

Quality, trust and
innovation for the global
prepress industry



Annual report 2017/18

June 1, 2017 - March 31, 2018

GLUNZ & JENSEN

Glunz & Jensen is the world's leading supplier of innovative, high-quality plate making solutions for the global prepress industry. In addition to developing and producing processors for the offset and flexo printing industry, we also offer after sales service. Our product portfolio also includes exposure units, dryers, light finishers, mounting tables, plate stackers and software for monitoring and controlling complete prepress processes.

Glunz & Jensen has been a recognized leader in prepress for more than 45 years. We have long-standing relations with major customers such as Agfa, Asahi, DuPont, Flint, Fujifilm, Heidelberg, Kodak and MacDermid, the world's largest suppliers of printing solutions. Glunz & Jensen market our products through a comprehensive and worldwide network of distributors and dealers, and has 200 employees in our facilities in Denmark, Italy, Slovakia and USA.

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

	OFFSET	FLEXO
Products	CtP and iCtP processors that prepare offset plates for traditional offset printing as well as after sales service.	Flexographic machines that process and handle plates for flexo printing as well as after sales service.
Primary customer groups	Media industry – production and newspapers, magazines books, etc.	Packaging industry.
Share of revenue	Approx. 65 %	Approx. 35 %
Sales channels	Through large customers as Agfa, Fuji, Heidelberg, Kodak og Cron as well as own sales.	Through large customers as Asahi, DuPont, Flint, Kodak og MacDermid as well as own sales.
Markets	Global.	Global.
Main market drivers	Develop and supply new, innovative products and conceptual solutions in close cooperation with customers as well as ongoing consolidation to maintain critical mass. There has been and will be migration to digital platform-based solutions.	Improve technological solutions and automation of prepress production processes in close cooperation with customers. There will be focus on developing environmentally-friendly solutions that minimize resource consumption and waste water.



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



HEADLINES FOR 2017/18

- The accounting period in 2017/18 is from June 1st 2017 to March 31st, 2018 hence covering a 10 months period only. The comparison figures in the accounting period 2016/17 are from June 1st, 2016 to May 31st, 2017 hence covering a period of 12 months. The reader should be cautious in comparing the 2017/18 to 2016/17 without this knowledge of the difference in number of months.
- The revenue developed as follows in the first 10 months of 2017/18 compared to the first 10 months of 2016/17: the Offset revenue decreased 7,3% from DKK 149,1 million in 2016/17 to DKK 138,2 million in 2017/18. The first 10 months revenue in flexo increased 18,9% from DKK 60,7 million in 2016/17 to DKK 72,2 million in 2017/18. The revenue in Selandia Park increased 4,6% during the first 10 months to DKK 9,6 million in 2017/18 from DKK 9,2 million in 2016/17. In total the DKK 220,0 million in revenue in 2017/18 comparable to the revenue for the first 10 months of 2016/17 of DKK 219,0 million. Revenue level for Glunz & Jensen Holding A/S was in line with the guidance to the market on September 22nd, 2017, communicated at a level of DKK 215 million.
- Revenue in Glunz & Jensen Holding A/S came to DKK 220,0 million in 2017/18, compared to DKK 263,8 million in 2016/17 equal to a 16,6% decrease in revenue in 2017/18. Offset revenue decreased by 22,2% (2016/17: -15,1%), while flexo revenue decreased by 3,7% (2016/17: 2,9%).
- Gross profit before non-recurring costs totaled DKK 63,3 million (2016/17: DKK 60,6 million), equal to a gross profit margin of 28,5% (2016/17: 23,0%).
- Gross profit after non-recurring costs totaled DKK 62,8 million (2016/17: DKK 31,6 million), equal to a gross profit margin of 28,5% (2016/17: 12,0%).
- Profit before financial income and expenses, tax, depreciation, amortization and impairment of assets and before non-recurring items – and excluding the fair value gain on property – the EBITDA was DKK 26,0 million (2016/17: DKK 15,3 million), The financial performance is in line with the guidance to the market on September 22nd, 2017 communicated at a level of DKK 24 million.
- Profit before financial income and expenses, tax, depreciation, amortization and impairment of assets and after non-recurring costs – and including the fair value gain on property – the EBITDA was DKK 26,8 million (2016/17: a loss of DKK 11,6 million). The financial performance is in line with the guidance to the market on September 22nd, 2017, EBITDA after non-recurring items includes the non-recurring costs related to the turnaround plan Change4Success, also referred to as “C4S”, which was approved by the Board of Directors on January 26th, 2017. The DKK 26,8 million EBITDA includes the fair value loss on investment properties at DKK 0,1 million (2016/17: a gain of DKK 4,1 million). The DKK 26,9 million difference in 2016/17 in the “before” and “after” EBITDA mainly relates to severance costs, production footprint costs and inventory adjustments. Whereas the DKK 0,9 million difference in 2018/17 mainly relates to reversed provisions related to mainly severance cost.
- Profit for the year totaled DKK 9,9 million for the 10 months (2016/17: a loss of DKK 61,0 million), equal to a profit in earnings per share (EPS) of DKK 6,0 per share in 2017/18 (2016/17: a loss of DKK 37,8 per share).
- Net cash flows from operating activities came at DKK 16,7 million (2016/17: DKK 7,5 million), net investments were DKK 2,5 million (2016/17: DKK 5,3 million) and cash flow from financing was DKK -12,3 million due to repaying of mortgages to Nykredit and reduction of credit lines at Nordea (2016/17: DKK -2,3 million). The free cash flow was DKK 14,1 million (2016/17: DKK 2,2 million).
- The Board of Directors recommends that no dividend be distributed for 2017/18.

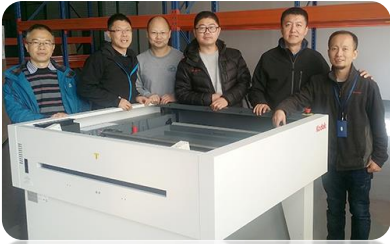


Presentation of income statement before and after non-recurring items and fair value adjustments

For easy reference please find below income statement which present the income statement before and after non-recurring items for 2017/18 (10 months) and 2016/17 (12 months).

	10 months			12 months		
	Group 2017/18 Before non- recurring	Group 2017/18 Non- recurring	Group 2017/18	Group 2016/17 Before non- recurring	Group 2016/17 Non- recurring	Group 2016/17
June 1 st - March 31 st /May 31 st (DKK '000)						
Revenue	220.019	-	220.019	263.769	-	263.769
Production costs	(156.727)	(511)	(157.238)	(203.159)	(29.055)	(232.214)
Gross margin	63.292	(511)	62.781	60.610	(29.055)	31.555
Other operating income	113	-	113	244	-	244
Sales and distribution costs	(20.855)	2.111	(18.744)	(26.225)	(4.572)	(30.797)
Development costs	(8.738)	-	(8.738)	(9.890)	(6.471)	(16.361)
Administrative expenses	(16.347)	(629)	(16.976)	(23.122)	(12.557)	(35.679)
Goodwill impairment	-	-	-	-	(11.774)	(11.774)
Other operating expenses	(141)	-	(141)	(360)	-	(360)
Fair value gains on investment properties	-	(118)	(118)	-	4.054	4.054
Operating profit/(loss)	17.324	853	18.177	1.257	(60.375)	(59.118)
Profit/(loss) after tax in subsidiaries	-	-	-	-	-	-
Profit/(loss) after tax in associates	65	-	65	1	-	1
Financial income	346	-	346	757	-	757
Financial expenses	(4.890)	-	(4.890)	(6.715)	(1.941)	(8.656)
Profit/(loss) before tax	12.845	853	13.698	(4.700)	(62.316)	(67.016)
Income taxes	(3.592)	(187)	(3.779)	6.667	(640)	6.027
Profit/(loss) for the year	9.253	666	9.919	1.967	(62.956)	(60.989)
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	25.954	853	26.807	15.306	(26.869)	(11.563)

Glunz & Jensen Holding A/S' locations



FINANCIAL HIGHLIGHTS

In millions, except per share data	DKK 12 months 2013/14	DKK 12 months 2014/15	DKK 12 months 2015/16 ¹⁾	DKK 12 months 2016/17	DKK 10 months 2017/18	EUR 10 months 2017/18 ²⁾
Key figures						
Income statement						
Revenue	320,6	311,8	293,2	263,8	220,0	29,5
Gross profit	66,2	66,8	58,7	31,6	62,8	8,8
Operating profit/(loss) (EBITA)	(2,5)	(1,5)	(6,2)	(59,1)	18,2	2,4
Net financials	(4,3)	(1,2)	(2,7)	(7,9)	(4,5)	(0,6)
Profit/(loss) for the year	(5,8)	(2,7)	(8,9)	(61,0)	9,9	1,3
Profit/loss before non-recurring items, financial income and expenses, tax, depreciation, amortization and impairment of assets (EBITDA before non-recurring items)	19,2	20,3	10,2	15,3	26,0	3,5
Profit/loss before financial income and expenses, tax, depreciation, amortization and impairment of assets (EBITDA)	19,2	20,3	10,2	(11,6)	26,8	3,6
Balance sheet						
Assets						
Goodwill	11,8	11,8	11,8	-	-	-
Completed development projects	34,2	28,7	25,6	16,8	17,2	2,3
Other intangible assets	21,7	20,1	17,1	3,7	-	-
Other non-current assets	153,4	146,7	163,8	155,0	155,0	20,8
Current assets	141,4	139,7	122,4	93,0	106,7	14,3
Total assets	362,5	347,0	340,7	268,5	278,9	37,4
Liabilities						
Share capital	128,9	130,7	134,5	75,5	92,2	12,4
Non-current liabilities	118,8	105,8	101,1	81,4	81,1	10,9
Current liabilities	114,8	110,5	105,1	111,6	105,6	14,1
Total Equity and liabilities	362,5	347,0	340,7	268,5	278,9	37,4
Cash flows						
Cash flows from operating activities	10,4	19,7	10,5	7,5	16,7	2,2
Cash flows from investing activities ²⁾	(12,5)	(10,9)	(7,9)	(5,3)	(2,5)	(0,3)
Cash flows from financing activities	(2,8)	(11,0)	(2,6)	(2,3)	(12,4)	(1,7)
Change in cash and cash equivalents for the year	(4,9)	(2,2)	0,0	(0,1)	1,8	0,2
²⁾ including investments in property, plant and equipment	(3,7)	(5,1)	(3,6)	(1,5)	(2,2)	(0,3)
Financial ratios in %						
Operating margin (EBITA)	(0,8)	(0,5)	(2,1)	(22,4)	8,3	8,3
EBITDA margin	6,0	6,5	3,5	(4,4)	12,2	12,2
Return on assets (ROIC)	(0,7)	(0,4)	(1,9)	(19,6)	6,8	6,8
Return on equity (ROE)	(4,2)	(2,1)	(6,7)	(63,1)	11,8	11,8
Equity ratio	35,6	37,7	39,5	28,1	33,1	33,1
Other information						
Net interest-bearing debt	125,6	116,4	113,9	111,2	90,2	12,1
Interest coverage (EBITA)	(0,9)	(0,5)	(2,2)	(17,7)	7,3	7,3
Earnings per share (EPS)	(3,5)	(1,7)	(5,5)	(37,8)	6,0	0,8
Diluted earnings per share (EPS-D)	(3,5)	(1,7)	(5,5)	(37,6)	5,4	0,7
Cash flow per share (CFPS)	6,3	12,2	6,5	4,6	9,9	1,3
Book value per share (BVPS)	79,9	81,0	83,4	45,6	50,6	6,8
Share price (KI)	58	50	51	52	73	10
Average number of shares outstanding (in thousands)	1.643	1.613	1.613	1.615	1.664	1.664
Dividend per share	0,0	0,0	0,0	0,0	0,0	0,0
Average number of employees	233	232	238	225	195	195

For definitions of financial ratios, see page 67.

¹⁾ 2015/16 is restated, please see note 32 regarding changes in accounting policies.

²⁾ The DKK/EUR exchange rate applied is 7,45.

BUSINESS AND FINANCIAL REVIEW

Turnaround, Change4Success

As a result of the shareholder decision at the Annual General Meeting in September 2016 to sell the prepress business, the Board of Directors subsequently initiated a sales process. The sale of the prepress business would not be beneficial to the shareholders before a turnaround of the business. Management developed and is finalizing the implementation of the turnaround plan during Q1 of 2018/19 – named Change4Success or C4S – to establish sustainable profitability in the prepress business.

Management presented the plan to the Board of Directors on January 25th and 26th, 2017, and the plan was approved. The overall target in the plan was to increase sales prices, reduce material costs, optimize the production footprint, including a reduction in the numbers of Glunz & Jensen locations and entities, and introduce a lean organization.

The cost of the turnaround plan was estimated at DKK 30 million at EBITDA level and an additional DKK 25 million of finance cost, write-downs and depreciation charges. The total impact was DKK 55 million DKK in Q3 of 2016/17. When fully implemented, the turnaround plan is estimated to result in an EBITDA level of DKK 40 million.

The Board of Directors called for an extraordinary general meeting on March 8th, 2017 with the objective of obtaining support for the turnaround plan and a postponement of the sale of the prepress business. The postponement of the sale was approved along with an incentive program for the Board of Directors and the Management.

The implementation of Change4Success was initiated in 2016/17, continued in 2017/18 and is expected to be fully implemented by June 2018.

The Group reversed DKK 1,0 million net in provisions by March 31st, 2018 of the DKK 55 million DKK provisions made in Q3 of 2016/17 mainly due to lower than expected severance cost for employees. The reversal effected the EBITDA after non-recurring cost by DKK 1,0 million. The reversal of provision did not effect the EBITDA before non-recurring items at DKK 26,0 million.

The Group DKK has DKK 8,6 million in provisions by March 31st, 2018 for cost related to the remaining implementation of Change4Success.

The improved gross profit and EBITDA in 2017/18 relates to the Change4Success plan, which will continue in Q1 of 2018/19 and contribute a total of DKK 25-30

million in annual added EBITDA compared to 2016/17 when fully implemented.

Decreasing offset market

Glunz & Jensen's Management estimates that the market volume in offset fell by 6% to 8% in the year under review compared with 2016/17. The offset sales in the 10 months of 2017/18 decreased only 7,3% compared to the first 10 months of 2016/17.

Competitive flexo market

Competition in the flexo market remained tough in 2017/18. Sales increased by 18,9% in 2017/18 compared to the first 10 months of 2016/17. We estimate that we have gained market share given our comparable growth.

Focused development activity

Glunz & Jensen's strategic focus in recent years has been to meet customer demands through the development of new and profitable products, mainly in flexo.

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

After sales services

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

Focus on efficiency and consolidation of production

To enhance efficiency and optimize capacity utilization, Glunz & Jensen has consolidated at fewer locations. By March 2018, the production in Glunz & Jensen s.r.l. was transferred to the new site in Nyborg. The former Glunz & Jensen Microflex A/S organization started the move from Ringe to Nyborg in March 2018 and will finalize the move by June 2018. Most of the organization in Ringsted started moving to Nyborg in March 2018 and the move will be completed by June 2018.

Fully rented Selandia Park A/S

Selandia Park A/S was established on June 1st, 2016. Selandia Park A/S' business objective is to invest in and operate a property portfolio. All properties are on long-term leases. Rental income was moderately higher during the year due to a new lessee at the previous



headquarter occurring near year end and due to general rent regulations.

Changes in the legal structure

By February 2018 the entities Glunz & Jensen Microflex A/S and GKS International A/S were merged with the prepress parent company Glunz & Jensen A/S. The entities Wolly s.r.l., Glunz & Jensen Ltd. (China) and Glunz & Jensen Ltd. (UK) are under liquidation which will be finalized during 2018/19.

