows, including the realisation value of any received collaterals. The effective interest of the individual receivable or portfolio is used as a discount rate.

Prepayments

Prepayments, included under current assets, includes the costs incurred, which affect the following financial year.

Securities and equity shares

Securities and equity shares, which consist of publicly traded assets and liabilities, are calculated at fair value on the balance sheet date. Non-publicly traded securities are calculated at fair value, based on their calculated capitalisation.

Equity

Reserve for exchange rate adjustments and hedging transactions

The reserve for exchange rate adjustments comprises the share of exchange rate differences arising from the exchange of accounts for units with another functional currency than Danish kroner, the exchange rate adjustments relating to assets and liabilities that form part of the unit's net investments in such units, and exchange rate adjustments for hedging transactions in such units. The reserve is removed when disposing of foreign units or once the conditions for effective hedging no longer apply. When capital shares in subsidiary and associated companies in the parent company's account that are subject to the binding requirement on the reserve for net revaluation using the equity method, the exchange rate adjustments will instead be included in this equity reserve.

Utilised accounting

The reserve for hedging transactions includes the accumulated net change in fair value of the hedging transactions that meet the criteria for hedging future payment flows, as well as for when the hedged transaction has not yet been realised. The reserve is removed once the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging conditions are no longer effective. The reserve does not represent a statutory corporate bind and may therefore be a negative amount.

Yield

Proposed dividends are shown as a separate item under equity. Dividends are recognised as a liability at the time of adoption at the general meeting.

Corporate and deferred tax

Bagger-Sørensen & Co. A/S is responsible as the administrative company for the subsidiaries' corporate tax due to the tax authorities.

Current tax obligations and current receivable tax are included in the balance sheet as calculated tax from the year's taxable income, adjusted for the tax of previous years' taxable income and already paid account taxes.

Deferred tax is calculated using the balance-oriented debt method of temporary differences between the accountable and taxable value of assets and liabilities, based on their intended use or the liability's development. Deferred tax is calculated to net realisation value.

Deferred tax is calculated on the basis of the tax regulations and rates for their respective countries, which become legally valid when the deferred tax is expected to become current tax. Changes in deferred tax from changes in tax rates are included in the income statement, apart from items, which are directly included under equity.

Deferred tax assets, including the tax value of deferrable tax deficits, are calculated to the value at which the asset is expected to be realised, either by compensation in the taxation of future revenue or by offsetting deferred tax obligations within the same legal tax authority. Any deferred net tax assets are calculated to net realisation value.

Liabilities

Financial liabilities are included for borrowings at the received amount minus the costs incurred for the transaction. For future periods, the financial liabilities are to be calculated at amortised cost price, equating to the capitalised value using the effective rate, so that the difference between the net received amount and the nominal value is included in the income statement over the borrowing period.

Prioritised debt is valued at the amortised cost price, which for cash loans equates to the loan's remaining debt. For debenture loans, the amortised cost price equates to the remaining debt, calculated as the loan's underlying cash value at the point of taking the loan, adjusted for the repayment period with an amortisation of the loan's price adjustment at the point of taking the loan.

Utilised accounting

Further debt liabilities, which include debt to contractors, affiliated companies and other debt, is calculated at amortised cost price, which normally equates to the nominal value.

Discontinued operations

Assets relating to discontinued operations

Assets relating to discontinued operations include assets, which are expected to be divested in relation to discontinued operations. Assets are divested together upon sale or through similar transactions. Liabilities from assets relating to discontinued operations are liabilities directly connected with these assets, which will be transferred through the transaction. Assets are classified as assets relating to discontinued operations if their accountable value will be primarily reclaimed through sale within 12 months as part of a formal plan and not through continued use.

Assets relating to discontinued operations are valued at their lowest accountable value at the time of classification as discontinued operations and at fair value with the deduction of sales costs. Assets are not depreciated or amortised from the point of classification as discontinued operations.

Presentation of discontinued operations

Discontinued operations comprise activities which constitute a significant part of the business, in which activities and cash flows can be operationally and accountably separated from the rest of the business, and when the unit has either been designated for sale and the sale is expected to be conducted within a year according to a formal plan. Discontinued operations also include companies, which are designated for sale in relation to the acquisition.

