



Roland DG North Europe A/S

Farum Gydevej 71
3520 Farum
CVR No. 29813175

Annual report 2020

The Annual General Meeting adopted the
annual report on 02.02.2021

Anders Mydtskov

Chairman of the General Meeting

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Entity details

Entity

Roland DG North Europe A/S

Farum Gydevej 71

3520 Farum

CVR No.: 29813175

Date of foundation: 27.10.2008

Registered office: Furesø

Financial year: 01.01.2020 - 31.12.2020

Phone number: 88 82 20 00

Board of Directors

Bernhard Anthony Miller

Anders Mydtskov

Koichi Hashimoto

Elie Vic Keersmaekers

Toshihide Yahiro

Executive Board

Anders Mydtskov

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

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 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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.

Farum, 02.02.2021

Executive Board

Anders Mydtskov

Board of Directors

Bernhard Anthony Miller

Anders Mydtskov

Koichi Hashimoto

Elie Vic Keersmaekers

Toshihide Yahiro

Independent auditor's report

To the shareholders 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 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 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:

- 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.

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, 02.02.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Anders Kreiner

State Authorised Public Accountant
Identification No (MNE) mne26765

Jan Larsen

State Authorised Public Accountant
Identification No (MNE) mne16541

Management commentary

Financial highlights

	2020	2019	2018	2017	2016
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	24,783	32,423	31,999	34,885	108,439
Gross profit/loss	20,021	20,334	20,114	17,812	17,921
Operating profit/loss	2,740	3,190	3,090	1,861	755
Net financials	(200)	(53)	(11)	(90)	(282)
Profit/loss for the year	1,998	2,414	2,468	6,627	(1,325)
Total assets	31,978	31,898	28,761	29,837	30,793
Investments in property, plant and equipment	777	20	60	54	378
Equity	13,063	24,924	23,744	24,589	17,963
Ratios					
Gross margin (%)	80.79	62.71	62.86	51.06	16.53
EBIT margin (%)	11.06	9.84	9.66	5.33	0.70
Net margin (%)	8.06	7.45	7.71	19.00	(1.22)
Return on equity (%)	10.52	9.92	10.21	31.15	(7.1)
Equity ratio (%)	40.85	78.14	82.56	82.41	58.33

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

EBIT margin (%):

$\frac{\text{Operating profit/loss} * 100}{\text{Revenue}}$

Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Primary activities

Roland DG North Europe A/S markets and sells products in Scandinavia, the Baltic States, Eastern Europe, 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 1.998 thousand and the company's balance on 31 December 2020 shows an equity of DKK 13.063 thousand. Management considers the performance of the financial year satisfactory and expects a positive performance for the coming year.

In early 2020, the outbreak of the coronavirus disease (COVID-19) has escalated, and on 11 March 2020 the WHO declared it a worldwide pandemic. The outbreak has led to a number of precautions that affect the planning and execution of day-to-day operations, and the Group's vendors and customers may be affected as well. Their financial impact cannot be determined at this point in time.

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 2020

	Notes	2020 DKK	2019 DKK
Revenue		24,782,817	32,423,197
Other operating income		4,376,434	746,924
Other external expenses		(9,138,431)	(12,835,968)
Gross profit/loss		20,020,820	20,334,153
Staff costs	1	(17,046,867)	(16,980,500)
Depreciation, amortisation and impairment losses	2	(233,902)	(163,788)
Operating profit/loss		2,740,051	3,189,865
Other financial income	3	134,172	37,363
Other financial expenses	4	(334,122)	(90,111)
Profit/loss before tax		2,540,101	3,137,117
Tax on profit/loss for the year	5	(542,513)	(723,588)
Profit/loss for the year		1,997,588	2,413,529
Proposed distribution of profit and loss:			
Ordinary dividend for the financial year		1,800,000	13,858,505
Retained earnings		197,588	(11,444,976)
Proposed distribution of profit and loss		1,997,588	2,413,529

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Goodwill		0	0
Intangible assets	6	0	0
Other fixtures and fittings, tools and equipment		766,436	223,679
Property, plant and equipment	7	766,436	223,679
Deposits		478,675	11,537
Deferred tax	9	43,274	62,445
Financial assets	8	521,949	73,982
Fixed assets		1,288,385	297,661
Trade receivables		7,060,064	9,979,026
Other receivables		3,693,272	8,500,149
Income tax receivable		76,655	0
Prepayments		331,929	867,740
Receivables		11,161,920	19,346,915
Cash		19,527,311	12,253,906
Current assets		30,689,231	31,600,821
Assets		31,977,616	31,898,482