The legal changes were all a part of the C4S turnaround plan. The Board of Directors of Glunz & Jensen A/S decided in May 2016 to change the group structure to increase transparency in relation to the Group's prepress activities and the Group's property activities. The activities previously carried in Glunz & Jensen A/S were divided into Glunz & Jensen A/S, acquiring the Company's prepress activities, and a property entity named Selandia Park A/S, acquiring its property in Ringsted.

The Parent Company changed its name in September 22nd, 2016 from Glunz & Jensen A/S to Glunz & Jensen Holding A/S and it is the new parent of Selandia Park A/S and the new entity named Glunz & Jensen A/S is owner of the prepress activities.



OPTIMISATION OF THE VALUE CHAIN

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

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

Focus on satisfactory profitability

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

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

1. Strengthening gross profit and continual adjustment of fixed costs

Glunz & Jensen will strengthen gross and operating earnings through price adjustments, simplification and continued efficiency enhancements.

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

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

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

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

Glunz & Jensen is one of the largest providers and the customers' preferred supplier and development partner

of flexo equipment for the packaging industry. The market develops at an estimated annual growth rate of 6-7%, driven by underlying growth in packaging, changing demographics, and shares gained from other printing technologies.

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

3. Leading the market for offset prepress equipment

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

The market has been shrinking and is characterized by the shift in the media industry from print to electronic platforms. This contributes to a projected annual decline in world markets of approx. 1-2%.

Our focus is on reducing production costs through an efficient production setup for our customers, combined with less environmental impact and energy consumption.

4. Building an after sales service business

Glunz & Jensen's after sales service includes installation, repair and preventive maintenance of CtP and related systems. Customer relationships are based on either service contracts or time and material visits. After being launched in Scandinavia, the activities are expanded to include the UK.

After sales service activity includes both the offset area and the flexo area. In addition to helping increase earnings, it strengthens the relationship with customers and provides valuable feedback and dialogue with the daily users. It is the Group's goal that sales in after sales service will grow in Europe and the United States in the next three years.

Objective of strengthening long-term earnings capacity

Glunz & Jensen will selectively launch new products and solutions to satisfy customer demands, maintain a leading market position, and strengthen profitability. With the ongoing optimization throughout the value chain, Management's goal in 2016/17 was to gradually increase the Group's EBITDA margin to a level of 12-14% within 2 years. The EBITDA margin goal has been completed in 2017/18 and Glunz & Jensen is projecting EBITDA at current level in 2018/19.

OUTLOOK

In 2018/19, the underlying market conditions are not expected to change. The stabilizing tendencies in Europe will continue, while growth is expected in the US and Asian economies.

Under these assumptions, the market as a whole is expected to increase slightly.

For fiscal 2018/19, the Group's revenue is expected to be at the DKK 260 million level, while operating profit (EBITDA) – excluding non-recurring cost and fair value adjustments on investment properties – is expected to increase to the DKK 38 million level as a result of the implemented turnaround by June 2018.

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



FINANCIAL STATEMENTS

The Group

Income statement

Group revenue is stabilizing

The Group's revenue totaled DKK 220,0 million in 2017/18 (2016/17: DKK 263,8 million), corresponding to a decline in revenue of 16,6%. Revenue is in line with the latest announced expectations to revenue at the level of DKK 215 million.

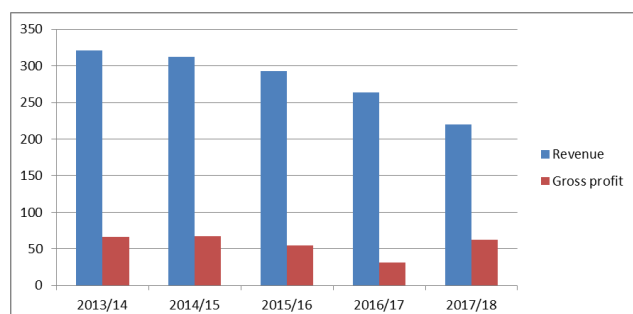


Figure #1: Revenue (DKK million), fiscal years, note 2017/18 at only 10 months

Revenue in offset decreased by 22,2%, flexo by 3,7% and property by 13,5% when comparing the 10 months of 2017/17 with the 12 months of 2016/15. See figure #2.

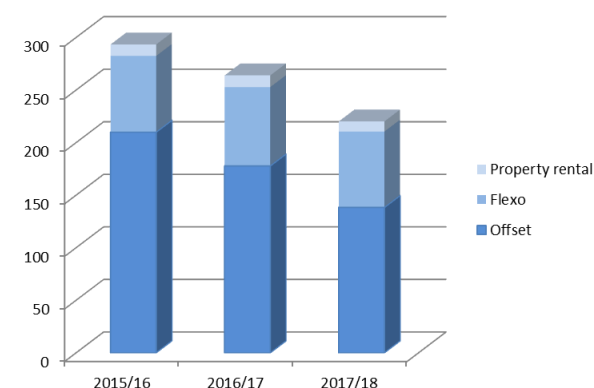


Figure #2: Revenue (million DKK) by product, fiscal years, note 2017/18 at only 10 months

However, figure #3 shows the development in comparable number of months - all 10 months of 2017/18. The Group revenue of DKK 220,0 million in the 10 months of 2017/18 compared to the equal 10 months of 2016/17 at DKK 219,0 million hence increasing the revenue by 0,5%

The split in revenue during 2017/18 and the first 10 months of 2016/17 is in offset DKK 138,2 million in 2017/18 equal to a decrease of 7,3% from DKK 149,1 million in 2016/17. An increase in flexo at 18,9% to DKK 72,2 million in 2017/18 from DKK 60,7 million in 2016/17.

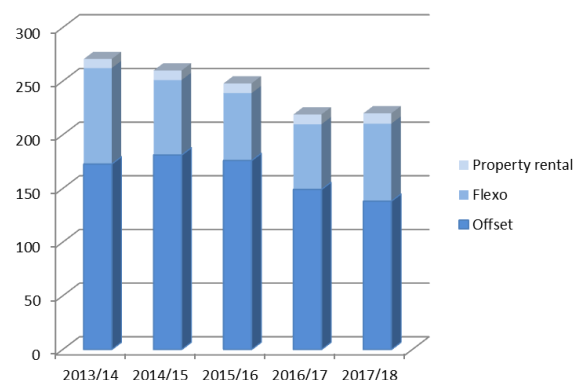


Figure #3: Revenue (million DKK) by product, all shown in 10 month periods

New business for flexo

Glunz & Jensen successfully launched a new thermal flexo processor, the Flexpro and the Flexpose. The product has been well received by end customers.

Selandia Park

Rental income in Selandia Park A/S decreased moderately to DKK 9,6 million (2016/17: DKK 11,1 million), excluding rental income from Glunz & Jensen. All premises are fully leased. Revenue development in 2017/18 and the first 10 months of 2016/17; the revenue in Selandia Park increased by 4,3% from DKK 9,2 million in 2016/17 to DKK 9,6 million in 2017/18.

Gross profit improvement

Gross profit for 2017/18 totaled DKK 62,8 million (2016/17: DKK 31,6 million), corresponding to a gross margin of 28,5% against 2016/17 of 12,0% including non-recurring cost and 23,0% in 2016/17 when excluding the non-recurring cost of DKK 29,1 million for the full year of 2016/17. See figure #4

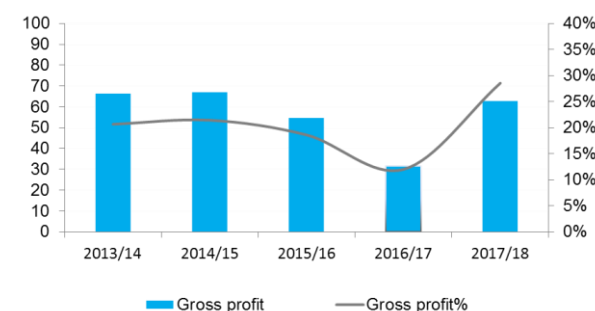


Figure #4: Gross profit and gross profit margin for the fiscal years

The positive development in 2017/18 relates to the increase in sales prices, additional savings on materials, and additional savings from the termination of staff.

EBITDA impacted by the shortened year

Earnings before interest, tax, and depreciation and amortization (EBITDA) totaled DKK 26,8 million, (2016/17: DKK -11,6 million including non-recurring items and including fair value gains on investment properties), corresponding to an EBITDA margin of 12,2% (2016/17: -4,4%). The EBITDA is thus realized at the announced level of DKK 24 million. See figure #5.

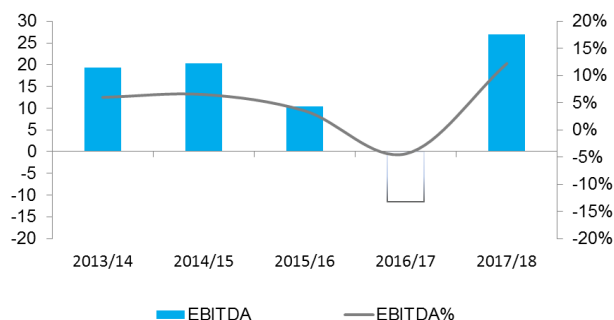


Figure #5: EBITDA/EBITDA margin after non-recurring items, all shown in fiscal years

Earnings before interest, tax, and depreciation and amortization (EBITDA) totaled DKK 26,0 million, (2015/16: DKK 15,3 million excluding non-recurring items and excluding fair value gains on investment properties), corresponding to an EBITDA margin of 12,2% (2016/17: 5,8%). See figure #6.

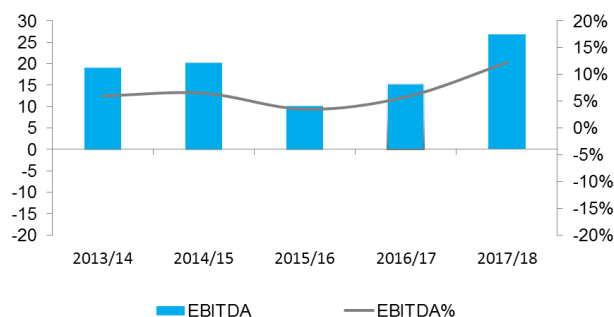


Figure #6: EBITDA/EBITDA margin before non-recurring items, all shown in fiscal years

The EBITDA and the EBITDA margin before non-recurring items is a key KPI for the Board of Directors and management in assessing the progress being made in the C4S plan.

The difference between EBITDA before and after non-recurring is explained as follows; EBITDA is positively affected by DKK 1,0 million in 2017/18 in reversed provisions related to mainly severance cost. EBITDA was affected by non-recurring items of DKK 26,9 million in 2016/17 related to provisions for severance pay, reduction in the number of sites and legal costs – and inventory adjustments.

The restructuring which was carried out during 2016/17 and which was continued in 2017/18 reduced staff by approximately 30 individuals and will be fully implemented by the end of fiscal Q1, 2018/19.

EBITDA on 10 months comparable terms

To compare the true level of EBITDA development in 2017/18 the figures #7 and #8 are both based on comparing the 10 months of fiscal 2017/18 with the first 10 months of fiscal 2016/17 and in the previous fiscal years.

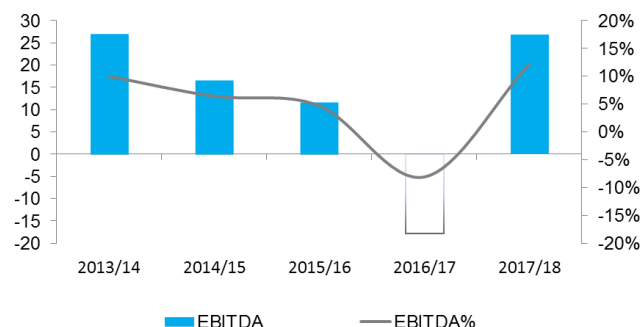


Figure #7: EBITDA/EBITDA margin after non-recurring items, all shown in 10 month periods

Below figure #8 supports the conclusion that the EBITDA margin target communicated in the annual report 2016/17 at 12-14% in 1 to 2 years has been accomplished in 2017/18 with an EBITDA margin at 12,2%.

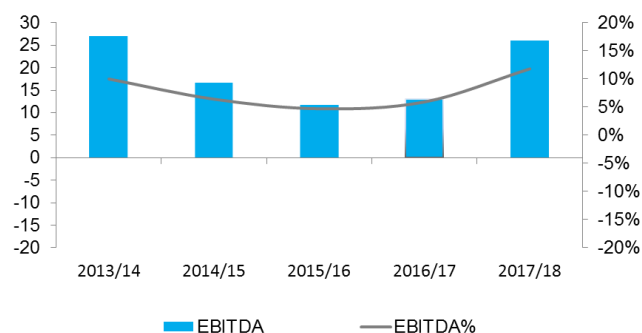


Figure #8: EBITDA/EBITDA margin before non-recurring items, all shown in 10 month periods

Operating profit (EBITA) for the financial year 2017/18 represents a profit of DKK 18,2 million against a loss of DKK 59,1 million in 2016/17 including the negative effect of DKK 60,4 million in EBITA related cost.

The Group's net financial expenses in 2017/18 totaled DKK 4,5 million (2016/17: DKK 7,9 million).

Financial income amounted to DKK 0,3 million against DKK 0,8 million in 2016/17, while financial expenses amounted to DKK 4,9 million against DKK 8,7 million in 2016/17. The decreased cost are caused by the

shortened fiscal year 2017/18 contributed in reducing financial cost. Furthermore 2016/17 did include non-recurring cost to fair value loss on securities and other financial expenses.

Satisfactory results of operations

The Company reported a profit before tax of DKK 13,7 million in 2017/18, against a loss of DKK 67,0 million in 2017/18.

The Group recognized tax expenses of DKK 3,8 million in 2017/18 against profit of DKK 6,0 million in 2016/17. Profit for the year after tax was DKK 9,9 million (2016/17: a loss of DKK 61,0 million), corresponding to earnings per share (EPS) of DKK 6,0 (2016/17: DKK -37,8). The financial performance is in line with the Change4Success turnaround plan, and is considered satisfactory by the Executive Management and the Board of Directors.

Balance sheet

Reduction in tied-up capital on working capital

The Group's assets totaled DKK 278,9 million at March 31st, 2018 against DKK 268,5 million the year before on May 31st, 2017.

Non-current assets were reduced by DKK 3,3 million as a result of a decrease in development projects other intangible assets related to the purchase price allocation.

Inventories were increased from DKK 40,6 million last year to DKK 50,5 million. The increase in inventory is partly caused by later than expected invoicing of flexo equipment and by inventory increase since November 30th, 2017 at DKK 44,1 million related to building of safety stock in Nyborg while liquidating the inventory in the Italian subsidiary. The number of day sales of inventory (DSI) increased from 131 days in 2016/17 days to 149 days in 2017/18.

Receivables were increased by DKK 0,7 million to DKK 41,2 million. The number of day sales outstanding (DSO) remained unchanged at 57 compared to 2016/17.

Equity came at DKK 92,2 million, corresponding to a solvency ratio of 33,1%, compared to 28,1% the year before on May 31st, 2017. The Board of Directors recommends to the Annual General Meeting that no dividend payment be distributed for fiscal 2017/18.

Interest-bearing debt totaled DKK 95,0 million at the end of 2017/18 (2016/17: DKK 114,3 million), of which DKK 60,5 million (2016/17: DKK 66,2 million) are long-term liabilities and DKK 34,5 million (2016/17: DKK 48,1 million) are current liabilities. Net interest-bearing debt was reduced by DKK 21,0 million during fiscal 2017/18 to DKK 90,2 million.