Income after tax from discontinued operations and value adjustments after tax from related assets and liabilities, as well as gains/losses from the sale, are presented in a separate line in the income statement without adjustment of the comparative figures. Net revenue, expenses and tax from discontinued operations are included in the notes. Assets and related liabilities from discontinued operations are separated into designated lines in the balance sheet without adjustment of the comparative figures and the main items are specified in the notes.

Prepayments

Prepayments, recognised under current liabilities, include payments received on income from subsequent years.

Conversion of foreign currency

Upon initial inclusion, transactions in foreign currency are converted using the exchange rate on the day of the transaction. Exchange rate differences, which occur between the rate on the day of the transaction and the rate on the day of payment, are included in the income statement as a financial item. If the currency instruments are used as security for future cash flows, then the value adjustments are included directly under equity.

Utilised accounting

Receivables, debt and other monetary items in foreign currency are converted using the exchange rate on the balance sheet date. The difference between the rate on the balance sheet date and the rate at the point of incurring the receivable or debt liability or its calculation in a recent year's financial statement, is included in the income statement under financial income and expenses.

Fixed assets, which are purchased in a foreign currency are calculated using the exchange rate on the day of the transaction.

Foreign subsidiaries, associated companies and capital interests are regarded as independent entities. Income statements are converted to an average exchange rate for the month and balance sheet items are converted to the exchange rate on the balance sheet day. Exchange differences incurred as a result of converting foreign subsidiaries' equity at the start of the year to the balance sheet day rate and differences incurred from converting the income statement of average rates to the balance sheet date rate are included directly under equity in the fair value reserve in the consolidated financial statement.

Exchange rate adjustments for outstanding balances to independent foreign subsidiaries, which are considered as part of the common investment in the subsidiary, are included directly under equity in the fair value reserve. Similarly, gains and losses from exchange rates on loans and secondary financial instruments used as security for the net investments in foreign subsidiaries are included directly under equity.

Secondary financial instruments

Secondary financial instruments are initially included in the balance sheet at cost price and thereafter calculated at fair value. Positive and negative fair values from secondary financial instruments are included in other receivables and debts.

Changes in the fair value of secondary financial instruments, which are classified as and meet the criteria for being security of the fair value of an included asset or liability, are included in the financial statement together with changes in the fair value of the secured asset or the secured liability.

Changes in the fair value of secondary financial instruments, which are classified as and meet the conditions for being securities for future cash flows, are included in other receivables or debts and under equity in the fair value reserve. Should the future transaction result in the inclusion of assets or liabilities, then the amount, which was previously included under equity, is transferred to the cost price of the asset or liability. Should the future transaction result in income or expenses, then the amount, which was previously included under equity, is transferred to the income statement for the period in which the security has an effect.

For secondary financial instruments, which do not meet the conditions for consideration as instruments of security, the changes will be continually included at fair value in the income statement.

Cash flow statement

The cash flow statement shows the company's cash flows divided between operational, investment and financial activity for the year, the year's displacement in liquidities and the company's liquidities at the start and end of the year.

Utilised accounting

The cash flow effect from purchasing and selling companies is displayed separately under cash flows from investment activity. In the cash flow statement, cash flows from purchased companies are included from the point of acquisition and cash flows from sold companies are included up until the point of sale.

Cash flow from operations

Cash flows from operations are calculated as the company's share of the income, adjusted for non-cash operational items, changes in operational capital and paid corporate tax. Yield revenue from capital shares is calculated under 'interest gains and yield revenue, received'.

Cash flow from investment operations

Cash flows from investment operations include payments in connection with the purchase and sale of companies and operations, as well as the purchase and sale of intangible, tangible and financial fixed assets.

Cash flow from financial operations

Cash flows from financial operations include changes in the size of composition of the company's share capital and costs connected with this, as well as any loans taken, repayments on interest-bearing debts and payments of yield to subsidiaries.

Liquidities

Cash and cash equivalents include cash and short-term securities with a maturity of less than 3 months, which can be converted into cash and cash equivalents, and for which there are only insignificant risks of changes in value.

