



Norican Group ApS

Højager 8
2630 Taastrup
CVR No. 31286042

Annual report 2019

The Annual General Meeting adopted the
annual report on 03.09.2020

A handwritten signature in black ink, reading "Ian B. Bird". The signature is written in a cursive, flowing style. Below the signature is a horizontal line.

Ian Bruce Bird

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2019	8
Balance sheet at 31.12.2019	9
Statement of changes in equity for 2019	11
Notes	12
Accounting policies	14

Entity details

Entity

Norican Group ApS

Højager 8

2630 Taastrup

CVR No.: 31286042

Registered office: Høje Taastrup

Financial year: 01.01.2019 - 31.12.2019

Executive Board

Peter Holm Larsen, CEO

Andrew James Matsuyama

Ian Bruce Bird

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

Statement by Management

The Executive Board has today considered and approved the annual report of Norican Group ApS for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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.

Taastrup, 03.09.2020

Executive Board



Peter Holm Larsen
CEO



Andrew James Matsuyama



Ian Bruce Bird

Independent auditor's report

To the shareholder of Norican Group ApS

Opinion

We have audited the financial statements of Norican Group ApS for the financial year 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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, 03.09.2020

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556



Eskild Nørregaard Jakobsen

State Authorised Public Accountant

Identification No (MNE) mne11681

Management commentary

Primary activities

The Company's primary activity is to possess ownership in subsidiaries in which the primary activities consist of business related to trade and industry and activities associated herewith.

Description of material changes in activities and finances

The result for the year amounts a loss of EUR 37,180 thousand and is considered unsatisfactory. The result is heavily impacted by an impairment loss of EUR 30,000 thousand on the investment in LMCS Group Holding GmbH.

Events after the balance sheet date

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

Income statement for 2019

	Notes	2019 EUR'000	2018 EUR'000
Gross profit/loss		(1,591)	0
Other financial income	1	11,406	11,434
Impairment losses on financial assets		(30,000)	0
Other financial expenses	2	(17,853)	(17,571)
Profit/loss before tax		(38,038)	(6,137)
Tax on profit/loss for the year		858	260
Profit/loss for the year		(37,180)	(5,877)
Proposed distribution of profit and loss			
Retained earnings		(37,180)	(5,877)
Proposed distribution of profit and loss		(37,180)	(5,877)

Balance sheet at 31.12.2019

Assets

	Notes	2019 EUR'000	2018 EUR'000
Investments in group enterprises		246,850	248,208
Receivables from group enterprises		194,829	213,119
Other financial assets	3	441,679	461,327
Fixed assets		441,679	461,327
Receivables from group enterprises		18,152	15,057
Income tax receivable		472	145
Receivables		18,624	15,202
Cash		1,413	1,393
Current assets		20,037	16,595
Assets		461,716	477,922

Equity and liabilities

	Notes	2019 EUR'000	2018 EUR'000
Contributed capital		712	712
Retained earnings		77,507	114,686
Equity		78,219	115,398
Payables to group enterprises		338,074	333,346
Non-current liabilities other than provisions		338,074	333,346
Bank loans		45,418	29,167
Other payables		5	11
Current liabilities other than provisions		45,423	29,178
Liabilities other than provisions		383,497	362,524
Equity and liabilities		461,716	477,922
Contingent liabilities	4		
Assets charged and collateral	5		
Group relations	6		

Statement of changes in equity for 2019

	Contributed capital EUR'000	Retained earnings EUR'000	Total EUR'000
Equity beginning of year	712	114,687	115,399
Profit/loss for the year	0	(37,180)	(37,180)
Equity end of year	712	77,507	78,219

Notes

1 Other financial income

	2019 EUR'000	2018 EUR'000
Financial income from group enterprises	11,255	11,187
Exchange rate adjustments	81	97
Other financial income	70	150
	11,406	11,434

2 Other financial expenses

	2019 EUR'000	2018 EUR'000
Financial expenses from group enterprises	16,650	16,402
Other financial expenses	1,203	1,169
	17,853	17,571

3 Financial assets

	Investments in group enterprises EUR'000	Receivables from group enterprises EUR'000
Cost beginning of year	248,208	213,118
Additions	28,642	0
Disposals	0	(18,289)
Cost end of year	276,850	194,829
Impairment losses for the year	(30,000)	0
Impairment losses end of year	(30,000)	0
Carrying amount end of year	246,850	194,829

In the financial year, an impairment loss of EUR 30,000 thousand has been recognised on the investment in LMCS Group Holding GmbH.

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Disa Holding II A/S	Taastrup	A/S	100
WGH Holding Corp.	British Virgin Islands	Corp	100
LMCS Group Holding GmbH	Germany	GmbH	100

4 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Nortre Administration ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

5 Assets charged and collateral

Notes and Revolver facilities in the Norican Global A/S Group are secured by first-priority pledges of the shares of certain significant subsidiaries of the Entity and a first-priority security interest over the intra-group receivables between certain subsidiaries.

The Entity has through its bank provided payment guarantees of EUR 19 million.

6 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Norican Global A/S, Denmark.

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.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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

Gross profit or loss

Gross loss comprises VAT-related adjustments to previous years.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises and exchange gains.

Impairment losses on financial assets

Impairment losses on financial assets comprise impairment losses on financial assets which are not measured at fair value on a current basis.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises and exchange losses.

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.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Investments in group enterprises**

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Income 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.

Cash

Cash comprises bank deposits.

Other financial liabilities

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