Cash flow and liquidity

Positive cash flow maintained

Cash flow from operating activities amounted to DKK 16,7 million in 2017/18 DKK (2016/17: DKK 7,5 million), primarily due to the operating profit, although the DKK 10,1 million related to changes in inventory in 2017/18 contributed negatively. Trade payables and other payables contributed positively by DKK 10,3 million in 2017/18.

Cash flow from investing activities was negative by DKK 2,5 million in 2017/18 (2016/17: DKK -5,3 million). Investments in intangible assets and property, plant and equipment amounted to DKK 2,8 million (2016/17: DKK 5,1 million).

The free cash flow thus amounted to DKK 14,1 million in 2017/18 (2016/17: DKK 2,2 million).

Satisfactory capital resources

At the end of fiscal 2017/18, the Group's total available credit facilities amounted to DKK 119,6 million compared to DKK 138,0 million at the end of 2016/17. DKK 95,0 million was utilized at the end of 2017/18 against DKK 114,3 million the year before.

Liquidity reserves totaled DKK 24,6 million by March 31st, 2018 (2015/16: DKK 23,7 million).

Based on budgets, including expectations to the cash flow and the development of the capital base, existing credit facilities and related contractual and expected maturities and conditions, the Board of Directors and the Executive Management consider the Group's liquidity and capital resources sufficient to implement the remaining part of the turnaround plan Change4Success.

The Company's credit lines for 2018/19 were extended by Nordea and signed by the Company in June 2018 as planned. Please refer to note 27 regarding covenants.

The Parent Company

The Parent Company's status was changed as of June 1st, 2016, as the Company changed its structure and was renamed Glunz & Jensen Holding A/S and continued as the publicly traded company.

A new legal entity named Glunz & Jensen A/S became a subsidiary of Glunz & Jensen Holding A/S - and Glunz & Jensen A/S was established as the new Parent Company for the prepress activities only. All subsidiaries have been sold from Glunz & Jensen Holding A/S to Glunz & Jensen A/S at equity value and all prepress activities, assets and liabilities have been sold from Glunz & Jensen Holding A/S to Glunz & Jensen A/S at carrying values.

Further a new legal entity named Selandia Park A/S became a subsidiary of Glunz & Jensen Holding A/S. All assets and liabilities regarding properties have been sold to Selandia Park A/S at carrying values.

The Parent Company's revenue totaled DKK 7,0 million in fiscal 2017/18 (2016/17: DKK 7,2 million).

Profit after tax in subsidiaries totaled DKK 11,1 million in fiscal 2017/18 (2016/17: loss of DKK 56,9 million).

The Parent Company's profit after tax totaled DKK 9,9 million in 2017/18 against a loss of DKK 61,0 million in 2016/17.

The Parent Company's total assets amounted to DKK 95,8 million at March 31st, 2017 (2016/17: DKK 79,6 million).

EVENTS AFTER THE BALANCE SHEET DATE

No events have occurred since March 31st, 2018 which are considered to have a significant impact on the Group's or the Parent Company's financial position.



RISK FACTORS

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

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

Commercial risk

Glunz & Jensen's revenue is affected by both global economic developments and changes in industry-specific conditions.

The macroeconomic cycles generally affects Glunz & Jensen's customers' probability of investment and may reduce revenue and earnings.

Glunz & Jensen's order lead time is 4-8 weeks, which is market-based. As revenue expectations beyond this period are based on non-binding estimates from the Group's largest customers or based on Glunz & Jensen's Management's expectations, deviations from the expected revenue may occur.

Glunz & Jensen markets a large part of its production to a number of major customers with whom the Company has a long-term customer relationship. The four largest customers represent approximately 50% of total revenue. No customer accounts for more than 20% of the Group's revenue.

New technologies and product development

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

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

Glunz & Jensen's most important offset activity is the development and sale of CtP developers. The continued use of CtP processors is conditional on the

development of offset printing plates. Several large plate manufacturers have developed printing plates that do not require development. The process-free CtP technology has gained ground and may affect the demand for CtP processors negatively.

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

Competition and market conditions

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

The global market for offset is decreasing, while the flexo market is expected to grow moderately, but is also characterized by increasing competition and price pressure.

Production and supplier risks

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

Insurance risk

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

Financial and other risks

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

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

For financial risks, please refer to note 26.



REPORTING ON MANAGEMENT

This statement of reporting on management is part of the Management's review, see section 107b of the Danish Financial Statements Act, covering the fiscal year June 1st, 2017 – March 31st, 2018. The statement consists of three elements:

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

Corporate Governance

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

Glunz & Jensen is governed by the Corporate Governance Committee's recommendations of May 2013, with a minor adjustment in November 2014. The recommendations are available at:

<https://corporategovernance.dk/>.

In accordance with the recommendations, we explain on Glunz & Jensen's website how the Company complies with the recommendations:

<http://www.glunz-jensen.com/investor/corporate-governance/redegorelse>

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

- The company publishes half year reports at NASDAQ OMX and on the company's website. The company publishes Q1 and Q3 announcements commenting the development in the company.
- The Board of Directors has not adopted a written policy on corporate social responsibility, as the Company does not yet have the necessary resources to follow up.
- The members of the Board of Directors elected by the company in general meeting are elected for a period of two years. The Board of Directors have assessed that this ensures

better continuity on the Board than when all members are up for election each year.

- Glunz & Jensen has no audit committee, as the size of the Company and the Board's workform mean that there is no need to establish special audit committees (committees). The Board of Directors as a whole assume the responsibilities of the audit committee.
- Glunz & Jensen had a stock warrant program that includes the Board of Directors in order to align the long-term goals with Management.
- Glunz & Jensen has not established a whistleblower scheme, since the size of the Company enables direct contact with the Executive Management and the Board of Directors.

Interaction with shareholders and other stakeholders

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

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

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

The Glunz & Jensen Group has not entered into significant agreements that are affected, changed or expire in the event of a change of control of the Company.

There are no agreements with Management or employees regarding retention or compensation in case of resignation or dismissal or termination of a post as a result of the acquisition of the Glunz & Jensen Group.

The general meeting is Glunz & Jensen's supreme decision-making authority, and the Board of Directors emphasizes that shareholders be given adequate information about the business to be transacted at the general meeting. Notice of general meetings is published on the website and sent electronically to all

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

Composition of the governing bodies and their function

Board of Directors

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

The current Board of Directors consisted of six members at the end of the fiscal year 2017/18, two of whom are employee representatives. The latest election among employees took place in 2018.

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

In connection with the identification of new Board members, a careful assessment of required knowledge and professional experience is made to ensure that the Board possesses the necessary competencies. Information about the individual Board members can be found on page 25.

The Board at work

In accordance with the Companies Act, the Board of Directors represents Glunz & Jensen's overall management and defines the Group's goals and strategies as well as approves the overall budgets and action plans. In addition, the Board of Directors in general supervises the Group and checks that it is managed properly and in accordance with Danish law and the Articles of Association. The general guidelines

for the Board's work are laid down in the rules of procedure, reviewed at least once a year and adapted to Glunz & Jensen's needs. The rules of procedure include procedures for Management's reporting, the Board's working method and a description of the Chairman's tasks and responsibilities.

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

At least five ordinary Board meetings must be held annually with a fixed plan for the contents of the meetings. In addition, the Board meets whenever necessary. In fiscal 2017/18, eight board meetings were held.

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

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

Risk management

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

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

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

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

Executive Management

The Executive Management is appointed by the Board of Directors. The Executive Management is responsible for the day-to-day operations of the Group and, in accordance with guidelines and instructions developed by the Board of Directors, prepares action plans and



budgets that support the Company's strategy and reports on ongoing performance developments, risks and other essential information to the Board. The Board of Directors' delegation of responsibilities to the Executive Management is outlined in the Board's rules of procedure.

Evaluation of the Board of Directors and the Executive Management

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

Remuneration to the Board of Directors and the Executive Management

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

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

The remuneration of the Executive Management is determined by the Board of Directors. In 2017/18, members of the Executive Management received a basic salary, including usual benefits such as free car and telephone, and are also eligible for a bonus scheme. The Executive Management consisted René

Normann Christensen, CEO and Henrik Blegvad Funk, Finance Director, who were both members of the Executive Board throughout 2017/18. The total remuneration paid to the Executive Management amounted to DKK 4,8 million in 2017/18.

Incentive programs

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

The incentive programs for the Executive Management and employees include a bonus scheme and a 4-year warrant program, which was approved at the general meeting of shareholders on March 8th, 2017 and which entailed the advancement of warrants' earnings and utilization dates in accordance with the existing warrant program due to the take over bid by Heliograph Holding GmbH which was announced February 21st, 2018. The utilization of the warrant program was announced on March 14th, 2018 and completed on March 20th, 2018.

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

Risk assessment in connection with the financial reporting process

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

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

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

Control environment

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



Board of Directors on all relevant matters and assessments.

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

Risk assessment and risk management

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

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

Control activities

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

Control activities include the following essential elements:

- The Board of directors reviews and approves the budget presented by the Executive Management for the coming year. The budget includes operations, balance sheet, liquidity and investments.
- The Board receives monthly income, balance and liquidity accounts with budget follow-up, key figures and comments on significant developments and/or deviations. Each quarter, the reporting also includes an update from area managers regarding actual sales (customers and products), order status, expectations as to the future, product development, competitors etc. Subsidiaries submit monthly accounts with comments on developments. The reporting is used as a basis in the group reporting to the Board of Directors.
- In connection with the year-end, a reporting package is prepared for the subsidiaries with a

view to meeting disclosure requirements, including disclosure requirements under IFRS.

- The Parent Company's finance department is responsible for managing the monitoring and controlling of financial reports from subsidiaries, with active participation of local financial controllers. Regular visits are made to subsidiaries.
- Management in subsidiaries liaises with the external auditor. The Executive Management is informed of matters identified during the audit of subsidiaries.
- Before the financial statements are presented, the Board of Directors and the Executive Management discuss critical accounting practices and estimates as well as other matters of major importance to the presentation of the financial statements.

Monitoring

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

Audit

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

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

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



STATEMENT ON CORPORATE SOCIAL RESPONSIBILITY AND GENDER DIVERSITY

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

Social responsibility (CSR)

The Glunz & Jensen Group does not have an explicit, written social responsibility policy in place, for instance related to climate and environment impact and human rights, but adopts social co-responsibility in the local areas where the Group is located. The Group wishes to promote a working culture throughout the organization that ensures a sensible and appropriate balance between financial, social and environmental development.

In this regard, it is crucial for the CSR work that Glunz & Jensen's production strategy and value chain management is based to a large extent on an outsourcing model. Virtually all production takes place with a large number of subcontractors, after which Glunz & Jensen is responsible for product assembly and distribution.

Subcontractors are selected at the starting point of our ISO 9001 procedures. This ensures that subcontractors meet our requirements, but we do not have a specific policy that describes "respect for human rights" and "reduction of climate impacts".

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

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

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

Employees

All employees attend an annual employee development interview.

The Group has established safety committees in all locations and offers first aid courses to staff members and ongoing maintenance of these. The number of serious employee accidents was 1 in 2017/18.

Education of young people

The Group wishes – to the extent possible and if it is financially sound – to help increase the number of young people who get a business-related education. The Group has therefore decided to increase student/internship at locations that are large enough to allow of a wide education or internship for young people in the local community. At the end of the fiscal year, the Group employed one apprentice in Denmark.

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

Environment

The Group focuses on environmental considerations concerning, for example, maintenance and renovation of its buildings. For instance, the Company's domicile in Selandia Park has low energy consumption and is equipped with solar cells that cover part of the electricity consumption.

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

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

Glunz & Jensen ambition is to reduce the amount of pollution and energy consumption in its products by each year.

Economic support for charitable purposes

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



Diversity

The gender diversity statement for fiscal 2017/18 has been prepared in accordance with section 99b of the Danish Financial Statements Act, Glunz & Jensen will set goals for the ratio of the underrepresented gender on the Company's Board of Directors and formulate a gender diversity policy to increase the proportion of the underrepresented gender at other management levels.

Objective of diversity

The company's focus on value creation and the limited size of the organisation means that, in connection with organizational changes as well as the appointment of new members to the Board of Directors, the Executive Management and the senior management team, the business must focus greatly on the knowledge, skills and experience of the individual.

The Board of Directors recognizes the importance of diversity in the Company's Management and emphasizes equal opportunities for all, including both genders. The company's goal is that at least 25% of the members of the Board of Directors who are elected by the general meeting should at all time be the underrepresented gender within 2 to 4 years. Currently, the Board of Directors consists of four men as members, the Board of Directors have been unable to identify the ideal female candidate.

At other management levels, the Company wishes to have a gender composition that matches the overall gender composition of the company. The ratio of women at other management levels was 3 out of 14 at March 31st, 2018, corresponding to 21%. To increase the number of women in these functions, the Company will strive to have at least one woman among the last candidates for a vacant position.



SHAREHOLDER FACTS

Share information

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

At the end of the fiscal year, the share price was DKK 73,00 against DKK 51,50 at the beginning of the year. The market value of the share capital amounted to DKK 133 million on March 31st, 2018.

In 2017/18, a total of 687.864 (2016/17: 1.150.449) shares were traded at a total market value of DKK 41,6 million (2016/17: DKK 48,2 million).

Share capital and voting rights

The share capital in Glunz & Jensen amounted to nominally DKK 36,4 million on March 31st, 2018. Divided into 1.821.309 shares at a nominal value of DKK 20,00. The shares, which are negotiable instruments without restrictions on marketability, are issued to the holder and entitle the holder to cast one vote per share at general meetings.

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

In accordance with the Articles of Association and section 198 of the Danish Companies Act, the Board of Directors is authorized to acquire treasury shares up to 25% of the Company's share capital at the market price prevailing at the date of acquisition with a deviation of up to 10% until September 22nd, 2021.

Glunz & Jensen did not own treasury shares at the end of the fiscal year (end of 2016/17: 6.617 equal to 0,4% of the share capital).

Ownership

At the end of the fiscal year, Glunz & Jensen had 816 (2016/17: 927) registered shareholders holding 64,4% (2016/17: 89,8% of the share capital (including treasury shares). Glunz & Jensen wishes to provide the best possible way of providing its shareholders with information about the Group so that all shareholders are encouraged to list their shares in the Company's register of shareholders.

Change of control

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

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

Dividend

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

The Board of Directors proposes to the Annual General Meeting that no dividend be distributed for fiscal 2017/18, and the Company's profit for the year will be transferred to next year.

Share price development since March 31st, 2015



Investor relations

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

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

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

Glunz & Jensen Holding A/S

Address: Lindholm Havnevej 29
DK-5800 Nyborg
Phone: +45 5768 8181
Fax: +45 5768 8340
E-mail: gj@glunz-jensen.com

René Normann Christensen, CEO

Phone: +45 2423 4677
E-mail: rnc@glunz-jensen.com

Carsten Knudsen, Chairman of the Board of Directors

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

Annual general meeting

The Company's Annual General Meeting will be held on Thursday, June 28th, 2018 at 15:00 PM at the Company's registered address, Lindholm Havnevej 29, DK-5800 Nyborg.