Main and key figures

Explanation of key

figures Solvency ratio

$$\frac{\text{Final equity} \times 100}{\text{Total final assets}}$$

Return on equity

$$\frac{\text{Ordinary income after tax} \times 100}{\text{Average equity}}$$

Income statement 1 January - 31

	Note	Group		Parent	
		2020	2019	2020	2019
		thousand DKK	thousand DKK	thousand DKK	thousand DKK
Revenue	1	28,542	35,597	2,975	2,595
Work carried out at own expense and under assets		0	494	0	0
Other financial income		1,026	19,547	15	0
Other financial expenses		-33,859	-34,301	-18,593	-17,039
Gross earnings		-4,291	21,337	-15,603	-14,444
Personnel expenses	3	-26,365	-34,952	-17,378	-25,326
Earnings before depreciation and amortisation (EBITDA)		-30,656	-13,615	-32,981	-39,770
Depreciations and amortisations of intangible and tangible fixed assets		-2,054	-57,919	-396	-588
Other financial expenses		0	-2,706	0	0
Earnings from ordinary operations before fair value adjustments		-32,710	-74,240	-33,377	-40,358
Fair value adjustments to investment properties		21,092	0	-1,983	0
Earnings before financial items		-11,618	-74,240	-35,360	-40,358
Income from equity shares in affiliated companies		0	0	21,891	-23,769
Income from investments in associated companies		6,312	-17,461	4,645	-17,350
Financial income	4	400,178	329,814	394,746	323,954
Financial expenses	5	-374,929	-68,844	-369,764	-65,054
Earnings before tax		19,943	169,269	16,158	177,423
Income tax expenses	6	982	-41,388	4,535	-46,920
End of year earnings		20,925	127,881	20,693	130,503

Balance sheet

		Group		Parent	
	Note	2020	2019	2020	2019
		thousand DKK	thousand DKK	thousand DKK	thousand DKK
Assets					
Completed development projects		0	0	0	0
Patents and licence rights		0	0	0	0
Goodwill		961	1,682	0	0
Development projects under construction		0	668	0	0
Software		0	0	0	0
Intangible fixed assets	8	961	2,350	0	0
Investment properties	9	1,001,953	633,176	31,500	30,646
Production facilities and machines	10	1,687	1,965	0	0
Other facilities, operation material and inventory	10	2,010	4,674	1,089	1,485
Tangible fixed assets under construction	10	583	53,033	550	0
Tangible fixed assets		1,006,233	692,848	33,139	32,131
Investments in affiliated companies	11	0	0	795,303	566,684
Investments in associated companies	12	390,817	386,129	360,759	355,709
Other securities and equity shares	13	113,480	112,093	20,897	18,397
Other receivables	13	205,371	194,024	16,380	14,946
Financial fixed assets		709,668	692,246	1,193,339	955,736
Total fixed assets		1,716,862	1,387,444	1,226,478	987,867
Final products and trade goods		123	131	0	0
Inventories		123	131	0	0

Balance sheet 31 December

Note	Group		Parent	
	2020	2019	2020	2019
	thousand DKK	thousand DKK	thousand DKK	thousand DKK
Assets				
Receivables from sales and services	1,711	6,633	19	12
Receivables from affiliated companies	0	0	178,656	223,066
Receivables from associated companies	3,012	3,209	0	0
Other receivables	92,365	76,612	86,084	68,997
Deferred tax assets	0	5,732	0	1,000
Corporate tax	5,129	0	6,890	0
Prepayments	779	900	50	128
Receivables	102,996	93,086	271,699	293,203
Securities	1,602,905	1,958,345	1,602,894	1,958,337
Securities	1,602,905	1,958,345	1,602,894	1,958,337
Liquid holdings	66,330	142,070	19,210	123,775
Total current assets	1,772,354	2,193,632	1,893,803	2,375,315
Total assets	3,489,216	3,581,076	3,120,281	3,363,182

Balance sheet

		Group		Parent	
	Note	2020	2019	2020	2019
		thousand DKK	thousand DKK	thousand DKK	thousand DKK
Liabilities					
Business capital		57,205	57,205	57,205	57,205
Reserve for fair value adjustment of exchange rate gains (loss)		-3,971	0	0	0
Reserve for fair value of hedging		349	0	0	0
Transferred earnings		2,792,460	2,624,087	2,788,839	2,624,087
Proposed dividend for the financial year		50,000	110,000	50,000	110,000
Minority shareholders		7,003	2,139	0	0
Equity	14	2,903,046	2,793,431	2,896,044	2,791,292
Provision for deferred tax		48,571	0	1,081	0
Other provisions		4,000	4,000	4,000	4,000
Total liabilities		52,571	4,000	5,081	4,000
Debt to mortgage companies		290,348	182,304	0	0
Other debt		0	573	0	296
Long-term liabilities	15	290,348	182,877	0	296

Balance sheet 31 December

		Group		Parent	
	Not e	2020	2019	2020	2019
		thousand DKK	thousand DKK	thousand DKK	thousand DKK
Liabilities					
Short-term part of long-term liabilities	15	7,506	5,437	0	0
Banks		106,353	511,875	106,353	511,875
Prepayments received from customers		1,017	957	0	0
Suppliers of goods and services		13,789	31,153	6,191	10,137
Debt to company members and management		86,292	24,564	86,293	24,563
Corporate tax		0	12,431	0	12,809
Other debt		22,811	9,796	20,319	8,210
Prepayments		525	961	0	0
Deposits		4,958	3,594	0	0
Short-term liabilities		243,251	600,768	219,156	567,594
Total debt liabilities		533,599	783,645	219,156	567,890
Total liabilities		3,489,216	3,581,076	3,120,281	3,363,182
Auditing of affiliated companies	16				
Rent and leasing obligations	17				
Contingent liabilities	18				
Mortgages and security options	19				
Related parties and ownership	20				
Fees for the auditor elected at the General Meeting	2				

Equity statement

Group

	Business - capital	Reserve for fair value adjustments to the exchange rate gains (loss)	Reserve for fair value of hedging	Transferred earnings	Suggested dividend for financial year	Minority interests	In total
	thousand DKK	thousand DKK	thousand DKK	thousand DKK	thousand DKK	thousand DKK	thousand DKK
Equity as at 1 January	57,205	0	0	2,624,087	110,000	2,139	2,793,431
Net effect upon changing accounting policies	0	0	0	197,680	0	4,632	202,312
	57,205	0	0	2,821,767	110,000	6,771	2,995,743
Exchange rate adjustments	0	-3,971	0	0	0	0	-3,971
Paid extraordinary yield	0	0	0	0	-110,000	0	-110,000
Adjustments of security instruments at fair value	0	0	349	0	0	0	349
End of year earnings	0	0	0	-29,307	50,000	232	20,925
Equity as at 31 December	57,205	-3,971	349	2,792,460	50,000	7,003	2,903,046

Equity statement

Parent company

	Business capital	Reserve for net revaluation according to the equity method	Transferred earnings	Suggested dividend for financial Year	In total
	thousand DKK	thousand DKK	thousand DKK	thousand DKK	thousand DKK
Equity as at 1 January	57,205	0	2,624,087	110,000	2,791,292
Net effect upon changing accounting policies	0	0	197,680	0	197,680
	57,205	0	2,821,767	110,000	2,988,972
Paid extraordinary yield	0	0	0	-110,000	-110,000
Exchange rate adjustments from foreign entities	0	-3,971	0	0	-3,971
Adjustments of security instruments at fair value	0	349	0	0	349
End of year earnings	0	3,622	-32,928	50,000	20,694
Equity as at 31 December	57,205	0	2,788,839	50,000	2,896,044

Cash flow statement 1 January - 31 December

Note	Group	
	2020 thousand DKK	2019 thousand DKK
End of year earnings	20,925	127,881
Adjustments	-51,398	-173,209
Change in operational capital	47,288	-28,629
Cash flows from operation before financial items	16,815	-73,957
Interest accounts receivables and similar	18,164	21,214
Interest accounts payable and similar	-17,281	-10,700
Cash flow from ordinary operations	17,698	-63,443
Paid corporate tax	-9,182	-2,611
Cash flow from operations	8,516	-66,054
Purchase of intangible fixed assets	-76	-1,515
Purchase of tangible assets	-69,660	-203,492
Purchase of financial fixed assets, etc.	-15,267	-23,177
Sale of tangible fixed assets	26,350	178,144
Sale of financial fixed assets, etc.	0	26,012
Dividends received from associated businesses	0	300
Sale of securities, net	379,806	160,805
Cash flow from investment operations	321,153	137,077
Raising of debt for mortgage companies, net	110,113	-6,887
Paid yield	-110,000	-257,000
Raising of debt for mortgage companies	-405,522	276,526
Cash flow from financial operations	-405,409	12,639
Changes in liquidity	-75,740	83,662
Liquidity as at 1 January	142,070	58,408
Liquidity as at 31 December	66,330	142,070

