



Annual report 2020

ACCOUNTING PERIOD: 01.01 2020 – 31.12 2020
CENTRAL BUSINESS REGISTRATION NO: 31 32 60 36

COMPANY: EGN GROUP HOLDING A/S
RYTTERMARKEN 8
5700 SVENDBORG

CHAIRMAN OF THE ANNUAL GENERAL MEETING: HANS KURT KJÆR HANSEN

APPROVED BY THE ANNUAL GENERAL MEETING ON JUNE 30 2021



Company details

Company

EGN Group Holding A/S
Ryttermarken 8
5700 Svendborg
Denmark

Phone: +45 63 21 40 70
Fax: +45 63 21 40 01
Website: www.egn.com
E-mail: info@egn.com

Central Business Registration No: 31 32 60 36
Registered in: Svendborg
Accounting year: January 1, 2020 – December 31, 2020

Executive Board

Jørgen Galsgaard, Group Chief Executive Officer

Board of Directors

Jens Erik Karlskov Jensen, Chairman
Jørgen Galsgaard
Janne Karlskov Jensen
Jeanette Galsgaard

Company auditors

RevisionsFirmaet Edelbo
Statsautoriseret Revisionspartnerselskab
Business registration no.: 35 48 61 78

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Consolidated key figures

EGN Group Holding A/S - Group

Statement of comprehensive income (DKK'000)	2020	2019	2018	2017	2016
Revenue	162.768	176.731	171.208	165.317	162.817
Operating profit (EBIT)	12.781	10.390	7.848	10.492	17.230
Net financials	(1.343)	(2.792)	(1.143)	(1.337)	(772)
Profit before tax	11.437	7.598	6.705	9.156	16.459
Profit for the year	8.423	5.534	5.052	6.667	11.290
Balance (DKK'000)					
Investment in fixed assets	6.126	19.249	875	621	1.542
Equity	23.539	16.134	15.697	20.677	21.919
Total assets	139.678	111.713	98.822	88.452	84.924
Key ratios (%)					
ROIC excl. goodwill	10.17 %	9.87 %	8.38 %	12.10 %	20.28 %
Solvency ratio	16.85 %	14.44 %	15.88 %	23.38 %	25.81 %
Profit margin	7.85 %	5.88 %	4.58 %	6.35 %	10.58 %
Return on equity	42.46 %	34.77 %	27.78 %	31.31 %	56.28 %

The key figures are prepared in accordance with the Danish Society of Financial Analysts' "Recommendations & Financial Ratios 2017".

Management commentary

Company activity

The EGN Group is the world's second largest professional peer group network for executives (top executives, middle managers, specialists and key employees).

EGN currently has around 14,000 active members from 13 countries, representing more than 7,500 companies. We run 3,800 peer group meetings every year.

EGN operates peer groups in Denmark, Norway, Sweden, Finland, Germany, Holland, Belgium, Hong Kong, Singapore, Thailand, Australia, New Zealand and South Africa.

The group operates peer groups and represents more than 70 different organizational functions in companies and the public sector.

The goal is "Making each other better", which means that EGN wishes that all the knowledge gathered in the public and private businesses of the 13 countries where EGN is represented, lies in the EGN peer groups and can be used by all, both by the individual employee, who is a member, and by colleagues in the organizations. By using the network and each other - also between peer group meetings - there are every opportunity to solve any problem that may arise and thereby "Making each other better". There must be no challenge for a member or somebody in his or her organization which cannot be solved by use of the EGN concept.

EGN has entered into a partnership with Harvard Business Publishing so that EGN now as the only professional network in the world also can offer tailor-made seminars and education in a combination of peer groups combined with education from Harvard professors incl. a number of business cases to discuss and direct learning.

EGN has over the last years developed its own social media platform – Members' Universe – where members across countries and functions can share knowledge in confidential forums – as an add-on to the peer group meetings.

Development in activities and finances in 2020

The profit for the year is 8.422.756 DKK.

The result is better compared to the result in 2019.

In view of the pandemic which hit us all in the spring of 2020, the year became a very special year, and the board consider the result as very good and satisfactory.

The year started promising with good growth and progress in 1. quarter.

Mid-March we had to adapt to the pandemic situation. Within 24 hours the management had to convert physical meetings all over the world to virtual meetings.

They succeeded to do so, almost all meetings and activities were held according to schedule during the whole year. EGN has held more than 3000 virtual peer group meetings and webinar events during 2020.

The attendance has been very high, and many groups have wanted extra meetings, to use the meetings and their peers as a frequent management tool in a very different situation for all. The members really needed to have peers to talk with about their challenges.

In addition to the virtual meetings EGN started offering local and global webinars with speakers, who could give the members knowledge about how to handle a corona situation. These webinars were very well received.

The pandemic situation developed differently in the different EGN markets. Some markets were hit very hard, and some companies suffered very much. In some markets we therefore decided to scale down our sales activities. In other markets we saw increased demand and we could scale up and grow member numbers.

Member retention remained stable across all markets.

As a positive virtual and digital positive consequence of the pandemic, we saw an increased usage and engagement in the EGN Members' Universe digital community. We and members arranged various cross functional and cross border digital fora,

Management commentary

where members could help each other, get advice from connected external advisors and utilize the bigger EGN network to an even bigger extent.

Outlook

The interests for networking - for being a member of a professional peer network - has been growing during 2020, and this interest has very much continued in 2021.

We have seen a strong and satisfactory growth in the beginning of 2021.

We saw the same after the financial crises 10-11 year ago.

Many people, who are working from home, who have been lonely when taking decisions, now need to get out, to meet other people, and to talk with peers besides the few colleagues they have able to talk with in online meetings.

EGN has over the last years strengthened the leadership, focused even more on product quality and member retention, developed digital marketing activities and continued the digital platform Members' Universe development. And the business model and concept are again proving its value for members, even though the circumstances have been very different than normal. In the bigger perspective this makes EGN scalable, so that EGN in 2021 and further on will be able to grow in existing markets, and enter new markets in a new, and interesting way.

In view of the above, the board therefore expect growth and a satisfactory result in 2021. We expect next year's net result to exceed this year's net result.

Human resources

The parent company and the group's primary service is peer to peer group network executives. It is therefore considered significant for the continued growth to be able to attract, restrain and develop qualified employees in the relevant markets where the group operates.

During the year, there has been an intake of competent and experienced employees who have strengthened the group's level of knowledge and competence which has been part of running the group's activities.

Environmental issues

The company is environmentally conscious and works to reduce the environmental impact of business operations.

Statement by the executive management and the board of directors

The Board of Directors and the Executive Group Management Board have today discussed and approved the annual report of EGN Group Holding A/S for the financial year 2020.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for annual reports.

In our opinion the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's assets, liabilities and financial position on December 31, 2020 and of the results of the group's and the parent company's operations and cash flows for the financial year January 1 - December 31, 2020.

Further, in our opinion the management's report includes a fair review of the development and performance of the group's and the parent company's business and financial condition, the profit/loss for the year and of the group's and the parent company's financial position together with a description of the principal risks and uncertainties that the group and the parent company face.

We recommend that the Annual Report 2020 is approved at the annual general meeting.