Shareholders on June 6th, 2018

	Ownership interest (%)
Heliograph Holding GmbH, Konrad-Zuse-Bogen 18, 82152 Krailling, Germany	30,71
MH Invest ApS	5,67
Notified according to the section 38 of the Danish Securities Trading Act	36,38
All other shareholders	63,62
Total	100,00

Share-related key figures and financial ratios

	2013/14	2014/15	2015/16	2016/17	2017/18
Average number of shares outstanding (in thousands)	1.643	1.613	1.613	1.615	1.666
Earnings per share (EPS), %	(3,5)	(1,7)	(5,5)	(37,8)	6,0
Diluted earnings per share (EPS-D), %	(3,5)	(1,7)	(5,5)	(37,6)	5,4
Cash flow per share (CFPS), %	6,3	12,2	6,5	4,6	9,9
Book value per share (BVPS), %	79,9	81,0	83,4	45,6	50,6
Share price per share	58	50	51	52	73
Share price /book value	0,7	0,6	0,6	1,1	1,4
Market value of average number of shares (DKKm)	94	81	82	85	133
Dividend per share	-	-	-	-	-
Pay-out ratio, %	-	-	-	-	-

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

Board of Directors

Carsten Knudsen (1961)

CEO in Søgaarden-Sjælsø ApS and in Dane Topco ApS.

Chairman of the Board of Directors.

Member of the Board of Directors of Glunz & Jensen Holding A/S since 2015. Up for re-election in 2018. Regarded as independent.

Chairman of the Board of Directors of G.S.V. Holding A/S, Directors of G.S.V. Materieludlejning A/S, Black Bidco ApS, Tresu A/S and member of Board of Directors of Stibo Fonden, Languagewire A/S and Lyngsoe Systems A/S.

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

Michael Hove (1971)

CEO and owner of MH Investment ApS.

Member of the Board of Directors of Glunz & Jensen Holding A/S since 2016. Up for re-election in 2018. Regarded as independent.

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

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

Rolf Pfiffner (1969)

CEO at Daetwyler Graphics AG.

Member of the Board of Directors of Glunz & Jensen Holding A/S since 2017. Elected in 2017 for a 2 year period. Regarded as independent.

Board of Management in Heliograph Holding GmbH.

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

Flemming N. Enevoldsen (1961)

CEO & Non-Executive Director.

Member of the Board of Directors of Glunz & Jensen Holding A/S since 2017. Elected in 2017 for a 2 year period. Regarded as independent.

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

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

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

Søren Andersen (1971)*

Product specialist

Member of the Board of Glunz & Jensen Holding A/S since 2013 and re-elected in 2017, and the present 4-year election period ends in 2021.

Kristian Kvistgaard (1973)*

Project manager

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

**Elected by the employees*

Executive Management

René Normann Christensen (1970)

CEO of Glunz & Jensen Holding A/S since October 1st, 2016.

Henrik Blegvad Funk (1964)

CFO of Glunz & Jensen Holding A/S since April 1st, 2016.

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

	2017/18 No. of shares	2016/17 No. of shares
Carsten Knudsen (Søgaarden-Sjælsø ApS)	52.157	16.040
Michael Hove	103.258	55.812
Rolf Pfiffner	0	0
Flemming N. Enevoldsen	2.907	0
Søren Andersen	33	33
Kristian Kvistgaard	0	0
René Normann Christensen	60.773	12.617
Henrik Blegvad Funk	27.370	5.474



GROUP COMPANIES

Glunz & Jensen Holding A/S

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

Glunz & Jensen A/S

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

Selandia Park A/S

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

Glunz & Jensen s.r.o.

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

Glunz & Jensen, Inc.

500 Commerce Drive
Quakertown, PA 18951
USA
Tel. +1 267 405 4000
gj-americas@glunz-jensen.com

Glunz & Jensen Trading (Suzhou) Co., Ltd. ¹

No. 369-23, Tayuan Road, SND
Suzhou, Jiangsu Province
P. R. China
Tel. +86 512 6661 8186
gj-china@glunz-jensen.com

Glunz & Jensen S.r.l.

Via Alessandro Volta, 28
20088 Rosate (MI)
Italy
Tel. +39 02 90090164
idu@glunz-jensen.com

Wolly, S.r.l. ¹

Via Alessandro Volta, 28
20088 Rosate (MI)
Italy
Tel. +39 02 90090180

Glunz & Jensen Limited ¹

Unit 4-6
Napier Place
Stephenson Way Industrial Estate
Thetford, Norfolk, IP24 3RL
United Kingdom
Tel. +44 1842 765128
lua@glunz-jensen.com

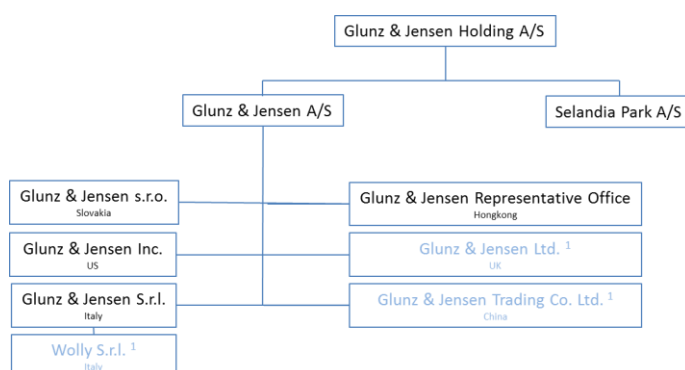
Glunz & Jensen Representative Office

Hong Kong
P.R. China
Tel. +852 9230 2919
gj-china@glunz-jensen.com

¹ The companies is under solvent liquidation.

Glunz & Jensen Microflex A/S and GKS International ApS were merged with Glunz & Jensen A/S on February 1st, 2018.

Legal structure



MANAGEMENT'S REVIEW

The Board of Directors and the Executive Management have today's date considered and approved the annual report for 2017/18 for Glunz & Jensen A/S.

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

In our opinion, the consolidated financial statements and the financial statements give a true and fair view of the Group's and the Company's financial position at March 31st, 2018 and of the results of the Group's and the Company's activities and cash flows for the fiscal year June 1st, 2017 - March 31st, 2018.

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

We recommend that the annual report be approved by the company in the general meeting.

Nyborg, June 6th, 2018

Executive Management

René Normann Christensen
CEO

Henrik Blegvad Funk
CFO

Board of Directors

Carsten Knudsen
Chairman

Michael Hove
Deputy Chairman

Rolf Pfiffner

Flemming N. Enevoldsen

Søren Andersen*

Kristian Kvistgaard*

**Elected by the employees*



INDEPENDENT AUDITOR'S REPORT

To the shareholders of Glunz & Jensen Holding A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Glunz & Jensen Holding A/S for the financial year 1 June 2017 – 31 March 2018, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 March 2018 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 June 2017 – 31 March 2018 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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

Appointment of auditor

We were initially appointed as auditor of Glunz & Jensen Holding A/S before 1995, and accordingly, we have to resign as auditor of the company at the general meeting in 2021 at the latest. We have been re-appointed annually at the general meeting for a total consecutive period of more than 23 years up to and including the financial year 2017/18.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year 2018. These matters were addressed during our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Valuation of investment property

Investment properties represents a significant part of the total assets (33%) of the Group and is valued at fair value for an amount of DKK 90,612 thousand.



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

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

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

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

Valuation of inventory

The Group has gross inventories of DKK 50,478 thousand. Inventory is measured at cost price or net realizable value, if this value is lower than the cost price. The valuation of inventory is therefore consisting significant judgement by Management to assess the appropriate level of the provision for slow moving and/or obsolete inventory. As a result, we consider the provisioning for slow moving and obsolete inventories to be a key audit matter.

Our audit procedures included, amongst others, observing physical inventory counts at major locations to ascertain the condition of inventory and performing testing on a sample of items to assess the cost price and net realizable value of inventory and evaluating the adequacy of provision for slow moving and obsolete inventories as at 31 March 2018. We have furthermore reviewed calculation made by Management regarding the need for provision for slow moving and/or obsolete inventory.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.



Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

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

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

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

Copenhagen, June 6, 2018

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

Peter Gath

State Authorized

Public Accountant

MNE no.: mne19718

Søren Smedegaard Hvid

State Authorized

Public Accountant

MNE no.: mne31450



INCOME STATEMENT

Note	June 1 st - March 31 st /May 31 st (DKK '000)	Group 2017/18 10 months	Group 2016/17 12 months	Parent Company 2017/18 10 months	Parent Company 2016/17 12 months
2	Revenue	220.019	263.769	7.040	7.200
3,4,6	Production costs	(157.238)	(232.214)	-	-
	Gross margin	62.781	31.555	7.040	7.200
7	Other operating income	113	244	-	-
4,6	Sales and distribution costs	(18.744)	(30.797)	-	-
4,6	Development costs	(8.738)	(16.361)	-	-
4,6	Administrative expenses	(16.976)	(35.679)	(8.652)	(12.154)
	Goodwill impairment	-	(11.774)	-	-
7	Other operating expenses	(141)	(360)	-	-
13	Fair value gains on investment properties	(118)	4.054	-	-
	Operating profit/(loss)	18.177	(59.118)	(1.612)	(4.954)
14	Profit/(loss) after tax in subsidiaries	-	-	11.127	(56.928)
15	Profit/(loss) after tax in associates	65	1	-	-
8	Financial income	346	757	1	-
8	Financial expenses	(4.890)	(8.656)	(2)	(1)
	Profit/(loss) before tax	13.698	(67.016)	9.514	(61.883)
9	Income taxes	(3.779)	6.027	405	894
	Profit/(loss) for the year	9.919	(60.989)	9.919	(60.989)
	Attributable to:				
	Equity holders of Glunz & Jensen Holding A/S	9.919	(60.989)		
	Total	9.919	(60.989)		
	Proposed appropriation of the profit/(loss) for the year:				
	Retained earnings			9.919	(60.989)
	Total			9.919	(60.989)
	Earnings per share				
10	Basic earnings per share (DKK)	6,0	(37,8)		
10	Diluted earnings per share (DKK)	5,4	(37,6)		

STATEMENT OF COMPREHENSIVE INCOME

Note	June 1 st - March 31 st /May 31 st (DKK '000)	Group 2017/18 10 months	Group 2016/17 12 months	Parent Company 2017/18 10 months	Parent Company 2016/17 12 months
	Profit/(loss) for the year	9.919	(60.989)	9.919	(60.989)
	Other comprehensive income:				
	Items that may be reclassified to the income statement:				
	Other comprehensive income after tax in associates	(16)	(153)	-	-
	Exchange rate adjustments of investments in subsidiaries	(971)	(25)	(987)	(178)
	Value adjustment of hedging instruments:				
	Adjustments for the year	597	514	597	514
	Value adjustments reclassified to financial expenses	(162)	(327)	(162)	(327)
	Tax on value adjustment of hedging instrument	(205)	73	(205)	73
	Total other comprehensive income	(757)	82	(757)	82
	Total comprehensive income	9.162	(60.907)	9.162	(60.907)
	Attributable to:				
	Equity holders of Glunz & Jensen Holding A/S	9.162	(60.907)		
	Total comprehensive income	9.162	(60.907)		

BALANCE SHEET

Note	(DKK '000)	Group 2017/18 March 31 st	Group 2016/17 May 31 st	Parent Company 2017/18 March 31 st	Parent Company 2016/17 May 31 st
ASSETS					
Non-current assets					
11	Intangible assets				
	Completed development projects	17.189	16.764	-	-
	Development projects in progress	-	3.690	-	-
		17.189	20.454	-	-
Property, plant and equipment					
12	Property, plant and equipment	56.050	58.704	-	-
13	Investment properties	90.612	90.730	-	-
		146.662	149.434	-	-
Other non-current assets					
14	Investments in subsidiaries	-	-	53.521	43.151
15	Investments in associates	1.090	1.041	-	-
16	Deferred tax	5.072	3.749	146	-
	Deposits	2.166	812	-	-
		8.328	5.602	53.667	43.151
	Total non-current assets	172.179	175.490	53.667	43.151
Current assets					
17	Inventories	50.478	40.618	-	-
18	Trade receivables	41.178	40.462	-	-
	Receivables from subsidiaries	-	-	39.829	35.328
	Other receivables	6.000	6.115	-	-
	Income tax	2.124	1.017	1.964	1.017
	Prepayments	2.062	1.759	154	37
19	Securities	0	0	-	-
	Cash	4.829	3.071	159	54
	Total current assets	106.671	93.042	42.106	36.436
	TOTAL ASSETS	278.850	268.532	95.773	79.587

Note	(DKK '000)	Group 2017/18 March 31 st	Group 2016/17 May 31 st	Parent Company 2017/18 March 31 st	Parent Company 2016/17 May 31 st
LIABILITIES					
20	Equity				
	Share capital	36.426	33.200	36.426	33.200
	Other reserves	3.247	3.473	3.247	3.473
	Retained earnings	52.540	38.800	52.540	38.800
	Total equity	92.213	75.473	92.213	75.473
Non-current liabilities					
16	Deferred tax	12.288	5.310	-	8
21	Provisions	300	430	-	-
22	Credit institutions	60.542	66.183	-	-
24	Prepayments from customers	7.798	9.448	-	-
23	Other payables	113	47	-	-
	Total non-current liabilities	81.041	81.418	-	8
Current liabilities					
22	Credit institutions	34.484	48.084	-	-
	Trade payables	32.138	21.118	697	197
	Income tax	9	193	-	-
21	Provisions	9.606	13.643	-	507
24	Prepayments from customers	9.389	7.650	-	-
23	Other payables	19.372	20.060	2.863	3.402
27	Derivative financial liabilities (fair value)	598	893	-	-
	Total current liabilities	105.596	111.641	3.560	4.106
	Total liabilities	186.637	193.059	3.560	4.114
	TOTAL EQUITY AND LIABILITIES	278.850	268.532	95.773	79.587

STATEMENT OF CHANGES IN EQUITY

Group (DKK '000)	Share capital	Retained earnings	Hedging reserve	Treasury shares	Translation reserve	Total
Equity May 31st, 2016	33.200	101.134	(958)	(3.791)	4.880	134.465
Changes in equity 2016/17						
Profit/(loss) for the year	-	(60.989)	-	-	-	(60.989)
Other comprehensive income						
Other comprehensive income after tax in associates	-	-	-	-	(153)	(153)
Exchange rate adjustments of investments in subsidiaries	-	-	-	-	(25)	(25)
Value adjustment of hedging instruments:						
Net value adjustment of hedging instruments	-	-	514	-	-	514
Value adjustments reclassified to financial expenses	-	-	(327)	-	-	(327)
Tax on value adjustment of hedging instruments	-	-	73	-	-	73
Total other comprehensive income	-	-	260	-	(178)	82
Total comprehensive income for the year	-	(60.989)	260	-	(178)	(60.907)
Transactions with owners:						
Share-based payments, warrant program	-	220	-	-	-	220
Disposal of treasury shares	-	(1.565)	-	3.260	-	1.695
Total transactions with owners	-	(1.345)	-	3.260	-	1.915
Equity May 31st, 2017	33.200	38.800	(698)	(531)	4.702	75.473
Changes in equity 2017/18						
Profit/(loss) for the year	-	9.919	-	-	-	9.919
Other comprehensive income						
Other comprehensive income after tax in associates	-	-	-	-	(16)	(16)
Exchange rate adjustments of investments in subsidiaries	-	-	-	-	(971)	(971)
Value adjustment of hedging instruments:						
Net value adjustment of hedging instruments	-	-	597	-	-	597
Value adjustments reclassified to financial expenses	-	-	(162)	-	-	(162)
Tax on value adjustment of hedging instruments	-	-	(205)	-	-	(205)
Total other comprehensive income	-	-	230	-	(987)	(757)
Total comprehensive income for the year	-	9.919	230	-	(987)	9.162
Transactions with owners:						
Share capital increase, warrant program	3.226	3.473	-	-	-	6.699
Share-based payments, warrant program	-	571	-	-	-	571
Disposal of treasury shares	-	(223)	-	531	-	308
Total transactions with owners	3.226	3.821	-	531	-	7.578
Equity March 31st, 2018	36.426	52.540	(468)	-	3.715	92.213