Notes

1 Segment information activities - primary segment

	Sale of land and buildings	Rental income	Other	Total group
DKK				
2020				
Net revenue	0	25,450	3,092	28,542
2019				
Net revenue	13,605	16,202	5,790	35,597

	Group		Parent company	
	2020	2019	2020	2019
	thousan d DKK	thousan d DKK	thou sand DK K	thousan d DKK
2 Fees for the auditor elected at the General Meeting				
EY Authorised auditing associates				
Auditor's fees	385	416	170	166
Tax consulting	0	70	0	0
Other services	130	342	130	240
	515	828	300	406
3 Personnel expenses				
Salaries	24,128	32,922	16,044	24,089
Pensions	2,094	1,850	1,262	1,157
Other expenses for social security	143	180	72	80
	26,365	34,952	17,378	25,326
Of which are remuneration to the Executive Board and the Board of Directors	8,098	7,610	7,903	7,358
Average number of persons employed	26	27	12	12

Notes

	Group		Parent company	
	2020	2019	2020	2019
	thousand DKK	thousand DKK	thousand DKK	thousand DKK
4 Financial income				
Interest income from affiliated companies	0	0	3,464	4,592
Interest income from associated companies	40	91	0	0
Other financial income	400,138	329,723	391,282	319,362
	400,178	329,814	394,746	323,954
5 Financial expenses				
Other financial expenses	374,681	68,827	369,516	65,038
Corporate tax interest charges	248	17	248	16
	374,929	68,844	369,764	65,054
6 Income tax expenses				
Current year's tax	784	19,262	61	19,820
This year's deferred tax adjustment	1,998	19,611	-118	24,600
Previous years tax adjustment	-3,043	1,957	-3,041	1,942
Tax contributions	-720	558	-1,437	558
	-981	41,388	-4,535	46,920
which is divided as follows:				
Income tax expenses:	-982	41,388	-4,535	46,920
Equity movement tax	1	0	0	0
	-981	41,388	-4,535	46,920

Notes

	Group		Parent company	
	2020	2019	2020	2019
	thousand DKK	thousand DKK	thousand DKK	thousand DKK
7 Net Earnings				
Proposed dividend	50,000	110,000	50,000	110,000
Paid extraordinary yield	0	257,000	0	257,000
Reserve for net revaluation using the equity method	0	0	3,621	660
Transferred earnings	-29,307	-236,497	-32,928	-237,157
	20,693	130,503	20,693	130,503
Minority shareholders	232	-2,622	0	0
	20,925	127,881	20,693	130,503

8 Intangible fixed assets

Group

	Completed development projects	Patents and licence rights	Goodwill	Development projects under construction	Software
	thousand DKK	thousand DKK	thousand DKK	thousand DKK	thousand DKK
Cost price as at 1 January	44,929	3,876	302,481	87,590	269
Asset gains during the year	0	0	0	51	0
Asset disposals during the year	0	-3,876	-42,753	-49,346	-269
Cost price as at 31 December	44,929	0	259,728	38,295	0
Depreciation and amortisation as at 1 January	44,929	3,876	300,799	86,922	269
	0	0	0	51	0
Annual amortisation	0	0	721	0	0
Annual depreciation	0	0	721	0	0
Reversed depreciation at year end	0	-3,876	-42,753	-48,678	-269
Depreciation and amortisation as at 31 December	44,929	0	258,767	38,295	0
Carrying amount as at 31 December					

Special assumptions regarding development projects

Notes

LIPLASOME PHARMA APS: Development projects in progress have so far included the company's first drug candidate LiPlaCis, which in February 2016 was licensed to Allarity Therapeutics A/S. Allarity Therapeutics A/S declared in 2019 that LiPlaCis would henceforth not have internal priority in the portfolio of drug candidates. Hence why Liplasome Pharma A/S decided to amortise active development costs to DKK 0.