Svendborg, June 30, 2021

Executive Group Management Board

Jørgen Galsgaard

Group Chief Executive Officer

Board of Directors

Jens Erik Karlskov Jensen

Chairman

Jørgen Galsgaard

Janne Jensen

Jeanette Galsgaard

Independent auditors' report

To the shareholders of EGN Group Holding A/S

Our opinion

We have audited the consolidated financial statements and the parent company financial statements of EGN Group Holding A/S for the financial year 1 January to 31 December 2020, which comprise income statement, statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional disclosure requirements in 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 Group's and the parent company's financial position at 31 December 2020 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January – 31 December 2020 in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 Financial Statements section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in Denmark. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for

such internal control as Management determines is necessary to enable the preparation of 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 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 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 about 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 the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 or the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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

Svendborg, June 30, 2021

Revisionsfirmaet Edelbo

Statsautoriseret Revisionspartnerselskab

Cvr-nr. 35 48 61 78

Johan Groth

State Authorized
Public Accountant
mne11630

Michael Jensby Jakobsen

State Authorized
Public Accountant
mne34290

significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Parent Company Financial

Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Consolidated Financial Statements or the Parent Company Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Financial

Consolidated income statement

1 January – 31 December

DKK	Note	2020	2019	2018
Revenue	3	162.767.649	176.731.465	171.207.941
Other external expenses		(32.967.157)	(41.780.272)	(40.821.892)
Staff expenses	4	(109.180.666)	(116.213.598)	(119.973.626)
Depreciation	5	(7.838.702)	(8.347.384)	(2.564.802)
Operating profit before other items		12.781.124	10.390.211	7.847.621
Other income and expenses, net		0	0	0
Operating profit (EBIT)		12.781.124	10.390.211	7.847.621
Financial income	6	443.394	1.258.501	775.367
Financial expenses	7	(1.787.299)	(4.050.673)	(1.918.074)
Profit/(loss) before tax (EBT)		11.437.219	7.598.040	6.704.914
Tax on profit/(loss) for the year	8	(3.014.463)	(2.064.162)	(1.652.813)
Profit/(loss) for the year		8.422.756	5.533.878	5.052.101
Attributable to:				
Owners of EGN Group Holding A/S		7.899.837	4.351.182	3.830.031
Non-controlling interests		522.918	1.182.696	1.222.071
Profit/(loss) for the year		8.422.756	5.533.878	5.052.101

Financial

Statement of comprehensive income

1 January – 31 December

DKK	Note	2020	2019	2018
Profit/(loss) for the year		8.422.756	5.533.878	5.052.101
Foreign exchange adjustments, etc.		(82.284)	13.050	17.571
Other comprehensive income for the year, net of tax		(82.284)	13.050	17.571
Total comprehensive income for the year		8.340.472	5.546.928	5.069.672
Attributable to:				
Owners of EGN Group Holding A/S		7.843.553	4.359.882	3.844.972
Non-controlling interests		496.919	1.187.046	1.224.701
Total comprehensive income for the year		8.340.472	5.546.928	5.069.672

Statement of cash flows

1 January - 31 December

DKK	Note	2020	2019	2018
Net profit/(loss)		8.422.756	5.533.878	5.052.101
Depreciation, amortisation and impairment losses		7.838.702	4.424.668	2.564.802
Changes in working capital		(4.246.161)	6.982.111	2.322.345
Adjustment of tax of the year		3.014.463	2.064.162	1.652.813
Changes in provisions, pensions and similar obligations		8.866.892	(1.987.209)	4.548.630
Income taxes paid		(1.522.152)	(1.211.863)	(3.161.944)
Cash flow from operating activities		22.374.499	15.805.748	12.978.747
Cash flow from investing activities				
Acquisition/disposal of intangible assets, property, Plant and equipment		(3.840.440)	(24.561.478)	(9.582.352)
Cash flow from investing activities		(3.840.440)	(24.561.478)	(9.582.352)
Cash flow from financing activities				
Proceeds from borrowings		772.676	15.390.308	481.796
Repayment of borrowings		(2.899.001)	(1.543.442)	(347.402)
Change in intercompany receivables/liabilities		0	0	303.476
Change in other liabilities		6.222.106	2.072.995	(1.318.595)
Paid dividend		(956.089)	(5.131.220)	(5.256.183)
Cash flow from financing activities		3.139.692	10.788.641	(6.136.907)
Total cash flow		21.673.751	2.032.911	(2.740.511)
Cash and cash equivalents at 1 January		(31.552.042)	(33.584.952)	(30.844.441)
Total cash flow		21.673.751	2.032.911	(2.740.511)
Foreign exchange adjustments		0	0	0
Cash and cash equivalents at 31 December		(9.978.291)	(31.552.042)	(33.584.952)

Statement of consolidated financial position

at 31 December

DKK	Note	2020	2019	2018
Assets				
Intangible assets	9	63.245.448	64.428.098	61.533.910
Property, plant and equipment	10	10.614.460	15.610.029	2.280.814
Deferred tax assets	11	1.725.453	2.135.302	1.487.309
Amounts owed by group companies		0	0	0
Other financial assets		1.200.107	1.649.707	1.429.104
Non-current assets		76.785.467	83.823.136	66.731.137
Trade receivables	12	25.329.382	23.930.338	25.174.687
Tax receivables		866.580	281.086	2.051.082
Other receivables	13	4.210.369	4.937.701	5.901.870
Cash and cash equivalents	14	32.485.924	0	19.088
Current assets		62.892.254	29.149.125	33.146.727
Total assets		139.677.721	112.972.261	99.877.864

Statement of consolidated financial position (continued)

at 31 December

DKK	Note	2020	2019	2018
Equity and liabilities				
Share capital	15	500.000	500.000	500.000
Retained earnings		22.465.431	14.628.364	14.247.516
Total equity attributable to owners of EGN Group Holding A/S		22.965.431	15.128.364	14.747.516
Non-controlling interests		573.633	1.005.279	949.452
Total equity		23.539.064	16.133.643	15.696.968
Leasing	16	5.027.200	5.526.148	645.463
Employee liabilities	17	3.530.327	1.371.594	0
Non-current liabilities		8.557.526	6.897.742	645.463
Current portion of long-term liabilities	16+17	5.299.745	9.376.415	410.234
Bank	14	42.364.214	31.552.042	33.604.040
Prepayments		13.389.500	11.440.175	11.716.548
Trade payables	18	3.050.559	5.815.261	4.641.700
Tax payables		2.108.413	30.608	300.311
Other liabilities	19	18.626.186	15.431.839	13.209.260
Employee liabilities	20	14.096.888	7.533.668	8.615.796
Deferred income	21	8.645.626	8.760.868	11.037.543
Current liabilities		107.581.131	89.940.876	83.535.432
Total liabilities		116.138.657	96.838.618	84.180.895
Total equity and liabilities		139.677.721	112.972.261	99.877.864
Related parties	22			
Recourse guarantee commitments and				
Contingent liabilities	23			
Financial risk	24			
Credit risk	25			

Consolidated Equity

1 January - 31 December

2020

DKK	Share capital	Retained earnings	Minority interests	Total
Equity at 1 January	500.000	14.628.364	1.005.279	16.133.643
Profit/(loss) for the year	0	7.899.837	522.918	8.422.756
Other comprehensive income	0	(56.285)	(25.999)	(82.284)
Exchange rate adjustments	0	(157.849)	27.524	(130.325)
Disposal of subsidiaries	0	151.363	0	151.363
Transactions with owners				
Dividends paid	0	0	(956.089)	(956.089)
Total changes in equity	0	7.837.066	(431.646)	7.405.421
Equity at 31 December	500.000	22.465.430	573.633	23.539.064

Dividends

The parent has proposed a dividend of DKK 6.000.000 before the Annual Report was issued.

2019

DKK	Share capital	Retained earnings	Minority interests	Total
Equity at 1 January	500.000	14.247.516	949.451	15.696.968
Profit/(loss) for the year	0	4.351.182	1.182.696	5.533.878
Other comprehensive income	0	8.699	4.351	13.050
Exchange rate adjustments	0	29.303	0	29.303
Disposal of subsidiaries	0	(8.336)	0	(8.336)
Transactions with owners				
Dividends paid	0	(4.000.000)	(1.131.220)	(5.131.220)
Total changes in equity	0	380.848	55.827	436.675
Equity at 31 December	500.000	14.628.364	1.005.279	16.133.643

Dividends

The parent has proposed a dividend of DKK 0 before the Annual Report was issued.

Consolidated Equity (continued)

1 January - 31 December

2018

DKK	Share capital	Retained earnings	Minority interests	Total
Equity at 1 January	500.000	19.652.045	524.996	20.677.041
Profit/(loss) for the year	0	3.830.030	1.222.071	5.052.101
Other comprehensive income	0	14.941	2.630	17.571
Exchange rate adjustments	0	16.980	0	16.980
Adjustment to prior years	0	(5.266.480)	455.937	(4.810.543)
Transactions with owners				
Dividends paid	0	(4.000.000)	(1.256.183)	(5.256.183)
Total changes in equity	0	(5.404.529)	424.455	(4.980.074)
Equity at 31 December	500.000	14.247.516	949.451	15.696.968

Dividends

The parent has proposed a dividend of DKK 4.000.000 before the Annual Report was issued.