Parent Company (DKK '000)	Share capital	Retained earnings	Hedging reserve	Treasury shares	Translation reserve	Total
Equity May 31st, 2016	33.200	101.134	(958)	(3.791)	4.880	134.465
Changes in equity 2016/17						
Profit/(loss) for the year	-	(60.989)	-	-	-	(60.989)
Other comprehensive income:						
Value adjustment of hedging instruments:						
Exchange rate adjustments of investments in subsidiaries	-	-	-	-	(178)	(178)
Net value adjustment of hedging instruments	-	-	514	-	-	514
Value adjustments reclassified to financial expenses	-	-	(327)	-	-	(327)
Tax on value adjustment of hedging instruments	-	-	73	-	-	73
Total other comprehensive income	-	-	260	-	(178)	82
Total comprehensive income for the year	-	(60.989)	260	-	(178)	(60.907)
Transactions with owners:						
Share-based payments, warrant program	-	220	-	-	-	220
Disposal of treasury shares	-	(1.565)	-	3.260	-	1.695
Total transactions with owners	-	(1.345)	-	3.260	-	1.915
Equity May 31st, 2017	33.200	38.800	(698)	(531)	4.702	75.473
Changes in equity 2017/18						
Profit/(loss) for the year	-	9.919	-	-	-	9.919
Other comprehensive income:						
Value adjustment of hedging instruments:						
Exchange rate adjustments of investments in subsidiaries	-	-	-	-	(987)	(987)
Net value adjustment of hedging instruments	-	-	597	-	-	597
Value adjustments reclassified to financial expenses	-	-	(162)	-	-	(162)
Tax on value adjustment of hedging instruments	-	-	(205)	-	-	(205)
Total other comprehensive income	-	-	230	-	(987)	(757)
Total comprehensive income for the year	-	9.919	230	-	(987)	9.162
Transactions with owners:						
Share capital increase, warrant program	3.226	3.473	-	-	-	6.699
Share-based payments, warrant program	-	571	-	-	-	571
Disposal of treasury shares	-	(223)	-	531	-	308
Total transactions with owners	3.226	3.821	-	531	-	7.578
Equity March 31st, 2018	36.426	52.540	(468)	-	3.715	92.213

STATEMENT OF CASH FLOWS

Note	June 1 st - March 31 st /May 31 st (DKK '000)	Group 2017/18 10 months	Group 2016/17 12 months	Parent Company 2017/18 10 months	Parent Company 2016/17 12 months
	Operating activities				
	Profit/(loss) for the year	9.919	(60.989)	9.919	(60.989)
	Adjustment for non-cash items etc.:				
	Amortization, depreciation and impairment losses	8.630	47.555	-	-
	Gain and loss on sale of non-current assets	(2)	(124)	-	-
	Fair value gain on investment properties	118	(4.054)	-	-
	Profit/(loss) after tax in subsidiaries	-	-	(11.127)	56.928
	Profit/(loss) after tax in associates	65	(1)	-	-
	Other non-cash items, net	28	746	571	224
	Provisions	(4.164)	11.390	(507)	507
	Financial income	(346)	(757)	(1)	-
	Financial expenses	4.890	8.656	2	1
	Tax on operating profit	3.779	(6.027)	(405)	(894)
	Cash flows from operating activities before changes in working capital	22.917	(3.605)	(1.548)	(4.223)
	Changes in working capital:				
	Changes in inventories	(10.096)	22.917	-	-
	Changes in payable and receivables from subsidiaries	-	-	(4.501)	(1.558)
	Changes in receivables	(2.486)	4.845	(117)	(37)
	Changes in trade and other payables	10.276	(10.928)	(38)	2.457
	Changes in working capital	(2.306)	16.834	(4.656)	862
	Financial income paid	269	698	1	-
	Financial expenses paid	(4.516)	(6.944)	(2)	(1)
	Income taxes paid	291	500	(697)	1.142
	Net cash flows from operating activities	16.655	7.483	(6.902)	(2.220)
2, 11	Acquisition of intangible assets	(608)	(3.589)	-	-
2, 12	Acquisition of items of property, plant and equipment	(2.161)	(1.533)	-	-
13	Acquisition of investment properties	-	(266)	-	-
12	Sale of items of property, plant and equipment	231	127	-	-
14	Dividends from subsidiaries	-	-	-	-
	Net cash flows from investing activities	(2.538)	(5.261)	-	-
	Free cash flow	14.117	2.222	(6.902)	(2.220)
20	Share capital increase	6.699	-	6.699	-
20	Disposal of treasury shares	308	1.695	308	1.695
	Change in net interest-bearing debt	(19.352)	(3.982)	-	-
	Net cash flows from financing activities	(12.345)	(2.287)	7.007	1.695
	Net cash flows generated from operations	1.772	(65)	105	(525)
	Cash and cash equivalents at the beginning of the year	3.071	3.204	54	579
	Exchange gains/(losses)rate on cash and cash equivalents	(14)	(68)	-	-
	Cash and cash equivalents at the end of the year	4.829	3.071	159	54

NOTES

1. Significant accounting estimates and judgements

Estimates and judgements:

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

Receivables:

Management currently makes estimates in assessing the recoverability of receivables at the balance sheet date. The global financial situation and the customer creditworthiness have been taken into consideration in the assessment of write-downs at the balance sheet date and in the day-to-day management and control of receivables.

Inventories:

In connection with the preparation of the annual report and during the year, Management regularly assesses the need for writing down the inventory value in regard to phase-out of materials, consumables and/or finished machines. The need for write-downs is estimated based on analysis in which last year's revenue is compared to the present composition of the inventories. The percentage of the write-down increase depends on the number of years of revenue the inventory is estimated to cover. If Management estimates that future revenue differs significantly compared to historical sales, e.g. due to planned phase-outs, this is taken into consideration in the impairment test. Normally, inventory write-downs are made when Management estimates that the product portfolio covers more than two years' future expected revenue. Most of the uncertainties in the impairment test relate to estimating the future revenue, the effect of phase-outs and the precision of the write-down percentages used. In 2016/17 the impairment test was prepared in accordance with the expectations of ongoing turn-around plan of the Glunz & Jensen business. The approved turn-around plan included focusing of the product portfolio leading to phase-out of various products and as a result impairment of DKK 6,5 million occurred in 2016/17.

Deferred tax assets:

When measuring deferred tax assets, Management considers if future earnings, based on budget and operating plans, will make it possible to utilize the temporary differences between the carrying amount and the tax base of assets and liabilities or tax loss carry-forwards. See note 16, which states that tax loss-carry forward are expected to be utilized by 2020/21 at the latest.

Non-current assets:

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

In 2016/17 the impairment test regarding non-current assets was prepared in accordance with the expectations of ongoing turn-around plan of the Glunz & Jensen business. The turn-around plan included consolidation of sites, adjustment of sales prices and focusing product portfolio. As a result the turn-around plan impacts the impairment test of Patents and trademarks, Goodwill, Other tangible assets and Property, plant and equipment leading to impairment of DKK 27,3 million in 2016/17.

Completed development projects and development projects in progress are tested at least annually for impairment.

The impairment test is based on flexo revenue growth averaging about 4% per year during a 5-year period and offset revenue decline averaging about 6% per year. All ongoing development projects proceed as planned, and there is no information from customers or competitors which indicates that the new products will not sell as expected. The Group's completed development projects at March 31st, 2018 are amortized over 4 years. The uncertainties in the impairment test relate to estimated future sales and product life.

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

1. Significant accounting estimates and judgements (continued)

Accounting policies:

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

Management has made such judgments concerning:

Accounting period:

Glunz & Jensen Holding A/S has decided to change the accounting period from June 1st - May 31st to April 1st - March 31st in order to streamline the year-end process. As a result the annual report for 2017/18 consists of 10 months whereas the annual report for 2016/17 consists of 12 months.

Segments:

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

Thus Glunz & Jensen Group account can be divided into two segments; prepress marked and investment property Selandia Park.

Glunz & Jensen presents additional segment information regarding geographical distribution. Furthermore, Management provides comments concerning the development in the geographical markets in 2017/18. However, Glunz & Jensen's financial reporting does not disclose information regarding geographical markets beyond those reflected in note 2. As a result, Glunz & Jensen continues to conclude that the prepress market is the main segment of the Group.

Properties in Selandia Park:

The segment Selandia Park consists of investment properties, land and buildings. Glunz & Jensen utilizes the land and buildings, while all investment properties are leased to external tenants at March 31st, 2018.

Investments in associates:

Glunz & Jensen A/S owns 40% of GKS International Ltd. Furthermore, Glunz & Jensen A/S has an option to acquire an additional 40% at September 1st, 2018. Management considers GKS International Ltd. an associate, as Glunz & Jensen has not yet gained control over the entity.



2. Segment information

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

(DKK '000)	Prepress market	Selandia Park	Total segments	Elimi- nations	Consoli- dated
June 1st, 2017 – March 31st, 2018 (10 months)					
External revenue	210.444	9.575	220.019	-	220.019
Inter-segment	-	1.998	1.998	(1.998)	-
Total revenue	210.444	11.573	222.017	(1.998)	220.019
Fair value loss on investment properties	-	118	118	-	118
Depreciation and impairment of property, plant and equipment	3.872	-	3.872	-	3.872
Amortization and impairment of intangible assets	2.735	2.023	4.758	-	4.758
Operating profit/(loss)	9.827	8.350	18.177	-	18.177
Profit/(loss) after tax in associates	65	-	65	-	65
Financial income and expenses, net	(3.117)	(1.427)	(4.544)	-	(4.544)
Segment profit/(loss) before tax	6.775	6.923	13.698	-	13.698
Segment assets	145.913	132.937	278.850	-	278.850
Capital expenditure	2.720	49	2.769	-	2.769
Segment liabilities	90.164	96.473	186.637	-	186.637
June 1st, 2016 – May 31st, 2017 (12 months)					
External revenue	252.703	11.066	263.769	-	263.769
Inter-segment	-	2.769	2.769	(2.769)	-
Total revenue	252.703	13.835	266.538	(2.769)	263.769
Fair value gains on investment properties	-	4.054	4.054	-	4.054
Depreciation and impairment of property, plant and equipment	9.907	-	9.907	-	9.907
Amortization and impairment of intangible assets	23.447	2.427	25.874	-	25.874
Goodwill impairment	11.774	-	11.774	-	11.774
Operating profit/(loss)	(73.861)	14.743	(59.118)	-	(59.118)
Profit/(loss) after tax in associates	1	-	1	-	1
Net financials	(6.317)	(1.582)	(7.899)	-	(7.899)
Segment profit/(loss) before tax	(80.177)	13.161	(67.016)	-	(67.016)
Segment assets	135.880	132.652	268.532	-	268.532
Capital expenditure	5.009	379	5.388	-	5.388
Segment liabilities	90.932	102.127	193.059	-	193.059

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

2. Segment information (continued)

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

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

Geographical distribution

(DKK '000)	Revenue 2017/18 10 months	Revenue 2016/17 12 months	Non- current assets 2017/18 March 31 st	Non- current assets 2016/17 May st
Group				
EMEA (Europe, Middle East, Africa)*	113.231	146.721	163.200	169.031
Americas	61.406	65.391	651	833
Asia and the Pacific	45.382	51.657	-	24
Total	220.019	263.769	163.851	169.888

* Selandia Park is included in EMEA.

6% of the Group's revenue relates to Denmark (2016/17: 5%).

Major customers:

Customers with a revenue of more than 10% of total revenue accounted for DKK 107,6 million in 2017/18 (2016/17: DKK 120,0 million).

Revenue:

June 1 st – March 31 st / May 31 st (DKK '000)	Group 2017/18 10 months	Group 2016/17 12 months
Sale of goods	205.159	247.083
Sale of services	5.285	5.620
Rental income from investment properties	9.575	11.066
	220.019	263.769

3. Production costs

June 1 st – March 31 st / May 31 st (DKK '000)	Group 2017/18 10 months	Group 2016/17 12 months	Parent Company 2017/18 10 months	Parent Company 2016/17 12 months
Cost of goods sold	109.678	141.993	-	-
Inventory write-downs	1.110	12.601	-	-
Reversed inventory write-downs	(1.796)	(577)	-	-

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

4. Staff costs

	Group 2017/18 10 months	Group 2016/17 12 months	Parent Company 2017/18 10 months	Parent Company 2016/17 12 months
June 1 st – March 31 st / May 31 st (DKK '000)				
Wages and salaries	52.236	74.300	5.535	7.412
Defined contribution plans	2.689	3.131	259	66
Other social security costs	5.015	7.019	(12)	12
	59.940	84.450	5.782	7.490
Staff costs are recognized as follows:				
Production costs	24.431	30.030	-	-
Labor transferred to inventory	8.133	11.085	-	-
Sales and distribution costs	14.418	18.874	-	-
Product development costs	2.045	2.470	-	-
Labor transferred to development projects	352	543	-	-
Administrative expenses	10.561	21.448	5.782	7.490
	59.940	84.450	5.782	7.490
Average number of full-time employees	195	225	2	3
Remuneration of the Executive Management:				
Salaries	3.296	5.136	3.296	5.136
Bonus	1.320	905	1.320	905
Warrant program	222	86	222	86
Remuneration of the Executive Management total	4.838	6.127	4.838	6.127
Remuneration of the Board of Directors:				
Directors' fees	605	767	605	767
Directors' fees, extended control tasks	-	180	-	180
Warrant program	260	100	260	100
Total remuneration of the Board of Directors	865	1.047	865	1.047

Executive Management:

2017/18: René Normann Christensen, CEO and Henrik Blegvad Funk, CFO

2016/17: René Normann Christensen, CEO from October 1st 2016, and Henrik Blegvad Funk, CFO from April 1st 2016. Keld Thorsen was CEO from June 2017 to August 2017.

There are no defined benefit plans within the Group.

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

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

The fair value of the warrants issued is calculated at DKK 220 thousand in 2016/17, accumulating to DKK 791 thousand by March 31st, 2018. The warrants were valued using the Black-Scholes pricing model based on the following assumptions: volatility 28%, riskfree interest -0,3% and share price DKK 41,0.

Reference is also made to the "Articles of Association" section of www.glunz-jensen.com.

