

Arion Nordic ApS
Naverland 2
2600 Glostrup
Central Business Registration No
32270263

Annual report 2016

The Annual General Meeting adopted the annual report on 26.05.2017

Chairman of the General Meeting

Name: Thomas Laurvig Kierstein

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Entity details

Entity

Arion Nordic ApS
Naverland 2
2600 Glostrup

Central Business Registration No: 32270263

Registered in: Glostrup

Financial year: 01.01.2016 - 31.12.2016

Executive Board

Thomas Laurvig Kierstein
Carl Johannus Theodorus Joosten
Erik Theodorus Johannus Joosten

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of Arion Nordic ApS for the financial year 01.01.2016 - 31.12.2016.

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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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.

Glostrup, 26.05.2017

Executive Board

Thomas Laurvig Kierstein

Carl Johannus Theodorus
Joosten

Erik Theodorus Johannus
Joosten

Independent auditor's reports

To the shareholders of Arion Nordic ApS

Report on extended review of the financial statements

We have performed an extended review of the financial statements of Arion Nordic ApS for the financial year 01.01.2016 - 31.12.2016. The financial statements, which comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies, are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements. We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

This requires that we comply with the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Conclusion

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

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 extended review 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 extended review 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.

København, 26.05.2017

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Renè Carøe Andersen
State Authorised Public Accountant

Management commentary

Primary activities

The Company's primary business areas are to produce products for the medical industry

Development in activities and finances

Profit for the year amounts to DKK 762. The balance sheet shows total assets of DKK 2.180k and equity of DKK (3.087)k. The parent has issued a letter of support and has undertaken to contribute to the Company the capital necessary to meet its obligations up until 31 May 2018.

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 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Gross profit		2.701.245	2.349
Staff costs	2	(1.944.727)	(1.693)
Depreciation, amortisation and impairment losses		<u>(25.643)</u>	<u>(46)</u>
Operating profit/loss		730.875	610
Other financial expenses	3	<u>(243.661)</u>	<u>(239)</u>
Profit/loss before tax		487.214	371
Tax on profit/loss for the year		<u>275.000</u>	<u>396</u>
Profit/loss for the year		<u>762.214</u>	<u>767</u>
Proposed distribution of profit/loss			
Retained earnings		<u>762.214</u>	<u>767</u>
		<u>762.214</u>	<u>767</u>

Balance sheet at 31.12.2016

<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Other fixtures and fittings, tools and equipment	5.035	121
Property, plant and equipment	5.035	121
Other receivables	74.141	66
Fixed asset investments	74.141	66
Fixed assets	79.176	187
Trade receivables	1.197.945	1.742
Receivables from group enterprises	0	14
Deferred tax	671.000	396
Other receivables	14.015	26
Prepayments	27.409	82
Receivables	1.910.369	2.260
Cash	190.524	225
Current assets	2.100.893	2.485
Assets	2.180.069	2.672

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Contributed capital		125.000	125
Retained earnings		<u>(3.211.721)</u>	<u>(3.974)</u>
Equity		<u>(3.086.721)</u>	<u>(3.849)</u>
Payables to group enterprises	4	<u>4.172.386</u>	<u>3.751</u>
Non-current liabilities other than provisions		<u>4.172.386</u>	<u>3.751</u>
Bank loans		862	0
Trade payables		80.997	83
Payables to group enterprises		229.057	1.629
Other payables		<u>783.488</u>	<u>1.058</u>
Current liabilities other than provisions		<u>1.094.404</u>	<u>2.770</u>
Liabilities other than provisions		<u>5.266.790</u>	<u>6.521</u>
Equity and liabilities		<u>2.180.069</u>	<u>2.672</u>
Going concern	1		
Unrecognised rental and lease commitments	5		

Statement of changes in equity for 2016

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125.000	(3.973.935)	(3.848.935)
Profit/loss for the year	0	762.214	762.214
Equity end of year	125.000	(3.211.721)	(3.086.721)

Notes

1. Going concern

The Parent has issued a letter of support and has undertaken to contribute to the Company the capital necessary to meet its obligations up until 31 May 2018.

	2016	2015
	DKK	DKK'000
2. Staff costs		
Wages and salaries	1.785.988	1.556
Pension costs	134.695	117
Other social security costs	24.044	20
	1.944.727	1.693
Number of employees at balance sheet date	3	

	2016	2015
	DKK	DKK'000
3. Other financial expenses		
Financial expenses from group enterprises	211.791	203
Interest expenses	459	0
Other financial expenses	31.411	36
	243.661	239

4. Long-term debt to group enterprises

The loans from group enterprises have been granted as subordinated loans.

	2016	2015
	DKK	DKK'000
5. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	268.732	201

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.

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 one 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. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of sales and external expenses

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 is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Other operating income

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

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.

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 expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on foreign currency transactions as well as tax surcharge under the Danish Tax Prepayment Scheme 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

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:

Accounting policies

Other fixtures and fittings, tools and equipment 5 years

Property, plant and equipment 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.

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.

Other financial liabilities

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