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Notes

1. ACCOUNTING POLICIES

Basis of accounting

The consolidated financial statements for 1 January – 31 December 2020 are presented in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU and additional Danish disclosure requirements for annual reports of reporting class C enterprises. Please see the Danish Executive Order on IFRS adoption issued in accordance with the Danish Financial Statement Act.

The consolidated financial statements are presented in Danish Kroner (DKK), which is regarded as the primary currency in relation to the group's activities and the functional currency of the parent company.

The consolidated financial statements have been prepared on the historical cost basis, except for certain derivative financial instruments which are measured at fair value. The principal accounting policies adopted are set out below.

The consolidated financial statements are presented in accordance with the new and revised standards (IFRS/IAS) and Interpretations (IFRIC) which apply for the financial year.

Future IFRS changes

At the date of the publication of these consolidated financial statements, a number of new and amended standards and interpretations have not yet entered into force or have not yet been adopted by the EU. Therefore, they are not incorporated in the consolidated financial statements.

None of the new standards or amendments of existing standards are expected to have a material impact on future consolidated financial statements.

Recognition and measurement

Assets are recognized in the statement of financial position if it is probable that future financial benefits will flow to the group and the value of the asset can be measured reliably.

Liabilities are recognized in the statement of financial position if they are probable and can be measured reliably. On initial recognition assets and liabilities are measured at cost or fair value. Subsequently assets and liabilities are measured as described for each item below.

Income is recognized in the statement of comprehensive income as earned and includes value adjustments of financial assets and liabilities measured at fair value or amortized cost.

Consolidated financial statements

When foreign subsidiaries that use a functional currency different from DKK are recognized in the consolidated financial statements, the statement of comprehensive income is translated at average exchange rates on a monthly basis unless

The consolidated financial statements comprise the parent company and the group enterprises (subsidiaries) that are controlled by the parent company, see group chart on page 33. Control is achieved where the parent company, either directly or indirectly, holds more than 50% of the voting rights or in any other way possibly or actually exercises controlling influence over a subsidiary. If the parent company holds less than 50% of the share capital, control exists when the parent company under agreement has more than 50% of the voting rights, has the power to govern financial and operating policies of the subsidiary, to appoint members of the Board of Directors or to cast the majority of votes at meetings of the Board of Directors of the subsidiary.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the parent company and its subsidiaries, which are all prepared in accordance with the group's accounting policies. Upon consolidation, intra group income and expenses, balances, investments and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated.

Subsidiaries' financial statement items are recognized in full in the consolidated financial statements. Non-controlling interests' pro rata share of profit/loss and equity is shown as separate line items in the statement of comprehensive income and in the group's equity, respectively.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the transaction date exchange rate. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the end of the reporting period are translated using the exchange rate at the end of the reporting period. Exchange differences that arise between the rate at the transaction date and the exchange rate effective at the payment date or the exchange rate at the end of the reporting

period are recognized in statement of comprehensive income as financial income or financial expenses. Property, plant equipment fleet, intangible assets, inventories and other non-monetary assets purchased in foreign currencies and measured on the basis of historical cost are translated at the transaction date exchange rate. If non-monetary items are restated at fair value, they are translated using the exchange rate at the date of restatement.

such rates vary significantly from the actual exchange rates at the transaction dates.

In the latter case, the actual exchange rates are used. Statement of financial position items is translated using the exchange rates

Notes

at the end of the reporting period. Goodwill is considered to belong to the relevant entity acquired and is translated using the exchange rate at the end of the reporting period.

Exchange differences resulting from the translation of foreign entities' equity at the beginning of the year using the end of the reporting period exchange rates and by translating statements of comprehensive income from average exchange rates to the exchange rates at the end of the reporting period are recognized in other comprehensive income. Similarly, exchange differences resulting from changes made in a foreign entity's other comprehensive income are also taken to other comprehensive income.

Exchange adjustments on receivables from, or payables to, subsidiaries that are considered part of the parent company's total investment in the subsidiary in question, are also recognized in other comprehensive income.

When foreign subsidiaries that use DKK as their functional currency but present their financial statements in another currency are recognized in the consolidated financial statements, monetary assets and liabilities are translated using the end of the reporting period exchange rate. Non-monetary assets and liabilities measured on the basis of historical cost are translated using the transaction date exchange rate. Non-monetary items measured at fair value are translated at the exchange rate at the time of the last fair value adjustment.

The items in profit or loss are translated at average exchange rates on a monthly basis, with the exception of items deriving from nonmonetary assets and liabilities, which are translated using the historical rates applicable to the relevant non-monetary assets and liabilities.

Income taxes and deferred tax

The EGN group's Danish subsidiaries are jointly taxed. The current Danish income tax is allocated among the jointly taxed companies in proportion to their taxable income (full allocation subject to reimbursement in respect of tax losses).

Tax for the year consists of current tax for the year and changes in deferred tax. The portion of tax attributable to profit is recognized in the income statement, and the portion of tax attributable to entries directly in other comprehensive income is recognized in other comprehensive income. The portion of tax attributable to equity transactions is recognized in equity.

The current tax payable or receivable is recognized in the statement of financial position, computed as tax calculated on the taxable income for the year, adjusted for prepaid tax.

The current tax charge for the year is calculated based on the tax rates and tax legislation in each country applicable at the balance sheet date.

Deferred tax is recognized on all temporary differences between carrying values and tax-based values of assets and liabilities, except from deferred tax on all temporary differences on initial recognition of goodwill or on initial recognition of a transaction that is not a business combination, and for which the temporary difference found at the time of initial recognition neither affects profit nor loss for the year nor taxable income.

Deferred tax is calculated based on the expected use of each asset and the settlement of each liability, respectively.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability settled, based on the tax rates and tax legislation that have been enacted or substantively enacted in the respective countries on the balance sheet date. Changes in deferred tax resulting from changed tax rates or tax rules are recognized in profit or loss, unless the deferred tax is attributable to items previously recognized in other comprehensive income or in equity. If so, such changes are also recognized in other comprehensive income or in equity.

Exchange adjustments on deferred tax are recognized as part of the year's adjustment in deferred tax.

Changes in local tax rates, affecting deferred tax, are used and thus affecting the value of the calculated deferred tax asset, alternatively deferred tax liability at year end.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognized in the statement of financial position at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets for set-off against future positive taxable income. At the end of each reporting period, it is reassessed whether sufficient taxable income is probable to arise in the future for the deferred tax asset to be used.

Balances calculated according to the rules on interest deductibility limitations in the Danish Corporate Income Tax Act are allocated according to a joint taxation agreement between the companies that are subject to deductibility limitation in proportion to their share of the total limitation. Deferred tax liabilities in respect of these balances are recognized in the statement of financial position; whereas deferred tax assets are recognized only if the criteria for recognition of deferred tax assets are met.

Notes

Statement of comprehensive income

Revenue

Sale of services is included in the revenue if delivery and passing of risk to the customer have taken place before the end of the year and if the income can be estimated in a reliable manner and is expected to be received.

The revenue is measured at the fair value of the agreed fee excl. VAT and taxes charged on behalf of third party. All types of discounts given are included in the revenue.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Other external expenses

Other external expenses comprises direct and indirect expenses incurred to realize revenue including salaries, network group facilitation, IT, sales and marketing costs as well as finance, legal, HR and other costs.

Financial income and expenses

These items comprise interest income and expenses, the interest portion of finance lease payments, realized and unrealized capital gains and losses on payables and transactions in foreign currencies, amortization premium/allowance on mortgage debt, etc. as well as tax interest.

Other intangible assets

Acquired intellectual property rights in the form of patents and licenses are measured at cost less accumulated amortization and impairment losses. Patents are amortized over their remaining duration, usually 7 years, and licenses are amortized over the term of the agreement. If the actual useful life is shorter than the remaining duration and the term of the agreement, respectively, amortization is made over such shorter useful life.

The scrapping value of intangible assets are 0 DKK.

Tangible assets

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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

Interest expenses on loans and other borrowing costs are taken to finance expenses in the statement of comprehensive income.