Notes

8 Intangible fixed assets (Cont'd.)

Group

8 Intangible fixed assets (Cont'd.)

Parent company

	Goodwill
	thousand DKK
Cost price as at 1 January	252,520
Cost price as at 31 December	252,520
Depreciation and amortisation as at 1 January	252,520
Depreciation and amortisation as at 31 December	252,520
Carrying amount as at 31 December	0

Notes

9 Assets calculated at fair value

	Group	Parent company
	Investment properties	Investment properties
	thousand DKK	thousand DKK
Cost price as at 1 January	738,582	31,812
Net effect upon changing accounting policies	-66,897	0
Asset gains during the year	15,915	2,483
Asset disposals during the year	-22,577	0
Transfers during the year	107,979	0
Cost price as at 31 December	773,002	34,295
Adjustments as at 1 January	-105,406	-1,166
Exchange rate adjustments	-2,761	0
Net effect upon changing accounting policies	319,001	354
Annual adjustments	21,092	-1,983
Annual retrospective adjustments	-2,759	0
Transfers during the year	-216	0
Adjustments as at 31 December	228,951	-2,795
Carrying amount as at 31 December	1,001,953	31,500

Requirements when accounting fair value of investment properties

Group:

Investment properties' fair value is assessed by using a return-based valuation model, where the value is calculated on the basis of the individual property's operational returns and an individually-fixed return requirement. The return requirement is fixed, taking into account the applicable conditions on the property market on the balance sheet day, the property type, the property's location etc.

However, the fair value of the group's land and forestry properties are fixed by external estate agents and the fair value of the group's land assets are fixed on the basis of actual sales prices for comparable plots.

The average operational return for office properties for next year is valued to be DKK 11,974 thousand. The calculated operational return is based on a leasing percentage of 100%. The calculation is based on a return in the range of 5.25-6.25%. The effect on the annual profit is DKK 21,150 thousand and the fair value is DKK 192,270 thousand.

The average operational return for accommodation properties for next year is valued to be DKK 10,148 thousand. The calculated operational return is based on a leasing percentage of 100%. The calculation is based on a return in the range of 4.00-4.25%. The effect on the annual profit is DKK 869 thousand and the fair value is DKK 250,264 thousand.

The average operational return for commercial properties for next year is valued to be DKK 2,126 thousand. The calculated operational return is based on a leasing percentage of 100%. The calculation is based on a return in the range of 5.75-6.0%. The effect on the annual profit is DKK 564 thousand and the fair value is DKK 36,224 thousand.

The effect on the annual profit from the group's land assets is DKK -628 thousand and the fair value is DKK 181,509

Notes

9 Assets calculated at fair value (cont'd.)

The average operational return for other properties for next year is valued to be DKK 2,307 thousand. The calculated operational return is based on a leasing percentage of 100%. The calculation is based on a return of 6.00%. The effect on the annual profit is DKK 1,120 thousand and the fair value is DKK 38,447 thousand.

Parent company:

The fair value of the parent company's land and forestry properties is fixed by an external

estate agent. The effect on the annual profit is DKK -1,983 thousand and the fair value is

DKK 31,500 thousand.

10 Tangible fixed assets

Group

	Production and machines thousand DKK	Other assets, operational material and inventory thousand DKK	Tangible fixed assets assets under construction thousand DKK
Cost price as at 1 January	3,155	16,006	53,033
Exchange rate adjustments	0	0	-52
Asset gains during the year	265	0	53,505
Asset disposals during the year	-57	0	0
Transfers during the year	0	-2,077	-105,903
Cost price as at 31 December	3,363	13,929	583
Depreciation and amortisation as at 1 January	1,190	11,332	0
Exchange rate adjustments	139	0	0
Annual depreciation	387	803	0
Annual depreciation and amortisation of divested assets	-40	0	0
Transfers during the year	0	-216	0
Depreciation and amortisation as at 31 December	1,676	11,919	0
Carrying amount as at 31 December	1,687	2,010	583

Notes

10 Tangible fixed assets (cont'd.)

Parent company

	Other facilities, operational material and inventory	Tangible fixed assets under construction	In total
	thousand DKK	thousand DKK	thousand DKK
Cost price as at 1 January	10,668	0	10,668
Asset gains during the year	0	550	550
Cost price as at 31 December	10,668	550	11,218
Depreciation and amortisation as at 1 January	9,183	0	9,183
Annual depreciation	396	0	396
Depreciation and amortisation as at 31 December	9,579	0	9,579
Carrying amount as at 31 December	1,089	550	1,639