5. Auditors fee

	Group 2017/18 10 months	Group 2016/17 12 months	Parent Company 2017/18 10 months	Parent Company 2016/17 12 months
June 1 st – March 31 st / May 31 st (DKK '000)				
Total fees to the auditors:				
EY	871	1.542	321	711
Other	361	182	-	-
	1.232	1.724	321	711
Statutory audit	589	680	120	100
Tax and VAT assistance	220	256	40	25
Other services	423	788	161	586
	1.232	1.724	321	711

6. Depreciation, amortization and impairment losses

	Group 2017/18 10 months	Group 2016/17 12 months	Parent Company 2017/18 10 months	Parent Company 2016/17 12 months
June 1 st – March 31 st / May 31 st (DKK '000)				
Amortization, intangible assets	3.872	8.114	-	-
Impairment loss relating to intangible assets	-	17.760	-	-
Depreciation, property, plant and equipment	4.758	5.935	-	-
Impairment loss relating to property, plant and equipment	-	3.972	-	-
Goodwill impairment	-	11.774	-	-
	8.630	47.555	-	-
Amortization, depreciation and impairment losses are included in the following items:				
Production costs	4.311	22.178	-	-
Sales and distribution costs	349	445	-	-
Development costs	3.893	12.692	-	-
Administrative expenses	77	466	-	-
Impairment of goodwill	-	11.774	-	-
	8.630	47.555	-	-

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

7. Other operating income and expenses				
	Group 2017/18 10 months	Group 2016/17 12 months	Parent Company 2017/18 10 months	Parent Company 2016/17 12 months
June 1 st – March 31 st / May 31 st (DKK '000)				
Other operating income				
Gain on sale of non-current assets	109	127	-	-
Other income	4	117	-	-
	113	244	-	-
Other operating expenses				
Loss on sale of non-current assets	6	3	-	-
Other expenses	139	357	-	-
	145	360	-	-
8. Financial income and expenses				
	Group 2017/18 10 months	Group 2016/17 12 months	Parent Company 2017/18 10 months	Parent Company 2016/17 12 months
June 1 st – March 31 st / May 31 st (DKK '000)				
Financial income				
Interest income, cash and cash equivalents etc.	9	23	1	-
Foreign exchange gains	221	671	-	-
Other financial income	116	63	-	-
	346	757	1	-
Interest on financial assets measured at amortized cost represents	9	23	1	-
Financial expenses				
Interest expenses, credit institutions	2.503	3.344	2	1
Foreign exchange losses	1.009	725	-	-
Fair value loss on securities	-	441	-	-
Other financial expenses	1.378	4.146	-	-
	4.890	8.656	2	1
Interest on financial liabilities measured at amortized cost represents	2.503	3.344	2	1

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

	Group 2017/18 10 months	Group 2016/17 12 months	Parent Company 2017/18 10 months	Parent Company 2016/17 12 months
June 1 st – March 31 st / May 31 st (DKK '000)				
Tax on profit/(loss) for the year:				
Current tax	(2.017)	240	-	(1.500)
Adjustment of tax regarding previous years	170	(7)	(251)	598
Adjustment of deferred tax	5.626	(6.260)	(154)	8
Total tax on profit/(loss) for the year	3.779	(6.027)	(405)	(894)
Analysis of tax on profit/(loss) for the year:				
Tax charged at 22%	3.015	(14.743)	2.093	(13.613)
Tax effect of:				
Dividends from subsidiaries	-	-	-	-
Non-deductible impairment of investments in subsidiaries	-	-	(2.448)	12.524
Non-deductible impairment of goodwill	-	2.588	-	-
Non-taxable income and non-deductible expenses	268	321	295	195
Non-recognized deferred tax asset in foreign subsidiaries	889	7.323	-	-
Recognized deferred tax assets in foreign subsidiaries	-	-	-	-
Adjustment of tax calculated for foreign subsidiaries against 22%	(563)	(1.534)	-	-
Danish jointly taxed companies	-	-	(94)	(598)
Tax relating to previous years	170	18	(251)	598
	3.779	(6.027)	(405)	(894)
Effective tax rate	27,6%	9,0%	(1,3)%	1,4%

10. Earnings per share

	Group 2017/18 10 months	Group 2016/17 12 months
June 1 st – March 31 st / May 31 st (DKK '000)		
Profit/(loss) for the year	9.919	(60.989)
Average number of shares	1.664	1.660
Average number of treasury shares	-	(45)
Average number of outstanding shares	1.664	1.615
Average dilutive effect of outstanding warrant programme shares	157	8
Average number of outstanding shares, diluted	1.821	1.623
Earnings per share (EPS) (DKK)	6,0	(37,8)
Diluted earnings per share (EPS-D) (DKK)	5,4	(37,6)

11. Intangible assets

(DKK '000)	Completed development projects	Patents and trade-marks	Goodwill	Development projects in progress	Other intangible assets	Total
Group						
Total cost at June 1 st , 2016	51.529	598	51.003	3.836	25.085	132.051
Foreign exchange adjustments	1	-	-	-	(1)	-
Additions	-	-	-	3.589	-	3.589
Transfer	3.735	-	-	(3.735)	-	-
Disposals	(10.472)	(598)	-	-	(25.084)	(36.154)
Total cost at May 31 st , 2017	44.793	-	51.003	3.690	-	99.486
Amortization and impairment losses at June 1 st , 2016	25.942	329	39.229	-	12.040	77.540
Foreign exchange adjustments	(1)	-	-	-	(1)	(2)
Amortization for the year	6.350	79	-	-	1.685	8.114
	6.210	190	11.774	-	11.360	29.534
Amortization of disposals for the year	(10.472)	(598)	-	-	(25.084)	(36.154)
Amortization and impairment losses at May 31 st , 2017	28.029	-	51.003	-	-	79.032
Carrying amount at May 31 st , 2017	16.764	-	-	3.690	-	20.454
Total cost at June 1 st , 2017	44.793	-	51.003	3.690	-	99.486
Foreign exchange adjustments	(1)	-	-	-	-	(1)
Additions	-	-	-	608	-	608
Transfer	4.298	-	-	(4.298)	-	-
Acquisition cost at March 31 st , 2018	49.090	-	51.003	-	-	100.093
Amortization and impairment losses at June 1 st , 2017	28.029	-	51.003	-	-	79.032
Foreign exchange adjustments	-	-	-	-	-	-
Amortization for the year	3.872	-	-	-	-	3.872
Amortization and impairment losses at March 31 st , 2018	31.901	-	51.003	-	-	82.904
Carrying amount at March 31 st , 2018	17.189	-	-	-	-	17.189

Apart from goodwill, all intangible assets are assessed to have a limited lifecycle.

Group

Development projects:

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

Development costs of DKK 9.346 thousands (2016/17: DKK 19.950 thousands) are recognized in the annual report. Hereof, DKK 608 thousands (2016/17: DKK 3.589 thousands) are recognized in the balance sheet and DKK 8.738 thousands (2016/17: DKK 16.361 thousands) are recognized in the income statement as development costs.

On May 31st, 2017, Management tested the carrying amount of development projects. Project development plans and revenue budget approved by Management were compared to the project development processes, which included a follow-up on expenses incurred, time schedules and project completion. In fiscal 2016/17, impairment testing showed a need to recognize an impairment loss of DKK 6.210 thousand. In fiscal 2017/18, similar impairment testing of development projects showed no need to recognize an impairment loss.

Patents and trade-marks and Other intangible assets:

Other intangible assets mainly included customer relationships in Glunz & Jensen Microflex A/S and Glunz & Jensen Ltd., acquired in acquisitions. Amortization and impairment losses relating to Patents and trade-marks and Other intangible assets are recognized in productions costs.

On May 31st, 2017, Management tested the carrying amount of Patents and trade-marks and Other intangible assets. The impairment test was prepared in accordance with the expectations as to the ongoing turn-around plan of the Glunz & Jensen business. The budget and the strategy plan were based on increasing revenue and expenses. The terminal values were determined assuming a declining market. In fiscal 2016/17, impairment testing showed a need to recognize an impairment loss of DKK 11.550 thousand leaving zero value.

11. Intangible assets (continued)

Carrying amount of goodwill:

	Group 2017/18	Group 2016/17
June 1 st – March 31 st / May 31 st (DKK '000)		
Flexo	-	-
Glunz & Jensen Ltd.	-	-
Total goodwill	-	-

2016/17:

On February 28th, 2017, Management tested the carrying amount of goodwill for impairment based on the allocation of the cost of goodwill to the cash-generating units. The impairment test was prepared in accordance with the expectations as to the ongoing turn-around plan of the Glunz & Jensen business.

For the purpose of impairment testing, the recoverable amount was defined as the value in use. In general, impairment testing were based on the budget for 2017/18 and strategy plans for 2018/19-2021/22, as approved by the Board of Directors. After 2021/22, projections were based on general parameters. The WACC was set at 9,5% after tax.

Flexo:

Flexo goodwill arose from the acquisition of Glunz & Jensen S.r.l. and Glunz & Jensen Microflex A/S, both operated within the flexo area.

The budget and the strategy plan were based on increasing revenue and expenses. The terminal values were determined assuming a lower growth rate.

Microflex: Expected revenue growth in 2017/18 primarily due to a sale between Microflex and a major customer. The outcome of this cooperation was expected to lead to additional revenue growth of 5,5% on average per year for four years, followed by a 2% increase per year.

Glunz & Jensen s.r.l.: Due to increased competition in the last part of 2016/17, revenue were expected to remain unchanged in 2017/18 and to increase by an average of 5,0% per year for four years, followed by a 2% increase per year.

Glunz & Jensen Ltd.: Glunz & Jensen Ltd.'s markets declined significantly during 2016/17 and were not expected to recover. When planning the turnaround plan, Management decided to discontinue the offset activities in the UK during 2017/18.

Impairment testing showed that the carrying amount of goodwill exceeded its recoverable amount for both flexo and Glunz & Jensen Ltd. As a consequence, goodwill was written down in total in Q3 2016/17.

Parent Company

(DKK '000)	Comple- ed develop- ment projects	Develop- ment projects in progress	I alt
Total cost at June 1 st , 2016	2.793	3.807	6.600
Disposals	(2.793)	(3.807)	(6.600)
Total cost at May 31 st , 2017	-	-	-
Amortization and impairment losses at June 1 st , 2016	1.262	-	1.262
Amortization of disposals	(1.262)	-	(1.262)
Amortization and impairment losses at May 31 st , 2017	-	-	-
Carrying amount at May 31 st , 2017	-	-	-
Total cost at June 1 st , 2016	-	-	-
Total cost at March 31 st , 2018	-	-	-
Amortization and impairment losses at June 1 st , 2017	-	-	-
Amortization and impairment losses at March 31 st , 2018	-	-	-
Carrying amount at March 31 st , 2018	-	-	-

Parent Company:

Development costs of DKK 0 thousand (2016/17: DKK 0 thousand) are recognized in the annual report.

12. Property, plant and equipment

(DKK '000)	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Group				
Total cost at June 1 st , 2016	94.992	38.093	-	133.085
Foreign exchange adjustments	11	184	-	195
Additions	167	1.366	-	1.533
Disposals	-	(3.924)	-	(3.924)
Total cost at May 31 st , 2017	95.170	35.719	-	130.889
Depreciation and impairment losses at June 1 st , 2016	34.840	31.164	-	66.004
Foreign exchange adjustments	6	187	-	193
Depreciation for the year	4.483	1.453	-	5.936
Impairment losses for the year	-	3.972	-	3.972
Depreciation of disposals	-	(3.920)	-	(3.920)
Depreciation and impairment losses at May 31 st , 2017	39.329	32.856	-	72.185
Carrying amount at May 31 st , 2017	55.841	2.863	-	58.704
Total cost at June 1 st , 2017	95.170	35.719	-	130.889
Foreign exchange adjustments	58	(122)	-	(64)
Additions	49	231	1.881	2.161
Disposals	(18)	(244)	-	(262)
Transfer	444	(444)	-	-
Total cost at March 31 st , 2018	95.703	35.140	1.881	132.724
Depreciation and impairment losses at June 1 st , 2017	39.329	32.856	-	72.185
Foreign exchange adjustments	36	(48)	-	(12)
Depreciation for the year	3.774	961	23	4.758
Depreciation of disposals	(13)	(244)	-	(257)
Transfer	197	(197)	-	-
Depreciation and impairment losses at March 31 st , 2018	43.323	33.328	23	76.674
Carrying amount at March 31 st , 2018	52.380	1.812	1.858	56.050
Parent Company				
Total cost at June 1 st , 2016	57.464	24.573	-	198.554
Disposals	(57.464)	(24.573)	-	(198.554)
Total cost at May 31 st , 2017	-	-	-	-
Depreciation and impairment losses at June 1 st , 2016	14.165	23.630	-	37.795
Depreciation of disposals	(14.165)	(23.630)	-	(37.795)
Depreciation and impairment losses at May 31 st , 2017	-	-	-	-
Carrying amount at May 31 st , 2017	-	-	-	-
Total cost at June 1 st , 2017	-	-	-	-
Total cost at March 31 st , 2018	-	-	-	-
Depreciation and impairment losses at June 1 st , 2017	-	-	-	-
Depreciation and impairment losses at March 31 st , 2018	-	-	-	-
Carrying amount at March 31 st , 2018	-	-	-	-

Group:

The carrying amount of land and buildings amounting to DKK 52.380 thousand (May 31st, 2017: DKK 55.841 thousand) had a registered mortgage at March 31st, 2018. The value of the relating collateral was DKK 27.030 thousand at March 31st, 2018 (May 31st, 2017: DKK 30.634 thousand).

Other fixtures and fittings, tools and equipment:

On May 31st, 2017, Management tested the carrying amount of Other fixtures and fittings, tools and equipment. The impairment test was prepared in accordance with the expectations as to the ongoing turn-around plan of the Glunz & Jensen business. In fiscal 2016/17, impairment testing showed a need to recognize an impairment loss of DKK 3.972 thousand. In fiscal 2017/18, impairment testing of Other fixtures and fittings, tools and equipment show no need to recognize an impairment loss.

Parent Company:

The Parent Company does not own land and buildings at March 31st, 2018 or at May 31st, 2017.

13. Investment properties

(DKK '000)	Group 2017/18	Group 2016/17	Parent Company 2017/18	Parent Company 2016/17
Opening balance at June 1 st	90.730	86.410	-	86.410
Additions (subsequent expenditure)	0	266	-	-
Net profit/(loss) from fair value adjustment	(118)	4.054	-	-
Disposals	-	-	-	(86.410)
Closing balance at March 31 st / May 31 st	90.612	90.730	-	-

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

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

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

Significant non observable input in the fair value calculation:

	Group 2017/18	Group 2016/17
Yearly average rent regulation in %	1,7	1,7
Maintenance per m ² in DKK	40	40
Occupancy rate in %	100,0	100,0
Discount rate in %	7,5	7,5

The most significant factor in the fair value calculation is the discount rate. Sensitivity analysis of the fair value calculation indicates that a change in the discount rate +/- 0,5% will lead to a fair value adjustment of approximately DKK 10,6 million.

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

Group:

The carrying amount of investment properties amounting to DKK 90.612 thousand had a registered mortgage at March 31st, 2018 (May 31st, 2017: DKK 90.730 thousand). The value of the relating collateral was DKK 46.758 thousand at March 2018 (May 31st, 2017: DKK 49.358 thousand).

Parent Company:

The Parent Company does not own investment properties at March 31st, 2018 or at May 31st, 2017.

14. Investment in subsidiaries

	Ownership interest 2018	Profit/(loss) for the year after tax 2017/16	Equity 2017/18
Parent Company (DKK '000)			
Glunz & Jensen A/S, Nyborg, Denmark	100,0%	5.420	17.059
Selandia Park A/S, Ringsted, Denmark	100,0%	5.707	36.462
Total		11.127	53.521
		Parent company 2017/18	Parent company 2016/17
Total cost at June 1 st		100.000	150.848
Additions for the year		-	100.000
Disposals for the year		-	(150.848)
Total cost at March 31 st / May 31 st		100.000	100.000
Adjustments at June 1 st		(56.849)	(58.172)
Profit/(loss) for the year		11.127	(56.928)
Foreign exchange adjustments		(987)	(181)
Hedging reserve		230	260
Dividend from subsidiaries		-	-
Disposals for the year		-	58.172
Adjustments at March 31 st / May 31 st		(46.479)	(56.849)
Carrying value at March 31 st / May 31 st		53.521	43.151
Non-amortized values		-	-

As at March 31st, 2018, the difference on initial recognition of the subsidiaries totaled DKK 0 thousand.