Statement of financial position

Intangible assets

Goodwill

Upon initial recognition, goodwill is recognized in the statement of financial position and measured as the difference between cost of the enterprise acquired and the fair value of the assets, liabilities and contingent liabilities acquired.

When goodwill is recognized, the goodwill amount is distributed on those of the group's activities generating separate payments (cash-generating units). Determination of cash-generating units follows the management structure and internal finance management and reporting of the group.

Subsequently, goodwill is measured at cost less accumulated write downs. There is no amortization of goodwill but the carrying value of goodwill is tested for impairment at least once a year together with the other long-term assets in the cash-generating unit to which the goodwill is allocated. It is written down to recoverable amount in profit or loss if the accounting value exceeds the recoverable amount, this representing the higher of the fair value of the asset less expected disposal costs and the value in use. The recoverable amount is generally determined as the present value of the expected future net cash flows from the cash-generating unit to which the goodwill is allocated. Impairment losses of goodwill are stated in profit or loss under amortization and impairment losses of intangible assets.

For assets held under finance leases, cost is measured as the lower of the asset's fair value or present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. The residual value is the estimated amount that would be earned if selling the asset today net of selling costs if the asset is of an age and a condition that is expected after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Leasehold improvements: 5 years

Plant and equipment: 3 years

Other fixtures and fittings, tools and equipment: 3-5 years

Depreciation methods, useful lives and residual amounts are reassessed annually. Property, plant equipment and fleet are written down to the lower of recoverable amount and carrying amount.

The scrapping value of leasehold, property, plant and equipment and other fixtures and fittings are 0 DKK.

Notes

Leases

Leases regarding tangible fixed assets in which the company has all significant risks and advantages in connection with the ownership (finance lease) are recognised in the balance sheet as assets. The assets are measured upon initial recognition at calculated cost equal to the fair value or (if lower) at the present value of the future lease payments. When calculating the fair value, the internal interest rate of the lease is used as discount rate or an approximate value. Assets under finance leases are depreciated as other similar tangible fixed assets.

The capitalised residual lease obligation is recognised in the balance sheet as debt and the interest element of the lease payment is recognised in the profit and loss account during the term of the lease.

Impairment of property, plant equipment and fleet and intangible assets

The carrying amounts of property, plant equipment and fleet and intangible assets with definite useful lives are tested at the end of the reporting period for any indication of impairment. If impaired, the recoverable amount of the asset is estimated to determine the need for any write-down and the extent thereof.

The recoverable amount of intangible assets with indefinite useful lives and goodwill is estimated annually irrespective of any recorded indications of impairment.

If the asset does not generate cash flows separately from other assets, an estimate is made of the recoverable amount of the smallest cash-generating unit of which the asset forms part.

The recoverable amount is calculated as the higher of the asset's and the cash-generating unit's fair value less selling costs and net present value. When the net present value is determined, estimated future cash flows are discounted at present value using a discount rate that reflects current market estimates of the value of money in terms of time, as well as the particular risks related to the asset and the cash-generating unit, respectively, and for which no adjustment is made in the estimated future cash flows.

If the recoverable amount of the asset or the cash-generating unit is estimated to be lower than the carrying amount, the asset is written down to this lower recoverable amount. For cash-generating units, write-down is allocated in such a way that goodwill amounts are written down first and then any remaining need for write-down is allocated to other assets of the unit, however, the individual asset is not written down to an amount that is lower than its fair value net of estimated selling costs.

Impairment losses are recognized in the profit or loss. In case of any subsequent reversals of impairment losses resulting from change in assumptions of the estimated recoverable value, the

carrying values of the asset and the cash-generating unit, respectively, are increased to the adjusted estimate of the recoverable value, however, no more than the carrying value which the asset or the cash-generating unit would have had if the write-down had not been performed. Impairment losses of goodwill are not reversed.

Profits or losses from the sale of property, plant equipment and fleet are calculated as the difference between selling price less selling costs and carrying value at the time of sale. Profits or losses are recognized in the statement of comprehensive income if the selling price differs from the carrying amount.

Financial assets

Other receivables

Other receivables with a fixed maturity are measured at amortized cost, less any impairment.

Current assets

Trade receivables

On initial recognition, trade receivables are measured at fair value and subsequently at amortized cost, which usually equals nominal amount less bad debt provisions.

Prepayments

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

Liabilities

Other provisions

Other provisions are recognized when the group has a legal or constructive obligation as a result of past events in the financial year or prior years, and it is probable that settlement of such obligation will lead to an outflow of the company's financial resources.

Lease commitments

Lease commitments relating to assets held under finance leases are recognized in the statement of financial position as liabilities other than provisions, and, at the time of inception of the lease, measured at the lower of the lease asset's fair value and the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortized cost. The difference between the present value and nominal amount of the lease payments is recognized in profit or loss as a financial expense over the term of the leases.

Lease payments on short-term leases and leases of low value assets are recognized on a straight-line basis in profit or loss over the term of the lease.

Other financial liabilities

On initial recognition, other liabilities, including issued bond loans, bank loans and trade payables, are measured at fair value. Subsequently, these liabilities are measured at amortized cost

Notes

applying the effective interest method to the effect that the difference between proceeds and nominal amount is recognized in profit or loss as a financial expense over the term of the loan.

Pension obligations

The group has entered into pension agreements with employees, which are classified as defined contribution pension plans.

Periodical payments to defined contribution pension plans are recognized in profit or loss at the due date, and any contributions payable are recognized in the statement of financial position under liabilities.

Deferred income

Deferred income is measured at cost in the Consolidated financial statements and parent company financial statements for the period 1 January – 31 December.

Statement of cash flows

The group's statement of cash flows is presented using the indirect method and shows cash flows from operating, investing, and financing activities as well as the group's cash and cash equivalents at the beginning and end of the financial year.

Cash flows from operating activities are calculated as EBIT adjusted for non-cash operating items, working capital changes

and income taxes paid. In the adjustment for non-cash operating items, depreciations and amortizations capitalized on tangible and intangible assets are included.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of enterprises, tangible fixed asset investments, and purchase, improvement and sale, etc. of intangible assets, and property and plant equipment. Depreciations and amortizations capitalized on tangible and intangible assets are included in cash-flow from investing activities.

If any, cash flows from acquired and divested enterprises are shown as separate line items within cash flows from investing activities.

Cash flows related to acquire enterprises are recognized in the statement of cash flow from their date of acquisition, and cash flows from divested enterprises are recognized up to the date of sale.

Cash flows from financing activities comprise financial expenses paid and changes in the size or composition of the parent company's share capital and related costs, the raising of loans, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividends.

Cash and cash equivalents comprise cash.

Ratios

The following ratios are compiled in accordance with Recommendations & Ratios 2010 issued by the Danish Society of Financial Analysts and generally accepted calculation formulas.

$$\text{Solvency ratio} = \frac{\text{Equity} \times 100}{\text{Balance sum}}$$

$$\text{Profit margin} = \frac{\text{EBIT} \times 100}{\text{Revenue}}$$

$$\text{Return on equity} = \frac{\text{Net Profit/loss} \times 100}{\text{Average equity}}$$

$$\text{ROIC} = \frac{\text{EBITDA}}{\text{Average balance sum}}$$

2. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The determination of carrying values and preparation of the annual report build upon estimates made by Management of the likely effect of future events on the value intangible assets, deferred tax assets and trade receivables.

Management has determined fair value of separable intangible assets acquired through business combination, including impairment test of goodwill and other intangible assets. The estimates used build upon assumptions, which, in the opinion of Management, are valid albeit inherently uncertain and unpredictable. An assessment is made of the possibility of recovering the carrying value of intangible assets. The assessment of recoverable amounts is based upon estimated returns generated by those assets in the cash-generating unit. Refer to the additional information and amounts disclosed in the notes to the consolidated financial statements.

Deferred tax assets are recognized if it is likely that there will be taxable income in the future against which timing differences or tax loss carry forwards may be used.

For this purpose, Management estimates the coming years' earning based on budgets and expected growth.

Trade receivables, estimates are used in determining the level of receivables that cannot be collected according to Management. When evaluating the adequacy of the allowance for doubtful receivables, Management analyses trade receivables and examines changes in customer creditworthiness, customer payment patterns and current economic trends.