Notes

	Parent company	
	2020 thousand DKK	2019 thousand DKK
11 Investments in affiliated companies		
Cost price as at 1 January	1,199,205	1,105,748
Net effect upon changing accounting policies	0	0
Asset gains during the year	10,000	95,000
Asset disposals during the year	0	-1,543
Cost price as at 31 December	1,209,205	1,199,205
Adjustments as at 1 January	-632,521	-549,694
Exchange rate adjustments	-2,901	-423
Net effect upon changing accounting policies	198,938	0
End of year earnings	22,479	-23,769
Dividends received	0	-57,600
The year's adjustments for security instruments at fair value	103	-1,035
Other equity movements, net	0	0
Adjustments as at 31 December	-413,902	-632,521
Carrying amount as at 31 December	795,303	566,684

Parent company

Investments in affiliated companies are specified as such:

Name	Location	Owner shares
Gumlink A/S	Vejle	100%
Bagger-Sørensen AG (without activity)	Switzerland	100%
Bagger-Sørensen Invest A/S	Vejle	100%
Vecata Ejendomme A/S	Vejle	100%
Claonaig Estate Ltd	Scotland	96%
Advice House A/S	Vejle	100%
Vejle Centrum ApS	Vejle	100%
Bagger-Sørensen Equity A/S	Vejle	100%
Vecata Invest A/S	Vejle	100%
4 Best Invest ApS	Vejle	100%
TINA Holding ApS	Vejle	100%
LiPlasome Pharma ApS	Vejle	94%
Ovenvande Skanderborg ApS	Vejle	90%

Notes

	Group		Parent company	
	2020	2019	2020	2019
	thousand DKK	thousand DKK	thousand DKK	thousand DKK
12 Capital shares in associated companies				
Cost price as at 1 January	448,003	436,171	419,079	416,330
Asset gains during the year	1,226	13,853	1,226	2,990
Asset disposals during the year	0	-2,021	0	-241
Cost price as at 31 December	449,229	448,003	420,305	419,079
Adjustments as at 1 January	-61,874	-38,863	-63,370	-46,819
Asset disposals during the year	0	-6,047	0	0
Exchange rate adjustments	-1,068	306	-1,068	307
Net effect upon changing accounting policies	-2,028	0	0	0
End of year earnings	6,311	-17,461	4,645	-17,349
Dividends received	0	-300	0	0
Other equity movements, net	247	491	247	491
Adjustments as at 31 December	-58,412	-61,874	-59,546	-63,370
Carrying amount as at 31 December	390,817	386,129	360,759	355,709

Group

Investments in associated companies are specified as such:

Name	Location	Owner shares
Owned by the parent company:		0%
Claudio Holdco A/S	Vejle	30%
J-Flight ApS	Billund	50%
K/S Joinflight	Billund	49%
Exact Flex Invest II A/S	Favrskov	25%
Owned by subsidiaries:		0%
Green Tech Group A/S	Vejle	33%
Food Innovation House ApS	Vejle	50%
Vivostat Holding ApS	Allerød	20%

Notes

13 Financial fixed assets

Group

	Other securities and capital shares thousand DKK	Other receivables thousand DKK
Cost price as at 1 January	111,994	196,740
Exchange rate adjustments	0	-152
Asset gains during the year	2,500	11,541
Cost price as at 31 December	114,494	208,129
Adjustments as at 1 January	99	-2,716
Annual adjustments	-1,113	-42
Adjustments as at 31 December	-1,014	-2,758
Carrying amount as at 31 December	113,480	205,371

13 Financial fixed assets (cont'd.)

Parent company

	Other securities and capital shares thousand DKK	Other receivables thousand DKK
Cost price as at 1 January	18,397	14,946
Asset gains during the year	2,500	1,434
Cost price as at 31 December	20,897	16,380
Carrying amount as at 31 December	20,897	16,380

14 Equity

The company capital consists of 1,080,000,000 A-shares each worth DKK 1 øre, as well as 4,640,453,000 B-shares each worth DKK 1 øre.

Notes

15 Long-term liabilities

Group	Debt 1 January	Debt 31 December	Repay ments next year	Outstand ing debt after 5 years
	thousand DKK	thousand DKK	thousand DKK	thousand DKK
Debt to mortgage companies	187,741	297,854	7,506	247,959
Other debt	573	0	0	0
	188,314	297,854	7,506	247,959

Parent company	Debt 1 January	Debt 31 December	Repay ments next year	Outstand ing debt after 5 years
	thousand DKK	thousand DKK	thousand DKK	thousand DKK
Other debt	296	0	0	0
	296	0	0	0

16 Auditing of affiliated companies

Claonaig Estate Limited (SC314612) is exempt from the requirements for preparation of audited accounts in accordance with section 479A of the UK Companies Act 2006.