No tax liability will be applied on realization of the Parent Company's investments in subsidiaries at carrying amount (2016/17: DKK 0 thousand).

Additions in 2016/17 relate to the newly established company Glunz & Jensen A/S (DKK 80,0 million) and Selandia Park A/S (DKK 20,0 million).

Disposals in 2016/17 relates to the sale of Glunz & Jensen s.r.o., Slovakia, Glunz & Jensen Inc., USA, Glunz & Jensen S.r.l., Italy, Glunz & Jensen Microflex A/S, Denmark, Glunz & Jensen Trading (Suzhou) Co., Ltd., China, Glunz & Jensen Ltd., England and GKS International ApS, Denmark. All subsidiaries were sold to Glunz & Jensen A/S, Denmark, at equity value.

15. Investments in associates

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

	Group 2018	Group 2017	Parent Company 2018	Parent Company 2017
March 31 st / May 31 st (DKK '000)				
GKS International Ltd, UK (40% ownership interest)	1.090	1.041	-	-
	1.090	1.041	-	-

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

Glunz & Jensen A/S has an option to purchase an additional 40% of the treasury shares in GKS International Ltd. at September 1st, 2018.

16. Deferred tax

(DKK '000)	Group 2018	Group 2017	Parent Company 2018	Parent Company 2017
Deferred tax at June 1 st	(1.561)	(7.739)	(8)	(5.993)
Foreign exchange adjustments	(234)	(9)	-	-
Disposals	-	-	-	5.993
Tax income/(expense) during the period recognized in profit or loss	(5.626)	6.260	(51)	(8)
Tax income/(expense) during the period recognized in other comprehensive income	205	(73)	205	-
Deferred tax at March 31 st / May 31 st	(7.216)	(1.561)	146	(8)
Breakdown of deferred tax and recognition in the balance sheet:				
Deferred tax asset	5.072	3.749	146	-
Deferred tax liability	(12.288)	(5.310)	-	(8)
Total at March 31 st / May 31 st	(7.216)	(1.561)	146	(8)

The value of tax loss carry-forwards has been recognized as a deferred tax asset in the companies where, based on the budget, it is considered very likely that they can be set off against future earnings and where a history of profit before tax in the last three years has been verified. The value of tax loss carry-forwards, DKK 8.138 thousand at March 31st, 2018 (May 31st, 2017: DKK 11,008 thousand), has not been recognized as a deferred tax asset, as it is not considered likely that they will be utilized.

(DKK '000)	Intangible assets	Property, plant and equipment	Current assets	Liabilities	Tax loss carry- forwards etc.	Total
Group						
Deferred tax at June 1 st , 2016	(10.019)	(6.007)	4.137	1.972	2.178	(7.739)
Foreign exchange adjustments	(1)	313	5	(253)	(73)	(9)
Recognized in profit/(loss) for the year, net	4.728	(1.804)	(380)	1.112	2.604	6.260
Recognized through other comprehensive income, net	-	-	-	(73)	-	(73)
Deferred tax at May 31 st , 2017	(5.292)	(7.498)	3.762	2.758	4.709	(1.561)
Deferred tax at June 1 st , 2017	(5.292)	(7.498)	3.762	2.758	4.709	(1.561)
Foreign exchange adjustments	-	(13)	(94)	(127)	-	(234)
Recognized in profit/(loss) for the year, net	892	2.156	(2.728)	(1.237)	(4.709)	(5.626)
Recognized through other comprehensive income, net	-	-	-	205	-	205
Deferred tax at March 31 st , 2018	(4.400)	(5.355)	940	1.599	-	(7.216)
Parent Company						
Deferred tax at June 1 st , 2016	(1.174)	(6.811)	1.885	(54)	161	(5.993)
Disposals	1.174	6.811	(1.885)	54	(161)	5.993
Recognized in profit/(loss) for the year, net	-	-	-	(8)	-	(8)
Deferred tax at May 31 st , 2017	-	-	-	(8)	-	(8)
Deferred tax at June 1 st , 2017	-	-	-	(8)	-	(8)
Disposals	-	-	-	(51)	-	(51)
Recognized in profit/(loss) for the year, net	-	-	-	205	-	205
Deferred tax at March 31 st , 2018	-	-	-	146	-	146

17. Inventories

March 31 st / May 31 st (DKK '000)	Group 2018	Group 2017	Parent Company 2018	Parent Company 2017
Raw materials and consumables	33.826	29.659	-	-
Finished goods and semi-manufacture goods	16.652	10.959	-	-
Total	50.478	40.618	-	-
Inventories recognized at net realizable value	271	161	-	-

18. Trade receivables

(DKK '000)	Group 2018	Group 2017	Parent Company 2018	Parent Company 2017
Trade receivables, gross	43.345	42.488	-	-
Write-down for bad debts:				
Write-down at June 1 st	2.026	3.214	-	820
Disposals	-	-	-	(820)
Write-down for the year	199	323	-	-
Write-down reversed during the year	(387)	(1.052)	-	-
Losses incurred during the year	329	(459)	-	-
Write-down at March 31 st / May 31 st	2.167	2.026	-	-
Trade receivables, net	41.178	40.462	-	-

Write-downs are recognized on an individual basis.

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

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

March 31 st / May 31 st (DKK '000)	Group 2018	Group 2017	Parent Company 2018	Parent Company 2017
Western Europe	19.836	17.179	-	-
Eastern Europe	825	524	-	-
North America	6.499	9.065	-	-
Asia and Pacific	10.674	7.883	-	-
Rest of the world	3.344	5.811	-	-
Trade receivables, net	41.178	40.462	-	-

See to note 27, section debtor risks

19. Securities

Glunz & Jensen A/S own shareholdings in Othonia Curing Technology A/S, Denmark and Glunz & Jensen S.r.l. own shareholdings in Effici S.r.l., Italy as of March 31st, 2018 and/ May 31st, 2017 .

As at May 31st, 2017 Management tested securities for impairment considering the historic and expected futures earnings of the entities after tax. As a result, the shareholdings have been impaired.

20. Share capital and treasury shares

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

As a consequence the share capital in Glunz & Jensen Holding A/S consists of 1.821.309 shares as at March 2018, representing a nominal value of DKK 20 each. The total nominal value is DKK 36,4 million. No shares carry any special rights.

As at May 31st 2017, the share capital consisted of 1.660.000 shares representing a nominal value of DKK 20 each. The total nominal value was DKK 33,2 million. No shares carry had any special rights.

As at March 31st, 2018, Glunz & Jensen Holding A/S hold no treasury shares. As at May 31st, 2017, Glunz & Jensen Holding A/S held 6.617 treasury shares representing a nominal value of DKK 132.340, or 0,8% of the total share capital.

Movements in the share capital during the last 5 years:	Number of shares	Nominal value
Capital increasement in 2017/18	161.309	3.226.180
Disposal of treasury shares in 2017/18	6.617	132.340
Disposal of treasury shares in 2016/17	40.616	812.320
Capital reduction in 2013/14	223.250	4.465.000

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

Please see to note 27 under the "Capital management" section.

21. Provisions

(DKK '000)	Group 2018	Group 2017	Parent Company 2018	Parent Company 2017
Warranty commitments at June 1 st	1.495	2.151	-	1.380
Additions	691	538	-	-
Disposals	(886)	(1.194)	-	(1.380)
Warranty commitments at March 31 st / May 31 st	1.300	1.495	-	0
Restructuring at June 1 st	12.578	549	507	549
Disposals	8	-	-	(549)
Additions	-	12.578	-	507
Paid	(3.980)	(549)	(507)	-
Restructuring at May 31 st	8.606	12.578	-	507
Provisions at March 31 st / May 31 st	9.906	14.073	-	507
Breakdown of provisions by non-current and current liabilities:				
Non-current liabilities	300	430	-	-
Current liabilities	9.606	13.643	-	507
Provisions at March 31 st / May 31 st	9.906	14.073	-	507

Warranties

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

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

Restructuring

Provisions for restructuring costs comprise restructuring measures decided and announced in 2016/17 in connection with a restructuring of the entire Group as well as expenses related to the closure of various sites in Glunz & Jensen A/S. The restructuring provisions will be paid during 2018/19.

22. Credit institutions

(DKK '000)	Due within 1-5 years	Due after 5 years	Due after 1 year, total	Due within 1 year
Group				
Credit institutions at May 31 st , 2017:				
Credit institutions (DKK), floating rate 4%	14.749	33.026	47.775	35.120
Credit institutions (EUR), floating rate 4%	5.950	12.458	18.408	12.867
Credit institutions (USD), floating rate 4%	-	-	-	97
	20.699	45.484	66.183	48.084
Credit institutions at March 31 st , 2018:				
Credit institutions (DKK), floating rate 6%	14.572	29.162	43.734	21.297
Credit institutions (EUR), floating rate 5%	5.665	11.143	16.808	12.666
Credit institutions (GBP), floating rate 5%	-	-	-	521
	20.237	40.305	60.542	34.484

The Group's credit facilities earn a floating rate except for one loan, which is swapped to a fixed-rate loan via an interest rate swap. At March 31st, 2018, this fixed-rate loan amounted to DKK 3.710 thousand (May 31st, 2017: DKK 4.570 thousand).

(DKK '000)	May 31 st , 2017	Cash flows	Non-cash items	March 31 st , 2018
Group				
Non-current credit institutions	66.183	(5.752)	111	60.542
Current credit institutions	48.084	(13.600)	-	34.484
	114.267	(19.352)	111	95.026

The Parent Company has no credit facilities.

23. Other payables

March 31 st / May 31 st (DKK '000)	Group 2018	Group 2017	Parent Company 2018	Parent Company 2017
Non-current other payables:				
Employee commitments	113	47	-	-
	113	47	-	-
Current other payables:				
Wages, salaries, holiday pay etc.,	13.696	9.365	2.234	2.267
Employee commitments	1.862	1.633	-	-
Accrued employee taxes	765	1.117	-	-
VAT and other taxes	708	3.111	56	663
Other payables	2.341	4.834	573	472
	19.372	20.060	2.863	3.402

Employees in Glunz & Jensen S.r.l., Italy, are entitled by law to receive compensation when they retire from the Company. The obligation earns a floating rate, which is fixed by the local authorities. Consequently, employee commitments are measured at fair value at both March 31st, 2018 and May 31st, 2017.

24. Prepayments from customers

March 31 st / May 31 st (DKK '000)	Group 2018	Group 2017	Parent Company 2018	Parent Company 2017
Non-current prepayments from customers:				
Prepayment from tenants in Selandia Park	7.798	9.448	-	-
	7.798	9.448	-	-
Current prepayments from customers:				
Prepayments from customers in connection with the sale of goods and services	1.646	1.407	-	-
Prepayment from tenants in Selandia Park	7.743	6.243	-	-
	9.389	7.650	-	-

In 2012/13, Selandia Park rebuilt one office facility for an external tenant. Part of the rebuilding of the office was paid by the tenant upfront.

25. Operating leases

March 31 st / May 31 st (DKK '000)	Group 2018	Group 2017	Parent Company 2018	Parent Company 2017
Expected maturity:				
Due within 1 year or less	4.422	1.321	226	134
Due within 1-5 years	11.606	2.719	223	212
Due after 5 years	5.679	-	-	-
Rental and lease liabilities	21.707	4.040	449	346
Rental and lease payments, operating leases	2.293	1.631	263	240

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

26. Contingent liabilities and collateral**Group:**

The shares in Glunz & Jensen A/S and Selandia Park A/S are pledged as security towards the main bank, Nordea. The Group has provided a company charge of DKK 30,000 thousand secured upon the Company's inventories, goodwill, domain names and rights, fixtures and operating equipment as well as unsecured claims relating to the sale of goods and services at a carrying amount of DKK 71.337 thousand. The company charge of DKK 30,000 thousand has been provided as security for bank debt.

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

Parent Company:

The Parent Company acts as guarantor for the subsidiaries' credit facilities. The financial guarantee at March 31st, 2018 amounted to DKK 42,6 million of which 18,9 million has been drawn (May 31st, 2017: DKK 48,5 million of which DKK 26,7 million has been drawn).

The Parent Company acts as management company for the jointly taxed Danish companies. Pursuant to the provisions of the Danish Corporate Income Tax Act, the Parent Company is thus liable to withhold tax at source on interest, royalties and dividend for the jointly taxed companies for contingent liabilities and to withhold income taxes. The Parent Company recognized jointly tax receivables in the balance sheet amounting to DKK 0,7 million at March 31st, 2018 (May 31st, 2017: DKK 1,4 million). The Parent Company's liability regarding joint tax may be impacted by future corrections of the taxable income. The companies in the joint taxation arrangement are not subject to withholding tax on dividend, interest or royalties.

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

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

27. Financial risks and financial instruments

Risk management policy:

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

Currency risk:

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

The main part of the Group's sales is invoiced in EUR and USD. In 2017/18, approx. 73% of sales were invoiced in EUR and approx. 18% in USD (2016/17: 72% in EUR and 18% in USD).

The main part of the Group's expenses are paid in DKK (59%), EUR (29%) and USD (8%). In 2017/18, expenses paid in DKK, USD and EUR amounted to 96% of total expenses (2016/17: 95%). As Management considers the EUR/DKK exchange rate to be fixed, the Group's exposure to currency risks is limited.

As part of the Group's currency policy, Glunz & Jensen seeks to reduce the impact of exchange rate fluctuations (EUR excepted) on its profits and financial position via financial instruments with maturities of up to one year. As in 2016/17, future currency transactions are currently not hedged. Due to the foreign subsidiaries, Glunz & Jensen is exposed to currency translation risks insofar as part of the Group's earnings and net assets derive from these foreign subsidiaries and, therefore, are translated and included in the consolidated financial statements, which are presented in DKK.

An increase in the USD rate of 10% is estimated, all else being equal, to affect the Group's operating profit by approx. DKK 1,6 million as in 2016/17. The estimate is based on the level of USD transactions in 2017/18.

Based on the Group's USD exposure at the balance sheet date, the impact of a hypothetical fluctuation of 10% of the USD/DKK exchange rate on the profit/(loss) for the year and consolidated equity amounts to DKK 0,3 million regarding cash and receivables (2016/17: DKK 0,3 million) and DKK 0,3 million regarding financial liabilities (2016/17: DKK 0,1 million), respectively.

Interest rate risk:

As a result of its investing and financing activities, the Group is exposed to interest rate fluctuations. Net interest-bearing debt at March 31st, 2018 amounted to DKK 90,2 million (May 31st, 2017: DKK 111,2 million). Selandia has hedged a floating-rate, 20-year EUR-based bond loan via an interest rate swap. Half of the loan amount and maturity is hedged.

A 1 percentage point change in the general interest rate level relative to the balance sheet date is estimated to affect the Group's profit/loss for the year by DKK 0,7 million and consolidated equity by DKK 0,5 million based on financial commitments at March 31st, 2018 (May 31st, 2017: an effect on the profit/loss for the year of DKK 0,9 million and consolidated equity of DKK 0,5 million). Interest payments relating to the interest rate swap are included in the estimate. The estimate does not include adjustments concerning repayment and borrowing.

At March 31st, 2018, the remaining fair value of the interest rate swap amounted to DKK 0,6 million (May 31st, 2017: DKK 0,9 million). DKK 3,7 million of the interest-bearing debt earned interest at a fixed rate at March 31st, 2018. The remaining interest-bearing debt earns interest at floating rates. As the interest rate swap is considered a hedging of the future cash flows of the underlying loans, any fair value adjustments are taken directly to equity.

Debtor risk:

The Group may realize losses if trade and other receivables are not settled. The majority of the Group's goods and services are sold to large companies with which Glunz & Jensen has long-term relationships. The four largest customers account for approx. 56% of total revenue. The Group normally requires prepayment from new customers.

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

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

	Group 2018	Group 2017	Parent Company 2018	Parent Company 2017
March 31 st / May 31 st (DKK '000)				
Maturity of trade receivables:				
0-30 days	6.945	6.080	-	-
30-60 days	2.087	2.341	-	-
Over 60 days	207	80	-	-
Total	9.239	8.501	-	-

Please refer to note 18 regarding the credit quality of trade receivables.

27. Financial risks and financial instruments (continued)

Liquidity risk:

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

The Group's interest-bearing liabilities amounted to DKK 95,0 million at March 31st, 2018 (May 31st, 2017: DKK 114,3 million).

At March 31st, 2018, the Group's credit facilities amounted to DKK 119,6 million (May 31st, 2017: DKK 138,0 million) of which DKK 95,0 million has been drawn (May 31st, 2017: DKK 114,3 million). The liquidity reserve amounted to DKK 24,6 million at March 31st, 2018 (May 31st, 2017: DKK 23,7 million).

The liabilities fall due as follows:

Group (DKK '000)	Carrying amount	Payment obligation	In 1 year or less	1-3 years	3-5 years	Over 5 years
At May 31st, 2017						
Non-derivative financial instruments:						
Credit institutions and banks	114.267	119.497	50.054	11.227	11.166	47.050
Trade payables	21.118	21.118	21.118	-	-	-
Derived financial instruments:						
Interest rate swap	893	962	-	962	-	-
Total	136.278	141.577	71.172	12.189	11.166	47.050
At March 31st, 2018						
Non-derivative financial instruments:						
Credit institutions and banks	95.026	99.767	35.947	11.068	10.989	41.763
Trade payables	32.138	32.138	32.138	-	-	-
Derived financial instruments:						
Interest rate swap	598	634	-	634	-	-
Total	127.762	132.539	68.085	11.702	10.989	41.763
Parent Company						
(DKK '000)	Carrying amount	Payment obligation	In 1 year or less	1-3 years	3-5 years	Over 5 years
At May 31st, 2017						
Non-derivative financial instruments:						
Trade payables	197	197	197	-	-	-
Total	197	197	197	-	-	-
At March 31st, 2018						
Non-derivative financial instruments:						
Trade payables	697	697	697	-	-	-
Total	697	697	697	-	-	-

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

The Group did not enter into any new long-term debt agreements in 2018/17 or 2016/17.

The Group's primary loan agreement is subject to three covenants, which Glunz & Jensen must observe in order to maintain the loan, including financial covenants concerning the financial ratio "solvency" and the agreed level of EBITDA and debt leverage compared to EBITDA. Glunz & Jensen complied with all three covenants by November 30th, 2017 and by March 31st, 2018 hence not causing any breach in the agreement. The budget for 2018/19 was presented to the Group's main banker in March 2018 and the bank was satisfied with the achieved results in 2017/18 and with the outlook for 2018/19.

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

27. Financial risks and financial instruments (continued)

Capital management:

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

At March 31st, 2018, the equity ratio was 33,1% (2016/17: 28,1%). Based on the performance during 2017/18 and the outlook for 2018/19, the Board of Directors proposes to the Annual General Meeting that no dividend be distributed for fiscal 2017/18.

Fair values:

There was no difference between the fair values and the carrying amounts of financial assets and liabilities at March 31st, 2018 or at May 31st, 2017. Short-term, floating-rate bank loans are measured at price of 100. The methods used are unchanged compared with last year.

The methods include derivative financial instruments:

Interest rate swaps are measured using generally accepted valuation techniques based on relevant, observable swap curves and exchange rates. Externally calculated fair values based on discounted future cash flows are included.

Group (DKK '000)	Observable inputs (Level 2)	Un- observable inputs (Level 3)	Total
Fair value measurement hierarchy for assets and liabilities using:			
At May 31 st , 2017			
Financial liabilities:			
Interest rate swap	893	-	893
Total financial liabilities	893	-	893
At March 31 st , 2018			
Financial liabilities:			
Interest rate swap	598	-	598
Total financial liabilities	598	-	598

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

28. Acquisition of non-controlling shares and associates

The Group did not acquire any non-controlling interests or associates during 2016/17 or in 2017/18



29. Related parties**Group:**

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

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

At March 31st, 2018, the following shareholders owned more than 5% of Glunz & Jensen Holding A/S' share capital and voting rights:

Heliograph Holding GmbH (30,71%) and MH Invest ApS (5,67%).

There were no transactions with associates during 2017/18.

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

Parent Company:

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

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

Other related parties of the Parent Company include subsidiaries as mentioned in note 14 and associates. The Danish group companies are jointly taxed. At March 31st, 2018, tax of DKK 0,7 million was transferred between the Parent Company and the Danish subsidiaries (May 31st, 2017: DKK 1,4 million).

At March 31st, 2018, the following shareholders owned more than 5% of Glunz & Jensen Holding A/S' share capital and voting rights:

Heliograph Holding GmbH (30,71%) and MH Invest ApS (5,67%).

There were no transactions with associates during 2017/18.

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

	Parent Company 2017/18	Parent Company 2016/17
June 1 st – March 31 st / May 31 st (DKK '000)		
Sale of services to subsidiaries	7.040	7.200

30. Events after the balance sheet date

No events have occurred since March 31st, 2018 which is deemed to have a significant impact on the Group's or the Parent Company's financial position.

31. New accounting standards

The IASB has issued the following new financial reporting standards and interpretations that are not compulsory for Glunz & Jensen Holding A/S in preparing the annual report for 2017/18:

- IFRS 9 Financial Instruments and subsequent amendments to IFRS 9, IFRS 7 and IAS 39
- IFRS 15 Revenue from Contracts with Customers
- IFRS 16 Leases
- IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28
- IFRS 2 Classification and Measurement of Share-based Payment Transactions – Amendments to IFRS 2
- IAS 40 Transfers of Investment Property – Amendments to IAS 40
- IFRIC 22 Foreign Currency Transactions and Advance Consideration
- IFRIC 23 Uncertainty over Income Tax Treatments
- Parts of Annual Improvements to IFRSs 2014-2016 Cycle

Of the above-mentioned standards, IFRS 9 Financial Instruments, IFRS 15 Revenue from Contracts with Customers and IFRS 16 Leases as well as related amendments have been adopted by the EU.

The adopted standards and interpretations that have not yet come into effect will be implemented as they become compulsory for Glunz & Jensen Holding A/S. None of the new standards or interpretations are expected to have a material effect on recognition and measurement for Glunz & Jensen Holding A/S; see, however, the subsequent mention of the expected effect of the implementation of IFRS 9, IFRS 15 and IFRS 16.

IFRS 15 Revenue from Contracts with Customers, which replaces the current Standards on revenue (IAS 11 and IAS 18) and interpretations, introduces a new model for recognizing and measuring revenue from contracts with customers. The standard takes effect for financial years beginning on or after 1 January 2018 (Glunz & Jensen Holding A/S: financial year 2018/19). The new model is based on a five-step process that is to be followed for all contracts with customers to determine when and how revenue should be recognized in the income statement. The most significant changes in IFRS 15 compared to current practice is:

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

Glunz & Jensen Holding A/S has carried out an analysis of the expected implications of the new standard for the Group. As the Group's delivery terms and pricing structure for the sale of goods are simple Glunz & Jensen Holding A/S believes that the new standard will only have limited implications for the Group.

IFRS 9 Financial Instruments, which replaces IAS 39, changes the classification and the derived measurement of financial assets and liabilities. The standard takes effect for financial years beginning on or after 1 January 2018 (Glunz & Jensen Holding A/S: financial year 2018/19). A new classification of financial assets is introduced, driven by entities' business models and the characteristics of the underlying cash flows. The changed classification of financial assets will have no effect on Glunz & Jensen Holding A/S with its current activities. At the same time, a new impairment model is introduced for all financial assets. The "Expected loss" model will require a more timely recognition of expected losses on initial recognition as well as on subsequent recognition than under the current model where impairment losses are not recognized until there is indication of impairment (incurred loss model). New rules on hedge accounting will be introduced which – compared to the current rules – will enable the Company to reflect its hedging strategy for financial reporting purposes. As hedge accounting is only used to a limited extent, the changed rules on hedge accounting are not expected to have a material effect. Glunz & Jensen Holding A/S has carried out a detailed analysis of the Group's current financial structure and risk profile. Based on this analysis, it is assessed that the standard will have minor or no implications for the Group, as historically the Group has only incurred marginal bad debt losses. The implementation may have a minor effect in relation to intra-group borrowings in the parent company financial statements.

IFRS 16 Leases was issued in mid-January 2016. The standard, which applies to financial years beginning on or after 1 January 2019 (Glunz & Jensen Holding A/S: financial year 2019/20), implies a substantial change in the way that leases that today are accounted for as operating leases will be accounted for going forward. Thus, the standard requires that all leases regardless of type – with few exceptions – must be recognized in the lessee's balance sheet as an asset with an accompanying lease liability. At the same time, the lessee's income statement will be affected going forward, as the annual lease payment will consist of two elements – a depreciation charge and an interest expense – as opposed to today where the annual operating lease expense is recognized as one amount under operating expenses. Finally, the Group's cash flow statement is expected to be affected, as the current operating lease payments, which are currently presented as cash flows from operating activities, will be presented as financing activities in future. Glunz & Jensen Holding A/S has not yet performed an in-depth analysis of the implications of the new standard for the Group. However, expectations are that it is going to have some effect, as in 2017/18 the Group had operating leases involving minimum lease liabilities of approx. DKK 22 million that potentially must be recognized in the balance sheet going forward.

32. Accounting policies

Glunz & Jensen Holding A/S is a limited company domiciled in Denmark. The annual report for the period June 1st, 2017 - March 31st, 2018 includes both consolidated financial statements of Glunz & Jensen Holding A/S and its subsidiaries (the Group) and the separate financial statements of the Parent Company.

The annual report of Glunz & Jensen Holding A/S for 2017/18 has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

The Board of Directors discussed and approved the annual report of Glunz & Jensen Holding A/S for 2017/18 on June 6th, 2018. The annual report will be submitted to the shareholders of Glunz & Jensen Holding A/S for adoption at the Annual General Meeting on June 28th, 2018.

Basis of preparation

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

In order to streamline the year-end process, Glunz & Jensen Holding A/S has decided to change the accounting period from June 1st - May 31st to April 1st - March 31st. As a result the annual report for 2017/18 consists of 10 months whereas the annual report for 2016/17 consists of 12 months.

The comparative figures for 2016/17 have not been restated.

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

Adoption of new and revised IFRSs

Glunz & Jensen Holding A/S has adopted all the relevant new and revised International Financial Reporting Standards and IFRIC Interpretations effective as of June 1, 2017. The new and revised Standards and Interpretations did not affect recognition and measurement materially nor did they result in any material changes to disclosures in the notes. Apart from these minor changes, the annual report is presented in accordance with the accounting policies applied in previous years' annual reports.

Description of accounting policies

Consolidated financial statements

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

The consolidated financial statements are prepared by aggregating the Parent Company's and the individual subsidiaries' financial statements, applying the Group's accounting policies. Intra-group income and expenses, shareholdings, balances and dividends as well as realized and

unrealized gains arising from intra-group transactions are eliminated on consolidation.

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

Business combinations

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

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

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

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

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

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

Foreign currency translation

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

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

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

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

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

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

Derivative financial instruments

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

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

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

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

Statement of comprehensive income

Revenue

Revenue from the sale of goods is recognized in profit or loss when delivery and transfer of risk to the buyer has taken place, provided the income can be reliably measured and is expected to be received. Customers are not entitled to return purchased goods. Revenue relating to services is recognized as and when the services are rendered. Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

Revenue is measured excluding VAT and taxes. All discounts granted are set off against revenue.

Costs

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

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

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

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

Other operating income and expenses

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

Financial income and expenses

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

Income tax expense

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

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

Balance sheet

Goodwill

On initial recognition, goodwill is recognized at cost in the balance sheet. Goodwill is subsequently measured at cost less accumulated impairment losses. Goodwill is not amortized, but is tested for impairment at least once a year. Please see the "Business combinations" section for further information.

Development projects, patents and trademarks

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

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

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

Other development costs are expensed as incurred.

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

The amortization periods mentioned above also apply to acquired assets.

Other intangible assets

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

Property, plant and equipment

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

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

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

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

Land is not depreciated.

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

Investment property

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

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

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

Investments in subsidiaries and associates

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

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

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

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

Impairment of non-current assets

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

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

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

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

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

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

Impairment losses on goodwill are not reversed. Impairment losses on other long-term assets are reversed to the extent

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

Inventories

Inventories are measured at cost using the FIFO method.

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

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

Receivables

Receivables are measured at amortized cost. Where a receivable is considered to be impaired, a write-down is recognized. Write-downs are recognized on an individual basis.

Impairment losses are calculated as the difference between the carrying amount and the present value of the estimated future cash flows, including the realizable value of any collateral received.

Securities

Securities are measured at cost, as the fair value cannot be measured reliably.

Prepayments

Prepayments include expenses paid in respect of subsequent fiscal years.

Assets held for sale

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

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

Impairment losses arising in connection with initial classification as "held for sale" and gains or losses on subsequent measurement at the lower of carrying amount and fair value less selling costs are recognized in the income

statement under the items to which they relate. Gains and losses are disclosed in the notes.

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

Equity

Dividend:

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

Reserve for treasury shares:

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

Translation reserve:

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

Hedging reserve:

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

Share-based payment

Share-based incentive schemes under which executive officers may only opt to purchase shares in the Company (equity-settled, share-based payment arrangements) are measured at the fair value of the equity instruments at the grant date and are recognized in the income statement under staff costs over the vesting period. The counter entry is taken directly to equity. The fair value of the equity instruments is measured using the Black-Scholes model with the parameters indicated in note 4.

Income tax and deferred tax

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

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

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

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

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

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

Provisions

Provisions comprise estimated commitments regarding warranty obligations and restructuring etc.

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

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

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

Pension obligations

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

There are no defined benefit plans within the Group.

Financial liabilities

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

Other liabilities are measured at net realizable value.

Prepayments from customers

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

Cash flow statement

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

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

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

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

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

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

Segment information

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

The Group presents two reportable segments: the graphic business and the property rental Selandia Park.

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

Non-current segment assets those non-current assets that are employed directly by the segment in its operating activities, including intangible assets and property, plant and equipment and investment properties. Current segment assets are those assets that are employed directly by the segment in its operating activities, including inventories, trade receivables, other receivables, prepayments and cash and cash equivalents.

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

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



DEFINITIONS OF RATIOS

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

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

The ratios in the annual report are calculated as follows:

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



GLUNZ & JENSEN

Glunz & Jensen is the world's leading supplier of innovative, high-quality plate making solutions for the global prepress industry. In addition to developing and producing processors for the offset and flexo printing industry, we also offer after sales service. Our product portfolio also includes exposure units, dryers, light finishers, mounting tables, plate stackers and software for monitoring and controlling complete prepress processes.

Glunz & Jensen has been a recognized leader in prepress for more than 45 years. We have long-standing relations with major customers such as Agfa, Asahi, DuPont, Flint, Fujifilm, Heidelberg, Kodak and MacDermid, the world's largest suppliers of printing solutions. Glunz & Jensen market our products through a comprehensive and worldwide network of distributors and dealers, and has 200 employees in our facilities in Denmark, Italy, Slovakia and USA.

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

GLUNZ & JENSEN



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

www.glunz-jensen.com