Notes

3. Revenue

DKK	2020	2019	2018
Member fees	161.630.029	173.333.132	169.825.455
Other revenue	1.137.622	3.398.333	1.382.486
Revenue, total	162.767.649	176.731.465	171.207.941

The Group is exempt from providing information of segments.

4. Staff expenses

DKK	2020	2019	2018
Salaries and wages*	98.337.498	103.727.647	106.277.840
Pension	6.346.075	6.823.855	7.522.214
Other social security costs	4.497.094	5.662.096	6.173.572
Staff expenses, total	109.180.666	116.213.598	119.973.626

	2020	2019	2018
Avg. number of employees on permanent employment	177	204	195

The Group received government grants in the form of wage subventions, which have been recognised in the income statement as a reduction of staff costs. The grants compensate the Group for staff costs primarily related to social security as well as hiring certain categories of employees such as trainees, disabled persons, long-term unemployed and employees in certain age groups.

* Includes both permanent employees and non-permanent employees

Management and board of directors remuneration can be specified as follows:

DKK	2020	2019	2018
Salaries and wages	7.650.492	7.448.014	8.095.896
Pension	415.110	495.719	868.598
	8.065.602	7.943.734	8.964.494

The Executive Board and a number of executives in the parent company is subject to special bonuses depending on individually defined performance and an incentive system to enter into force upon any transfer of the group.

Notes

5. Depreciation

DKK	2020	2019	2018
Goodwill	0	0	0
Other intangible assets	3.161.472	2.418.121	1.633.672
Plant and equipment	4.524.813	5.785.514	789.100
Leasehold improvements	150.417	143.749	142.030
Depreciation, total	7.838.702	8.347.384	2.564.802

6. Financial income

DKK	2020	2019	2018
Interest income, authorities	31.368	73.030	0
Other interest income	180.531	979.278	591.676
Exchange rate gain	231.495	206.193	172.547
Financial income, total	443.394	1.258.501	764.223

7. Financial expenses

DKK	2020	2019	2018
Interest expenses, authorities	108.934	72.780	4.672
Interest expenses, intercompany	281.294	661.266	0
Leasing interest	317.136	313.215	91.805
Other interest expenses	454.805	1.573.867	1.281.784
Exchange rate loss	413.018	146.352	244.929
Write-down of financial fixed assets	0	1.101.822	100.269
Bank fees	212.112	181.371	194.615
Financial expenses, total	1.787.299	4.050.673	1.918.074

Notes

8. Tax on profit/(loss) for the year

DKK	2020	2019	2018
Current tax on profit/(loss) for the year	2.927.017	2.446.769	1.255.072
Adjustment current tax, prior years	0	0	(115.625)
Change in deferred tax	87.446	(382.607)	513.366
Adjustment deferred tax, prior years	0	0	0
Effect from change in tax percentage	0	0	0
Tax on profit/(loss) for the year, total	3.014.463	2.064.162	1.652.813
Profit/(loss) before tax	11.437.219	7.598.040	6.704.914
Effective tax rate	26,4 %	27,2 %	24,7 %
Computation of effective tax rate			
Statutory income tax rate in Denmark	22.0 %	22.0 %	22.0 %
Tax on profit/(loss), statutory tax rate	2.516.188	1.671.569	1.475.081
Non-tax deductible expenses less non-taxable income	498.275	392.593	177.732
	3.014.463	2.064.162	1.652.813
Tax of the year			
Tax on profit/(loss)	3.014.463	2.064.162	1.652.813
Tax on other comprehensive income	0	0	0
	3.014.463	2.064.162	1.652.813

Notes

9. Intangible assets

DKK	2020			2019		
	Goodwill	Other intangible rights	Total	Goodwill	Other intangible rights	Total
Cost at 1 January	52.487.557	28.767.911	81.255.468	52.487.557	23.455.602	75.943.159
Additions	0	2.297.880	2.297.880	0	7.230.309	7.230.309
Disposals	(317.057)	0	(317.057)	0	(1.918.000)	(1.918.000)
Cost at 31 December	52.170.500	31.065.791	83.236.291	52.487.557	28.767.911	81.255.468
Depreciation at 1 January	(12.502.472)	(4.324.898)	(16.827.370)	(12.502.472)	(1.906.777)	(14.409.249)
Depreciation	0	(3.163.472)	(3.163.472)	0	(2.418.121)	(2.418.121)
Disposals	0	0	0	0	0	0
Depreciation at 31 December	(12.502.472)	(7.488.370)	(19.990.842)	(12.502.472)	(4.324.898)	(16.827.370)
Carrying amount at 31 December	39.668.028	23.577.421	63.245.449	39.985.085	24.443.013	64.428.098

DKK	2018		
	Goodwill	Other intangible rights	Total
Cost at 1 January	52.487.557	14.748.072	67.235.629
Additions	0	8.707.530	8.707.530
Disposals	0	0	0
Cost at 31 December	52.487.557	23.455.602	75.942.859
Depreciation at 1 January	(12.502.472)	(335.921)	(12.838.393)
Depreciation	0	(1.570.856)	(1.570.856)
Disposals	0	0	0
Depreciation at 31 December	(12.502.472)	(1.906.777)	(14.409.249)
Carrying amount at 31 December	39.985.085	21.548.825	61.533.910

Other intangible assets comprising costs incurred for further development of the Group's platforms, which were continued during the financial year. Other intangible assets is depreciated over 7 years. Management has not found any indications of impairment in addition to ordinary depreciation in relation to the carrying amount per. December 31, 2020.

Notes

9. Intangible assets (continued)

The management performs an impairment test of the carrying amount of goodwill at least annually and more frequently if there are indicators of impairment.

The annual impairment test is performed on 31 December 2020.

The impairment test as of 31 December 2020 showed no indication of impairment for 2020.

10. Property, plant and equipment

DKK	2020			2019		
	Leasehold improvements	Plant and equipment	Total	Leasehold Improvements	Plant and equipment	Total
Cost at 1 January	2.125.310	29.036.527	31.161.837	1.927.111	10.080.615	12.007.726
Additions	81.225	3.746.665	3.827.890	293.258	18.955.911	19.249.169
Disposals	(275.333)	(7.156.916)	(7.432.249)	(95.059)	0	(95.059)
Cost at 31 December	1.931.202	25.626.275	27.557.478	2.125.310	29.036.527	31.161.837
Depreciation at 1 January	(1.723.761)	(13.828.048)	(15.551.808)	(1.529.255)	(8.197.658)	(9.726.913)
Depreciation	(169.300)	(4.502.461)	(4.672.061)	(281.542)	(5.630.390)	(5.911.932)
Disposals	106.247	3.174.604	3.280.852	87.037	0	87.037
Depreciation at 31 December	(1.786.814)	(15.156.205)	(16.943.018)	(1.723.761)	(13.828.048)	(15.551.808)
Carrying amount at 31 December	144.389	10.470.071	10.614.460	401.549	15.208.479	15.610.029
Here of carrying amount at 31 December of assets held under leases	0	10.160.456	10.160.455	0	13.309.813	13.309.813

Notes

10. Property, plant and equipment (continued)

DKK	2018		
	Leasehold improvements	Plant and equipment	Total
Cost at 1 January	1.712.731	9.554.526	11.267.257
Additions	214.380	660.443	874.823
Disposals	0	(134.354)	(134.354)
Cost at 31 December	1.927.111	10.080.615	12.007.727
Depreciation at 1 January	(1.314.302)	(7.419.087)	(8.733.389)
Depreciation	(214.952)	(993.131)	(1.208.084)
Disposals	0	214.560	214.560
Depreciation at 31 December	(1.529.255)	(8.197.658)	(9.726.913)
Carrying amount at 31 December	397.856	1.882.957	2.280.814
Herof carrying amount at 31 December of assets held under finance leases	0	1.075.084	1.075.084

The Group leases several assets including cars and buildings. The lease terms range from 1-3 years for cars and 1 to indefinite for buildings. Management estimate for expected use of buildings with indefinite expiry date a range from 1 to 3.5 years.