17 Rental and leasing

obligations for the parent

company

The parent company has entered into a lease agreement. The lease during the cancellation period amounts to DKK 118.3 million. The parent company entered into operational lease contracts with maturity in 2021 and later with a total lease payment of DKK 4.1 million.

Group

The group entered into rental and operational lease contracts with maturity in 2021 and later with a total lease payment of DKK 122.4 million.

Notes

18 Contingent liabilities for the parent company

The parent company is jointly taxed with Danish subsidiaries. As a management company, the company is wholly and jointly liable with the subsidiaries for Danish corporate taxes and income taxes on dividends, interest and royalties within the joint taxation circle.

Deferred tax on the group's jointly taxed income, amounts to DKK 0.0 million as of 31 December 2020.

The parent company has entered into an agreement on capital injection in a number of global private equity, real estate and infrastructure funds. The total remaining commitment amounts to up to DKK 218.3 million.

The parent company has filed a self-claim for security for some of its subsidiaries' mortgage loans. The debt, as of 31 December 2020, amounts to DKK 80.9 million.

The parent company has provided a guarantee for partner's loan at Vækstfonden. The total guarantee is limited to DKK 0.2 million.

The parent company, together with other capital owners, has issued a joint guarantee for bank overdrafts for a total of DKK 8 million in a subsidiary's capital shares. The shareholders have internally agreed on liability, such that each party is liable for DKK 2 million.

The parent company has provided a guarantee in accordance with paragraph 479C of the UK Companies Act 2006 for Claonaig Estate Limited (SC 314612) for the financial year ending 31 December 2020.

Group

The group is deemed not to be a party to legal acts that may affect the company's financial position, including the receivables and liabilities recognised in the balance sheet as of 31 December 2020.

The parent company has entered into an agreement on capital injection in a number of global private equity, real estate and infrastructure funds. The total remaining commitment amounts to up to DKK 218.3 million.

The parent company has filed a self-claim for security for some of its subsidiaries' mortgage loans. The debt, as of 31 December 2020, amounts to DKK 80.9 million.

The parent company has provided a guarantee for partner's loan at Vækstfonden. The total guarantee is limited to DKK 0.2 million.

The parent company, together with other capital owners, has issued a joint guarantee for bank overdrafts for a total of DKK 8 million in a subsidiary's capital shares. The shareholders have internally agreed on liability, such that each party is liable for DKK 2 million.

A group company, together with two collaborating partners, has provided limited self-liaible guarantees to an associated company, in the amount of DKK 49.5 million each.

A group company, together with a collaborating partner, has provided limited self-liaible guarantees to an associated company, in the amount of DKK 14.8 million each.

A group company has provided self-liaible guarantees for the security of a subsidiary's mortgage loan. The debt as of 31 December 2020 amounts to DKK 76.8 million.

A group company has provided a guarantee for a subsidiary's bank debt. The bank debt, as of 31 December 2020, amounts to DKK 0 million.

Notes

A group company has provided a guarantee for an affiliated company's bank debt. The bank debt, as of 31 December 2020, amounts to DKK 3.9 million.

Notes

19 Mortgages and security options for the parent company

As collateral for debt to financial institutions, DKK 106.4 million has been given by the parent company in securities, for which the carrying amount, as of 31 December 2020, amounts to DKK 1,322.6 million.

Group

As collateral for debt to mortgage companies, DKK 182.9 million has been given by the group in mortgages in investment properties, for which the carrying amount, as of 31 December 2020, amounts to DKK 457.9 million.

A group company has issued mortgage deeds for a total of DKK 3.9 million in the above investment properties. Of this, deposited mortgage deeds in the amount of DKK 3.9 million are collateral for bank debt.

As collateral for debt to financial institutions, DKK 106.4 million has been given by the parent company in securities, for which the carrying amount, as of 31 December 2020, amounts to DKK 1,322.6 million.

20 Related parties and ownership transactions

All transactions have been made on market terms.

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Chairman of the Board

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