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		500,000	500,000
Retained earnings		10,762,853	10,565,265
Proposed dividend		1,800,000	13,858,505
Equity		13,062,853	24,923,770
Other payables		1,272,452	521,869
Non-current liabilities other than provisions	10	1,272,452	521,869
Prepayments received from customers		271,879	564,087
Trade payables		684,431	584,425
Payables to group enterprises		13,410,516	1,499,114
Income tax payable		0	22,417
Other payables		3,275,485	3,782,800
Current liabilities other than provisions		17,642,311	6,452,843
Liabilities other than provisions		18,914,763	6,974,712
Equity and liabilities		31,977,616	31,898,482
Unrecognised rental and lease commitments	11		
Contingent liabilities	12		
Group relations	13		

Statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	500,000	10,565,265	13,858,505	24,923,770
Ordinary dividend paid	0	0	(13,858,505)	(13,858,505)
Profit/loss for the year	0	197,588	1,800,000	1,997,588
Equity end of year	500,000	10,762,853	1,800,000	13,062,853

Notes

1 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	15,387,136	15,322,968
Pension costs	1,291,924	1,260,042
Other social security costs	367,807	397,490
	17,046,867	16,980,500
Average number of full-time employees	21	22

2 Depreciation, amortisation and impairment losses

	2020	2019
	DKK	DKK
Depreciation of property, plant and equipment	130,207	163,788
Profit/loss from sale of intangible assets and property, plant and equipment	103,695	0
	233,902	163,788

3 Other financial income

	2020	2019
	DKK	DKK
Financial income from group enterprises	13,855	37,187
Exchange rate adjustments	120,300	0
Other financial income	17	176
	134,172	37,363

4 Other financial expenses

	2020	2019
	DKK	DKK
Exchange rate adjustments	237,257	43,678
Other financial expenses	96,865	46,433
	334,122	90,111

5 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Current tax	523,345	722,417
Change in deferred tax	19,168	(5,181)
Adjustment concerning previous years	0	6,352
	542,513	723,588

6 Intangible assets

	Goodwill DKK
Cost beginning of year	47,705,080
Cost end of year	47,705,080
Amortisation and impairment losses beginning of year	(47,705,080)
Amortisation and impairment losses end of year	(47,705,080)
Carrying amount end of year	0

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	2,177,568
Additions	776,662
Disposals	(2,130,033)
Cost end of year	824,197
Depreciation and impairment losses beginning of year	(1,953,889)
Depreciation for the year	(130,207)
Reversal regarding disposals	2,026,335
Depreciation and impairment losses end of year	(57,761)
Carrying amount end of year	766,436

8 Financial assets

	Deposits DKK	Deferred tax DKK
Cost beginning of year	11,537	62,445
Additions	467,138	0
Disposals	0	(19,171)
Cost end of year	478,675	43,274
Carrying amount end of year	478,675	43,274

9 Deferred tax

	2020	2019
	DKK	DKK
Property, plant and equipment	43,274	57,264
Other taxable temporary differences	0	5,181
Deferred tax	43,274	62,445

10 Non-current liabilities other than provisions

	Due after more than 12 months	Outstanding after 5 years
	2020	2020
	DKK	DKK
Other payables	1,272,452	1,272,452
	1,272,452	1,272,452

11 Unrecognised rental and lease commitments

	2020	2019
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	9,066,586	3,541,696

12 Contingent liabilities

	2020	2019
	DKK	DKK
Recourse and non-recourse guarantee commitments	0	614,901
Contingent liabilities	0	614,901

13 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.

Changes in accounting policies

The Entity has changed its accounting policies with regard to presentation of reimbursed cost which in prior years were offset against Staff costs, whereas the cost is now included as part of Other operative income..

The change in accounting policies has led to an increase in other operating income and decrease in salary of DKK 3.376 thousand current year and DKK 747 thousand last year respectively.

The comparative figures have been restated and the change have no effect on the result for year.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistent with 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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

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.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

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.

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 fair value of assets and liabilities arising from acquisitions. 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 lives are reassessed annually.

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.

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.

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.

Receivables

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

Tax payable or receivable

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.

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.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

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.