11. Deferred tax assets

DKK	2020	2019	2018
Deferred tax liabilities/(assets), net at 1 January	(2.135.302)	(1.487.309)	(1.516.466)
Adjustments to deferred tax liabilities/(assets), net at 1 January	41.162	(453.746)	(15.829)
Deferred tax adjustment, for the year recognized in the income statement	368.687	(194.247)	(441.352)
Disposal of a unit	0	0	486.338
Deferred tax liabilities/(assets), net at 31 December	(1.725.453)	(2.135.302)	(1.487.309)

Notes

11. Deferred tax assets (continued)

Deferred tax can be specified as below:

DKK	2020	2019	2018
Intangible assets	453.278	408.603	272.169
Plant and equipment	(113.294)	(79.511)	(48.969)
Loss carried forward	(1.394.866)	(1.799.389)	(1.338.451)
Current assets	(670.571)	(665.005)	(372.058)
	(1.725.453)	(2.135.302)	(1.487.309)

Recognised in the statement of financial position as follows

Deferred tax liabilities	0	0	0
Deferred tax assets	1.725.453	2.135.302	1.487.309
	1.725.453	2.135.302	1.487.309

Deferred tax assets

Deferred tax assets related to tax losses is recognized at the value that is expected to utilize within a period of 3-5 years.

12. Trade receivables

DKK	2020	2019	2018
Trade receivables	25.329.382	23.930.338	25.174.687

A provision account to reduce the carrying amount of trade receivables and services whose value is impaired based on a general provision.

A provision account to reduce the carrying amount of trade receivables and services whose value is impaired based on a general provision.

DKK	2020	2019	2018
Provision account at January 1 st ,	3.382.795	3.303.263	4.061.658
Impairment losses recognised/reversed	363.013	79.532	(759.395)
Provision account at December 31st,	3.745.808	3.382.795	3.303.263

Notes

12. Trade receivables (continued)

For the financial year, no interest income has been recognised related to impairment losses.

The ageing of provision of trade receivables at the reporting date was:

DKK	2020	2019	2018
Not past due	0	1.708.501	1.365.662
Past due 1 to 30 days	404.547	1.116.560	1.419.023
Past due 31 to 60 days	1.977.787	293.212	309.928
Past due 61 to 90 days	812.840	177.769	167.973
Past due 91 to 120 days	438.260	37.265	28.351
More than 121 days	112.374	49.487	12.325
Total	3.745.808	3.382.795	3.303.263

13. Prepayments

Prepayments consist of prepaid costs relating to insurance premiums, rent and licenses.

The total prepayments in 2020 is amounted to DKK 2.088.

14. Cash and cash equivalents

DKK	2020	2019	2018
Cash and bank deposits	32.485.924	0	19.088
Loans in banks	(42.364.214)	(31.552.042)	(33.604.040)
Cash and cash equivalents, total	(9.878.290)	(31.552.042)	(33.584.952)
Recognized in the statement of financial position			
Assets	32.485.924	0	19.088
Liabilities	(42.364.214)	(31.552.042)	(33.604.040)
	(9.878.290)	(31.552.042)	(33.584.952)
The Group company has unused drawing rights in banks for	20.621.710	4.447.958	3.022.887

Notes

15. Share capital

The Parent Company's share capital, DKK 500.000 is composed of shares of DKK 1.000 or multiple hereof. The share capital is not divided into classes.

16. Leasing

DKK	2020	2019	2018
Due within 12 months from balancing day	5.299.745	5.526.148	410.234
Due between 1 and 5 years from the balancing day	5.027.200	9.376.414	645.463
Due 5 years after the balancing day	0	0	0
	10.326.945	14.902.563	1.055.697
Amortization addition to future expensing	0	0	0
	10.326.945	14.902.563	1.055.697

Financial leases are in average leased over a period of 3 years. All lease contracts have a repayment profile and no agreements contain contingent rent.

Minimum lease payments are due as above.

17. Employee liabilities

DKK	2020	2019	2018
Due within 12 months from balancing day	0	0	0
Due between 1 and 5 years from the balancing day	599.999	524.617	0
Due 5 years after the balancing day	2.930.328	846.977	0
	3.530.327	1.371.594	0
Amortization addition to future expensing	0	0	0
	3.530.327	1.371.594	0

Notes

18. Trade payables

DKK	2020	2019	2018
Trade payables	3.050.559	5.815.261	4.641.700

The accounting value equals the fair value of the commitment.

19. Other liabilities

DKK	2020	2019	2018
VAT	3.966.877	2.609.897	3.496.166
Other payables	14.659.309	11.562.595	8.656.836
Other liabilities, total	18.626.186	14.172.492	12.153.002

The accounting value equals the fair value of the commitment.

20. Employee liabilities

DKK	2020	2019	2018
Holiday pay etc.	10.218.062	7.324.099	8.247.532
Payable salaries and commissions	3.878.827	209.569	368.264
	14.096.888	7.533.668	8.615.796

21. Deferred income

DKK	2020	2019	2018
Deferred income	8.645.626	8.760.868	11.037.543
	8.645.626	8.760.868	11.037.543

Deferred income comprises of prepayments for services not yet delivered. The liabilities as pr. 1. January 2020 of DKK 8.860.868 (2019: DKK 11.037.543) have been recognised as revenue in 2020 and 2019 respectively.

Notes

22. Related parties

Related parties with a controlling interest

The following related parties have a controlling interest in EGN Group Holding A/S:

<u>Name</u>	<u>Registered office</u>	<u>Basis of influence</u>
J.G. Holding, Svendborg ApS	Svendborg, Denmark	Parent with 50% of the shares
Kasko Holding A/S	Holte, Denmark	Parent with 50% of the shares

The following shareholders are registered as holding more than 5% of the voting share capital or more than 5% of the nominal value of the share capital:

J.G. Holding, Svendborg ApS
Ryttermarken 8
5700 Svendborg

Kasko Holding A/S
Morlenesvej 23
2840 Holte

J.G. Holding, Svendborg ApS and Kasko Holding A/S is registered as the owners of shares in EGN Group Holding A/S in the company's registers.

J.G. Holding, Svendborg ApS and Kasko Holding A/S is the ultimate parents of the Group of EGN Group Holding A/S. Consolidated financial statement is prepared and includes the subsidiaries of EGN Group Holding A/S as set out in the chart of account on page 34.

Transactions with subsidiaries during the financial year consist of contributed loans and shared service fees. Shared service fees, intercompany balances and calculated interests for intercompany balances has been eliminated during the consolidated financial statements. Transactions have been effected in accordance with the arm's length principle.

The receivables from subsidiaries are listed in the balance sheet of the parent.

Notes

22. Related parties (continued)

Other related parties

EGN Group Holding A/S' related parties with controlling interest includes owners and associated companies as well as the board of directors and the management including the families thereto. Related parties, furthermore, includes companies in which the above mentioned range of persons has controlling interest.

Transactions with related parties:

2020:

Key members of staff: As outlined in note 4.
Buying of services from Kasko Holding A/S.

2019:

Key members of staff: As outlined in note 4.
Buying of services from Kasko Holding A/S.

2018:

Key members of staff: As outlined in note 4.
Buying of services from Kasko Holding A/S.

23. Recourse guarantee commitments and contingent liabilities

The Parent Company has guaranteed the bank debt with the shares in EGN Group A/S of 500.000 DKK.

The Parent Company has guaranteed the subsidiaries' debt to 7.154 DKK'000.

Joint taxation

EGN Group Holding A/S is jointly taxed with the subsidiary EGN Group A/S. As parent EGN Group Holding A/S is guaranteeing unlimited and be jointly and severally responsible with the other companies in the joint taxation for national corporate taxes including withholding taxes on interests, royalties and dividends for all associated Danish companies in the Group. Any correction made to the jointly taxable income or withholding taxes might affect the liability for the company. The joint tax liability is stated in the annual report for EGN Group Holding A/S.

Notes

24. Financial risks

The Group is according to the operation, investments and its limited funding is not significantly exposed for market changes i.e. in terms of exchange rates and interest levels. The Parent company is managing all the financial risks within the Group centrally and coordinates the liquidity of the Group.

The Group does not make use of derivative financial instruments.

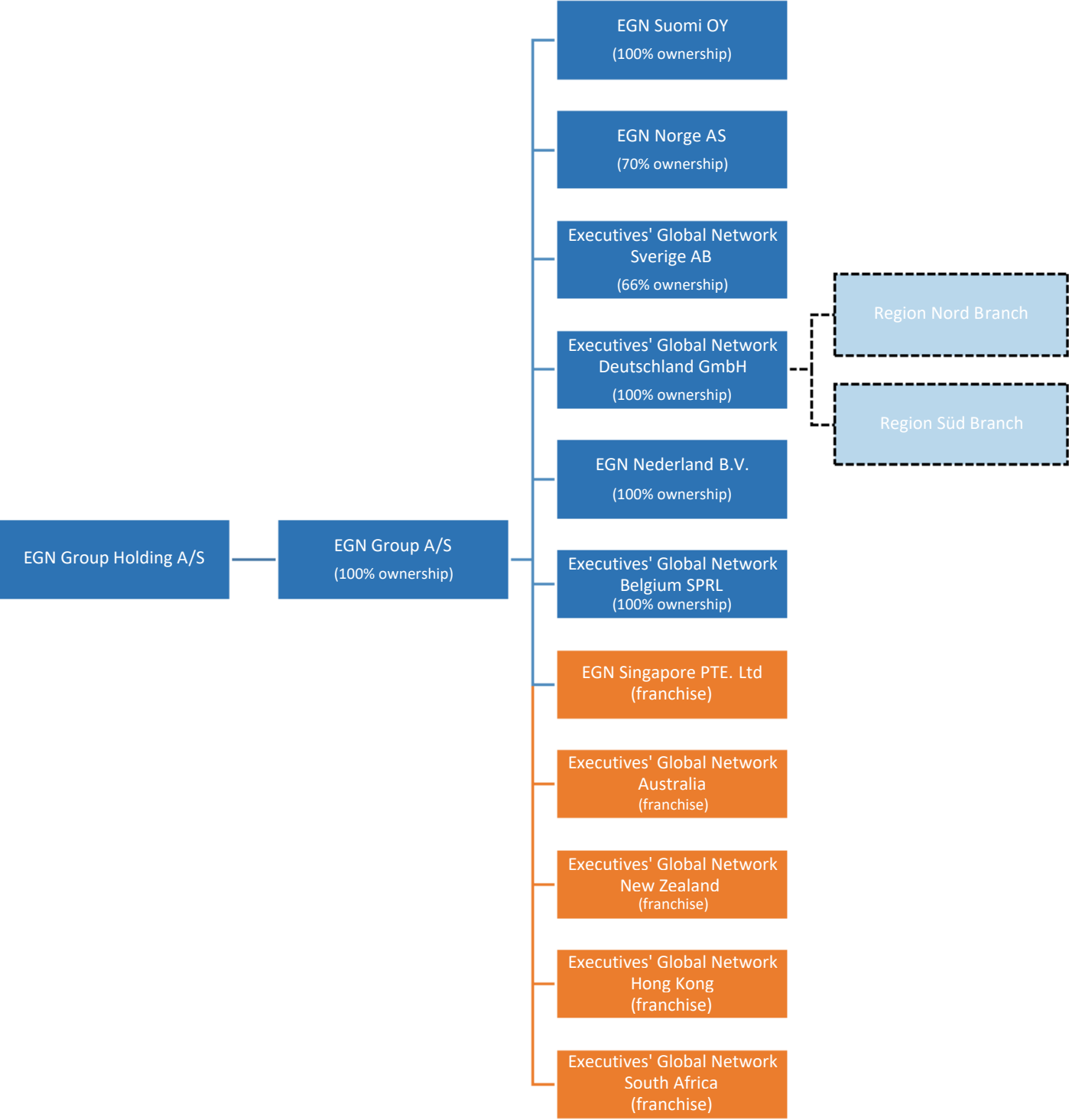
25. Credit risks

Credit risks related to financial assets is equal to the recognized value.

The credit risks of the Group are mainly related to receivables from trade and services.

The level of credit risks is equal to the recognized value of receivables from trade and services. Large clients and business partners are regularly credit rated and the risks is expected to be very small.

Group chart





**Financial
statements
parent
company
2020**



Income statement

1 January – 31 December

DKK	Note	2020	2019	2018
Other external expenses		208.125	(55.000)	(421.239)
Operating profit before other items		208.125	(55.000)	(421.239)
Other income and expenses, net		0	0	0
Operating profit (EBIT)		208.125	(55.000)	(421.239)
Financial income	1	31.368	4.073.030	4.001.972
Financial expenses	2	-798.836	(1.223.365)	(478.466)
Profit/(loss) before tax (EBT)		-559.343	(2.794.665)	3.102.267
Tax on profit/(loss) for the year	3	129.956	281.240	197.067
Profit/(loss) for the year		-429.387	3.075.905	3.299.334
Attributable to:				
Owners of EGN Group Holding A/S		-429.387	3.075.905	3.299.334
Non-controlling interests		0	0	0
Profit/(loss) for the year		-429.387	3.075.905	3.299.334

Statement of cash flows

1 January - 31 December

DKK	Note	2020	2019	2018
Net profit/(loss)		(429.387)	3.075.905	3.299.334
Depreciation, amortisation and impairment losses		0	0	0
Changes in working capital		179.825	0	0
Adjustment of tax of the year		(129.956)	(281.240)	(197.067)
Changes in provisions, pensions and similar obligations		0	0	0
Income taxes paid		1.057.926	580.009	(228.000)
Cash flow from operating activities		678.408	2.874.267	6.113.402
Cash flow from investing activities				
Acquisition of intangible assets, property, plant and equipment		0	0	0
(Acquisition)/disposal of financial assets		0	600.500	(600.500)
Acquisition of subsidiaries		0	0	0
Disposal of subsidiaries		0	0	0
Cash flow from investing activities		0	600.500	(600.500)
Cash flow from financing activities				
Proceeds from borrowings		0	0	0
Repayment of borrowings		0	0	0
Change in intercompany receivables/liabilities		17.627.511	(83.149)	1.505.066
Change in other liabilities		488.917	202.793	198.845
Paid dividend		0	(4.000.000)	(4.000.000)
Cash flow from financing activities		18.116.428	(3.880.357)	(2.296.089)
Total cash flow		18.794.836	94.818	(22.322)
Cash and cash equivalents at 1 January		(28.513.022)	(28.607.840)	(28.585.518)
Total cash flow		18.794.836	94.818	(22.322)
Foreign exchange adjustments		0	0	0
Cash and cash equivalents at 31 December		(9.718.186)	(28.513.022)	(28.607.840)

Statement of financial position

at 31 December

DKK	Note	2020	2019	2018
Assets				
Intangible assets	4	47.000.000	47.000.000	47.600.500
Investments in subsidiaries	5	500.000	500.000	500.000
Deferred tax	6	129.956	281.240	197.067
Non-current assets		47.629.956	47.781.240	48.297.567
Receivables from subsidiaries		0	0	0
Tax receivables		814.344	1.591.030	1.973.972
Other receivables		0	111.075	164.579
Current assets		814.344	1.702.105	2.138.551
Total assets		48.444.300	49.483.345	50.436.118
Equity and liabilities				
Share capital	7	500.000	500.000	500.000
Retained earnings		11.639.450	12.068.837	12.992.932
Total equity		12.139.450	12.568.837	13.492.932
Bank	8	9.718.186	28.513.022	28.607.839
Intercompany liability		18.859.675	1.232.164	1.315.313
Other liabilities	9	7.726.989	7.169.322	7.020.034
Current liabilities		36.304.850	36.914.508	36.943.186
Total liabilities		36.304.850	36.914.508	36.943.186
Total equity and liabilities		48.444.300	49.483.345	50.436.118
Related parties	10			
Recourse guarantee commitments and Contingent liabilities	11			
Financial risk	12			
Credit risk	13			

Equity

1 January - 31 December

2020

DKK	Share capital	Retained earnings	Total
Equity at 1 January	500.000	12.068.837	12.568.837
Profit/(loss) for the year	0	-429.387	-429.387
Transactions with owners			
Dividends paid	0	0	0
Total changes in equity	0	-429.387	-429.387
Equity at 31 December	500.000	11.639.450	12.139.450

Dividends

A dividend of DKK 6.000.000 has been proposed before the Annual Report was issued.

