

## **Roland DG North Europe A/S**

Engholm Parkvej 5

3450 Allerød

Business Registration No

29813175

## **Annual report 2018**

The Annual General Meeting adopted the annual report on 01.02.2019

**Chairman of the General Meeting**



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Name: Anders Mydtskov

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## Entity details

### Entity

Roland DG North Europe A/S  
Engholm Parkvej 5  
3450 Allerød

Central Business Registration No (CVR): 29813175  
Registered in: Allerød  
Financial year: 01.01.2018 - 31.12.2018

### Board of Directors

Takaaki Koshita, Chairman  
Anders Mydtskov  
Koichi Hashimoto  
Elie Vic Keersmaekers  
Naoki Nagano

### Executive Board

Anders Mydtskov

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
P.O. Box 1600  
0900 Copenhagen C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Roland DG North Europe A/S for the financial year 01.01.2018 - 31.12.2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.


We recommend the annual report for adoption at the Annual General Meeting.

Allerød, 01.02.2019

### Executive Board

Anders Mydtskov

### Board of Directors



Takaaki Koshita

Chairman



Elie Vic Keersmaekers



Anders Mydtskov



Koichi Hashimoto



Naoki Nagano

## Independent auditor's report

### To the shareholder of Roland DG North Europe A/S

#### Opinion

We have audited the financial statements of Roland DG North Europe A/S for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

#### 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 financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

## Independent auditor's report

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

## Independent auditor's report

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Copenhagen, 01.02.2019

### Deloitte

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR)  
33963556



Anders Kreiner  
State Authorised Public Accountant  
Identification No (MNE) mne26765



Jan Larsen  
State Authorised Public Accountant  
Identification No (MNE) mne16541

## Management commentary

	2018	2017	2016	2015	2014
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Financial highlights</b>					
<b>Key figures</b>					
Revenue	31.999	34.885	108.439	98.463	113.088
Gross profit/loss	19.380	17.812	17.608	18.627	17.167
Operating profit/loss	3.090	1.861	755	967	2.242
Net financials	(11)	(90)	(282)	(46)	(114)
Profit/loss for the year	2.468	6.627	(1.325)	4.281	(10.759)
Total assets	28.761	29.837	30.613	31.937	70.938
Investments in property, plant and equipment	60	54	378	38	51
Equity	23.744	24.589	17.963	19.287	16.238
<b>Ratios</b>					
Gross margin (%)	60,6	51,1	16,2	18,9	15,2
Net margin (%)	7,7	19,0	(1,2)	4,3	(9,5)
Return on equity (%)	10,2	31,1	(7,1)	24,1	(29,1)
Equity ratio (%)	82,6	82,4	58,7	60,4	22,9

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Calculation formula reflects
Gross margin (%)	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.



## Management commentary

### Primary activities

Roland DG North Europe A/S markets and sells products in Scandinavia, the Baltic States, Poland, Russia and the CIS States on behalf of Roland DG Corporation, Japan – a worldwide leader within the sign business, production of graphics, fine art, photo, engraving and 3D modelling.

### Development in activities and finances

Profit for the year after tax amounts to DKK 2.468 thousand and the company's balance on 31 December 2018 shows an equity of DKK 23.744 thousand. Management considers the performance of the financial year satisfactory and expects a positive performance for the coming year.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

## Income statement for 2018

	<b>Notes</b>	<b>2018 DKK</b>	<b>2017 DKK</b>
Revenue		31.998.852	34.884.939
Cost of sales		0	(3.165.475)
Other external expenses		<u>(12.618.543)</u>	<u>(13.907.123)</u>
<b>Gross profit/loss</b>		<b>19.380.309</b>	<b>17.812.341</b>
Staff costs	1	(16.086.748)	(15.759.485)
Depreciation, amortisation and impairment losses	2	<u>(203.163)</u>	<u>(191.659)</u>
<b>Operating profit/loss</b>		<b>3.090.398</b>	<b>1.861.197</b>
Other financial income	3	33.434	157.483
Other financial expenses	4	<u>(44.170)</u>	<u>(247.265)</u>
<b>Profit/loss before tax</b>		<b>3.079.662</b>	<b>1.771.415</b>
Tax on profit/loss for the year	5	<u>(611.173)</u>	<u>4.855.396</u>
<b>Profit/loss for the year</b>		<b><u>2.468.489</u></b>	<b><u>6.626.811</u></b>
<b>Proposed distribution of profit/loss</b>			
Ordinary dividend for the financial year		1.234.244	3.313.405
Retained earnings		<u>1.234.245</u>	<u>3.313.406</u>
		<b><u>2.468.489</u></b>	<b><u>6.626.811</u></b>

## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Goodwill		0	0
<b>Intangible assets</b>		<b>0</b>	<b>0</b>
Other fixtures and fittings, tools and equipment		367.466	510.173
<b>Property, plant and equipment</b>		<b>367.466</b>	<b>510.173</b>
Other receivables		11.537	35.497
Deferred tax	6	57.264	67.091
<b>Fixed asset investments</b>		<b>68.801</b>	<b>102.588</b>
<b>Fixed assets</b>		<b>436.267</b>	<b>612.761</b>
Trade receivables		11.509.198	9.544.587
Receivables from group enterprises		630.384	0
Other receivables		7.833.748	3.883.320
Income tax receivable		0	5.593.017
Prepayments		863.268	791.785
<b>Receivables</b>		<b>20.836.598</b>	<b>19.812.709</b>
<b>Cash</b>		<b>7.488.625</b>	<b>9.411.737</b>
<b>Current assets</b>		<b>28.325.223</b>	<b>29.224.446</b>
<b>Assets</b>		<b>28.761.490</b>	<b>29.837.207</b>

## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital		500.000	500.000
Retained earnings		22.010.241	20.775.996
Proposed dividend		1.234.244	3.313.405
<b>Equity</b>		<b><u>23.744.485</u></b>	<b><u>24.589.401</u></b>
Prepayments received from customers		190.827	0
Trade payables		1.154.816	1.147.929
Payables to group enterprises		0	1.116.615
Income tax payable		224.938	0
Other payables		3.446.424	2.983.262
<b>Current liabilities other than provisions</b>		<b><u>5.017.005</u></b>	<b><u>5.247.806</u></b>
<b>Liabilities other than provisions</b>		<b><u>5.017.005</u></b>	<b><u>5.247.806</u></b>
<b>Equity and liabilities</b>		<b><u>28.761.490</u></b>	<b><u>29.837.207</u></b>
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## Statement of changes in equity for 2018

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Proposed dividend DKK</b>	<b>Total DKK</b>
Equity beginning of year	500.000	20.775.996	3.313.405	24.589.401
Ordinary dividend paid	0	0	(3.313.405)	(3.313.405)
Profit/loss for the year	0	1.234.245	1.234.244	2.468.489
<b>Equity end of year</b>	<b>500.000</b>	<b>22.010.241</b>	<b>1.234.244</b>	<b>23.744.485</b>

## Notes

	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>1. Staff costs</b>		
Wages and salaries	14.423.134	14.089.099
Pension costs	1.227.506	1.174.176
Other social security costs	436.108	496.210
	<b>16.086.748</b>	<b>15.759.485</b>
Average number of employees	<b>21</b>	<b>20</b>
	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Depreciation, amortisation and impairment losses</b>		
Depreciation of property, plant and equipment	183.874	194.057
Profit/loss from sale of intangible assets and property, plant and equipment	19.289	(2.398)
	<b>203.163</b>	<b>191.659</b>
	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>3. Other financial income</b>		
Financial income arising from group enterprises	32.830	14.936
Exchange rate adjustments	1	142.033
Other financial income	603	514
	<b>33.434</b>	<b>157.483</b>
	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>4. Other financial expenses</b>		
Exchange rate adjustments	8.442	197.833
Other financial expenses	35.728	49.432
	<b>44.170</b>	<b>247.265</b>

## Notes

	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>5. Tax on profit/loss for the year</b>		
Current tax	701.938	343.290
Change in deferred tax	9.827	74.760
Adjustment concerning previous years	(100.592)	(5.273.446)
	<b>611.173</b>	<b>(4.855.396)</b>

	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>6. Deferred tax</b>		
Property, plant and equipment	67.091	141.856
Other deductible temporary differences	(9.827)	(74.765)
	<b>57.264</b>	<b>67.091</b>

	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>7. Unrecognised rental and lease commitments</b>		
Liabilities under rental or lease agreements until maturity in total	<b>2.615.486</b>	<b>3.454.287</b>

	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>8. Contingent liabilities</b>		
Recourse and non-recourse guarantee commitments	614.901	614.901
<b>Contingent liabilities in total</b>	<b>614.901</b>	<b>614.901</b>

### 9. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Roland DG Europe Holdings B.V., Professor J.H. Bavincklaan 2, 1183 AT, Amstelveen, the Netherlands

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Income statement

#### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

#### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.



## Accounting policies

### Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

### Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on payables and transactions in foreign currencies, amortisation of financial assets etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on payables and transactions in foreign currencies, amortisation of financial liabilities etc.

### Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

### Balance sheet

#### Goodwill

Goodwill is the positive difference between cost and value in use of assets and liabilities taken over as part of the acquisition. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If it is not possible to estimate the useful life reliably, it is set at seven years. Useful lives are reassessed on an annual basis. The amortisation period used is seven years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

#### Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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

## Accounting policies

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-10 years
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Estimated useful lives and residual values are reassessed annually.

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### Prepayments

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

### Cash

Cash comprises cash in hand and bank deposits.

### Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

### Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

### Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax