



Arion Nordic ApS

Højvænget 14
3000 Helsingør
CVR No. 32270263

Annual report 2019

The Annual General Meeting adopted the
annual report on 28.08.2020

Erik Theodorus Johannus Joosten
Chairman of the General Meeting

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Entity details

Entity

Arion Nordic ApS

Højvænget 14

3000 Helsingør

CVR No.: 32270263

Registered office: Helsingør

Financial year: 01.01.2019 - 31.12.2019

Executive Board

Carl Johannus Theodorus Joosten

Erik Theodorus Johannus Joosten

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Arion Nordic 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.

Helsingør, 28.08.2020

Executive Board

Carl Johannus Theodorus Joosten

Erik Theodorus Johannus Joosten

Independent auditor's extended review report

To the shareholders of Arion Nordic ApS

Conclusion

We have performed an extended review of the financial statements of Arion Nordic 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 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 conclusion

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. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity in accordance with the International Ethics Standards Board for 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Material uncertainty related to going concern

We refer to note 1 in the financial statements, in which Management describes how the Company's ability to continue as a going concern, is dependent on the Group's ability to do the same, as the Company is dependent on the support of the Group. The Group is dependant on maintaining current credit facilities and to achieve positive net results again in the second half of 2020. The ability to realize future operating profits as well as maintaining current credit facilities constitutes a material uncertainty related to the Company's ability to continue as a going concern. Our conclusion has not been qualified as a result of this uncertainty.

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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the 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.

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 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, 28.08.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Nikolaj Frausing Borch

State Authorised Public Accountant
Identification No (MNE) mne44062

Management commentary

Primary activities

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

Description of material changes in activities and finances

Profit for the year amounts to DKK 188k. The balance sheet shows total assets of DKK 1.521k and equity of DKK (3.010)k.

The Company is dependent on the ability of the Group to contribute to the Company the capital necessary to meet its obligations and that the Group does not reclaim payment on the Company's payables to Group Enterprises. To this end, the Parent Company has issued a letter of support whereby it undertakes these obligations up until 31 May 2021.

At 31 December 2019 and due to COVID-19, the Group has been approaching credit limits. Based on the realization of the budgets for 2020, management expects that the Group will be able to maintain current financing. Management expects to achieve positive net results again in the second half of 2020, which would mean that it is possible to continue the Group's activities. The ability to realize future operating budgets and to maintain current credit facilities, constitutes a material uncertainty related to the Group's ability to continue as a going concern.

As the Company is dependent on the support of the Group, this also constitutes a material uncertainty for the Company's ability to continue operating as a going concern.

Events after the balance sheet date

Due to the COVID-19 coronavirus outbreak and the resulting corona crisis, the Group's results during 2020 have increased compared to what was budgeted for the Swash products and decreased for what was budgeted for the Slide Solution products. This decrease occurred in particular as of 1 April 2020. It is expected that the corona crisis will not significantly affect the Group's results for the remainder of 2020. When preparing the financial statements, the full impact of the COVID-19 coronavirus outbreak is not yet clear. This will depend in part on how the coronavirus outbreak can be controlled. Due to the great uncertainty, it is difficult to map out the various scenarios. It is expected that the COVID-19 coronavirus outbreak will have significant economic consequences for a number of sectors in which we operate. We are making every effort to organize the availability and distribution of our products as well as possible within the circumstances. In doing so, we follow the RIVM guidelines for our employees. The Group continuously assess the liquidity position in relation to the covenants in the loan agreements. We expect to be able to fully meet our financing requirements in the coming period.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		1,818,032	2,441,398
Staff costs	2	(1,467,294)	(2,043,997)
Depreciation, amortisation and impairment losses	3	(1,083)	(1,976)
Operating profit/loss		349,655	395,425
Other financial expenses	4	(162,142)	(217,405)
Profit/loss before tax		187,513	178,020
Tax on profit/loss for the year		0	0
Profit/loss for the year		187,513	178,020
Proposed distribution of profit and loss			
Retained earnings		187,513	178,020
Proposed distribution of profit and loss		187,513	178,020

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Other fixtures and fittings, tools and equipment		0	1,083
Property, plant and equipment	5	0	1,083
Other receivables		26,196	52,391
Other financial assets	6	26,196	52,391
Fixed assets		26,196	53,474
Trade receivables		1,015,966	840,887
Receivables from group enterprises		0	25,591
Deferred tax		220,000	220,000
Other receivables		11,695	55,730
Prepayments		23,534	36,183
Receivables		1,271,195	1,178,391
Cash		173,092	24,055
Current assets		1,444,287	1,202,446
Assets		1,470,483	1,255,920

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		125,000	125,000
Retained earnings		(3,135,435)	(3,322,949)
Equity		(3,010,435)	(3,197,949)
Payables to group enterprises		4,017,788	3,649,976
Other payables		28,626	0
Non-current liabilities other than provisions	7	4,046,414	3,649,976
Trade payables		46,118	142,263
Payables to group enterprises		0	10,616
Other payables		388,386	651,014
Current liabilities other than provisions		434,504	803,893
Liabilities other than provisions		4,480,918	4,453,869
Equity and liabilities		1,470,483	1,255,920
Going concern	1		
Unrecognised rental and lease commitments	8		

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125,000	(3,322,948)	(3,197,948)
Profit/loss for the year	0	187,513	187,513
Equity end of year	125,000	(3,135,435)	(3,010,435)

Notes

1 Going concern

The Company is dependent on the ability of the Group to contribute to the Company the capital necessary to meet its obligations and that the Group does not reclaim payment on the Company's payables to Group Enterprises. To this end, the Parent Company has issued a letter of support whereby it undertakes these obligations up until 31 May 2021.

At 31 December 2019 and due to COVID-19, the Group has been approaching credit limits. Based on the realization of the budgets for 2020, management expects that the Group will be able to maintain current financing. Management expects to achieve positive net results again in the second half of 2020, which would mean that it is possible to continue the Group's activities. The ability to realize future operating budgets and to maintain current credit facilities, constitutes a material uncertainty related to the Group's ability to continue as a going concern.

As the Company is dependent on the support of the Group, this also constitutes a material uncertainty for the Company's ability to continue operating as a going concern.

2 Staff costs

	2019	2018
	DKK	DKK
Wages and salaries	1,319,405	1,812,824
Pension costs	128,899	218,312
Other social security costs	18,990	12,861
	1,467,294	2,043,997
Average number of full-time employees	2	3

3 Depreciation, amortisation and impairment losses

	2019	2018
	DKK	DKK
Depreciation of property, plant and equipment	1,083	1,976
	1,083	1,976

4 Other financial expenses

	2019	2018
	DKK	DKK
Financial expenses from group enterprises	144,975	193,021
Other interest expenses	671	330
Other financial expenses	16,496	24,054
	162,142	217,405

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	9,879
Cost end of year	9,879
Depreciation and impairment losses beginning of year	(8,796)
Depreciation for the year	(1,083)
Depreciation and impairment losses end of year	(9,879)
Carrying amount end of year	0

6 Financial assets

	Other receivables DKK
Cost beginning of year	52,392
Disposals	(26,196)
Cost end of year	26,196
Carrying amount end of year	26,196

7 Non-current liabilities other than provisions

	Due after more than 12 months 2019 DKK
Payables to group enterprises	4,017,788
Other payables	28,626
	4,046,414

8 Unrecognised rental and lease commitments

	2019 DKK	2018 DKK
Liabilities under rental or lease agreements until maturity in total	32,958	164,789

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

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of raw materials and consumables 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.

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, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, 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 or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities 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:

Other fixtures and fittings, tools and equipment	5 years
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Estimated useful lives and residual values are reassessed annually.

Items of 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 the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.