2019

DKK	Share capital	Retained earnings	Total
Equity at 1 January	500.000	12.992.931	13.492.931
Profit/(loss) for the year	0	3.075.905	3.075.905
Transactions with owners			
Dividends paid	0	(4.000.000)	(4.000.000)
Total changes in equity	0	(924.095)	(924.095)
Equity at 31 December	500.000	12.068.837	12.568.837

Dividends

A dividend of DKK 0 has been proposed before the Annual Report was issued.

Equity (continued)

1 January - 31 December

2018

DKK	Share capital	Retained earnings	Total
Equity at 1 January	500.000	13.693.597	14.193.597
Profit/(loss) for the year	0	3.299.334	3.299.334
Transactions with owners			
Dividends paid	0	(4.000.000)	(4.000.000)
Total changes in equity	0	(700.666)	(700.666)
Equity at 31 December	500.000	12.992.931	13.492.931

Dividends

A dividend of DKK 4.000.000 has been proposed before the Annual Report was issued.

Notes - parent

1. Financial income

DKK	2020	2019	2018
Dividend from subsidiaries	0	4.000.000	4.000.000
Other interest income	31.368	73.030	1.972
Financial income, total	31.368	4.001.972	6.052.498

2. Financial expenses

DKK	2020	2019	2018
Other interest expenses	798.836	1.223.365	478.466
Financial expenses, total	798.836	1.223.365	478.466

3. Tax on profit/(loss) for the year

DKK	2020	2019	2018
Current tax on profit/(loss) for the year	0	0	0
Change in deferred tax	(129.956)	(281.240)	(197.067)
Adjustment current tax, prior years	0	0	0
Tax on profit/(loss) for the year, total	(129.956)	(281.240)	(197.067)
Profit/(loss) before tax	(559.343)	2.794.665	3.102.267
Effective tax rate	(23,2%)	(10,1%)	(6,4%)

Notes - parent

3. Tax on profit/(loss) for the year (continued)

DKK	2020	2019	2018
Tax on profit/(loss), statutory tax rate	(123.055)	(203.300)	682.499
Non-tax deductible expenses less non-taxable income	(6.901)	(77.940)	(879.566)
Effect of changes relating to prior years, net	0	0	0
	(129.956)	(281.240)	(197.067)

4. Intangible assets

DKK	2020			2019		
	Goodwill	Other rights	Total	Goodwill	Other rights	Total
Cost at 1 January	39.500.000	7.500.000	47.000.000	39.500.000	8.100.500	47.600.500
Additions	0	0	0	0	1.317.500	1.317.500
Disposals	0	0	0	0	(1.918.000)	(1.918.000)
Cost at 31 December	39.500.000	7.500.000	47.000.000	39.500.000	7.500.000	47.000.000
Depreciation at 1 January	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Depreciation at 31 December	0	0	0	0	0	0
Carrying amount at 31 December	39.500.000	7.500.000	47.000.000	39.500.000	7.500.000	47.000.000

Notes - parent

4. Intangible assets (continued)

DKK	2018		
	Goodwill	Other rights	Total
Cost at 1 January	39.500.000	7.500.000	47.000.000
Additions	0	600.500	600.500
Disposals	0	0	0
Cost at 31 December	39.500.000	8.100.500	47.600.500
Depreciation at 1 January	0	0	0
Depreciation	0	0	0
Disposals	0	0	0
Depreciation at 31 December	0	0	0
Carrying amount at 31 December	39.500.000	8.100.500	47.600.500

The management performs an impairment test of the carrying amount of goodwill at least annually and more frequently if there are indicators of impairment.

The annual impairment test is performed on 31 December 2020.

The impairment test as of 31 December 2020 showed no indication of impairment for 2020.

5. Investments in subsidiaries

DKK		2020	2019	2018
Cost at 1 January		500.000	500.000	500.000
Addition		0	0	0
Disposal		0	0	0
Cost at 31 December		500.000	500.000	500.000
Subsidiaries	Share capital	2020	2019	2018
EGN Group A/S	500.000	100.0 %	100.0 %	100.0 %

Ownership of shares equals voting rights. Where EGN Group Holding A/S is the minority owner of voting rights no recognition has been done in the annual report.

Notes - parent

6. Deferred tax

DKK	2020	2019	2018
Deferred tax liabilities/(assets), net at 1 January	0	0	0
Deferred tax adjustment, for the year recognized in the income statement	(129.956)	(281.240)	(197.067)
Deferred tax liabilities/(assets), net at 31 December	(129.956)	(281.240)	(197.067)

7. Share capital

The Parent Company's share capital, DKK 500.000 is composed of shares of DKK 1.000 or multiple hereof. The share capital is not divided into classes.

8. Cash and cash equivalents

DKK	2020	2019	2018
Cash and bank deposits	0	0	0
Loans in banks	(9.718.186)	(28.513.022)	(28.607.839)
Cash and cash equivalents, total	(9.718.186)	(28.513.022)	(28.607.839)
Recognized in the statement of financial position			
Assets	0	0	0
Liabilities	(9.718.186)	(28.513.022)	(28.607.839)
	(9.718.186)	(28.513.022)	(28.607.839)
The Parent company has unused drawing rights in banks for	12.781.814	0	0

9. Other liabilities

DKK	2020	2019	2018
VAT	0	0	0
Other payables	68.750	265.000	478.424
Payable dividend	7.658.239	6.904.322	6.591.610
Other liabilities, total	7.726.989	7.169.322	7.070.034

The accounting value equals the fair value of the commitment.

Notes - parent

10. Related parties

Related parties with a controlling interest

The following related parties have a controlling interest in EGN Group Holding A/S:

<u>Name</u>	<u>Registered office</u>	<u>Basis of influence</u>
J.G. Holding, Svendborg ApS	Svendborg, Denmark	Parent with 50% of the shares
Kasko Holding A/S	Holte, Denmark	Parent with 50% of the shares

The following shareholders are registered as holding more than 5% of the voting share capital or more than 5% of the nominal value of the share capital:

Kasko Holding A/S	J.G. Holding, Svendborg ApS
Morlenesvej 23	Ryttermarken 8
2840 Holte	5700 Svendborg

J.G. Holding, Svendborg ApS and Kasko Holding A/S is registered as the owners of shares in EGN Group Holding A/S in the company's registers.

J.G. Holding, Svendborg ApS and Kasko Holding A/S is the ultimate parents of the Group of EGN Group Holding A/S. Consolidated financial statement is prepared and includes the subsidiaries of EGN Group Holding A/S as set out in the chart of account on page 34.

Transactions with subsidiaries during the financial year consist of contributed loans. Intercompany balances and calculated interests for intercompany balances have been eliminated during the consolidated financial statements. Transactions have been effected in accordance with the arm's length principle.

The receivables from subsidiaries are listed in the balance sheet of the parent.

Other related parties

EGN Group Holding A/S' related parties with controlling interest includes owners and associated companies as well as the board of directors and the management including the families thereto. Related parties, furthermore, includes companies in which the above mentioned range of persons has controlling interest.

Notes - parent

11. Recourse guarantee commitments and contingent liabilities

The Parent Company has guaranteed the bank debt with the shares in EGN Group A/S of 500.000 DKK.

Joint taxation

EGN Group Holding A/S is jointly taxed with the subsidiary EGN Group A/S. As parent EGN Group Holding A/S is guaranteeing unlimited and be jointly and severally responsible with the other companies in the joint taxation for national corporate taxes including withholding taxes on interests, royalties and dividends for all associated Danish companies in the Group. Any correction made to the jointly taxable income or withholding taxes might affect the liability for the company. The joint tax liability amounts at 1.672 TDKK.

12. Financial risks

The Parent is according to the operation, investments and its limited funding is not significantly exposed for market changes i.e. in terms of exchange rates and interest levels. The Parent company is managing all the financial risks within the Group centrally and coordinates the liquidity of the Group.

The Group does not make use of derivative financial instruments.

13. Credit risks

Credit risks related to financial assets is equal to the recognized value.

The credit risks of the Group are mainly related to receivables from trade and services.

The level of credit risks is equal to the recognized value of receivables from trade and services. Large clients and business partners are regularly credit rated and the risks is expected to be very small.