

## Norican A/S

Højager 8  
2630 Taastrup  
CVR No. 36458771

## Annual report 2019

The Annual General Meeting adopted the  
annual report on 03.09.2020

A handwritten signature in black ink, appearing to read 'Ian B. Bird', written over 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	9
Balance sheet at 31.12.2019	10
Statement of changes in equity for 2019	12
Notes	13
Accounting policies	16

# Entity details

## Entity

Norican A/S  
Højager 8  
2630 Taastrup

CVR No.: 36458771  
Registered office: Høje Taastrup  
Financial year: 01.01.2019 - 31.12.2019

## Board of Directors

Anders Wilhelm, Chairman  
Peter Holm Larsen  
Ian Bruce Bird

## Executive Board

Andrew James Matsuyama, CEO  
Ian Bruce Bird

## 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 Norican A/S 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




**Andrew James Matsuyama**  
CEO



**Ian Bruce Bird**

## Board of Directors



**Anders Wilhjelmsen**  
Chairman



**Peter Holm Larsen**



**Ian Bruce Bird**

# Independent auditor's report

## To the shareholder of Norican A/S

### Opinion

We have audited the financial statements of Norican A/S 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

## Financial highlights

	2019 EUR'000	2018 EUR'000	2017 EUR'000	2016 EUR'000	2015 EUR'000
<b>Key figures</b>					
Revenue	13,339	12,729	11,241	9	9,464
Gross profit/loss	(953)	(1,087)	(10,517)	(2)	(1,012)
Operating profit/loss	(953)	(1,087)	(10,517)	(2)	(1,012)
Net financials	(244)	(773)	372	0	44
Profit/loss for the year	(964)	(952)	(9,709)	(2)	(1,430)
Total assets	486,662	479,552	465,002	149	141,301
Equity	104,864	107,262	109,800	120	113,723
<b>Ratios</b>					
Gross margin (%)	(7.14)	(8.54)	(93.56)	(22.22)	(10.69)
EBIT margin (%)	(7.14)	(8.54)	(93.56)	(22.22)	(10.69)
Net margin (%)	(7.23)	(7.48)	(86.37)	(22.22)	(15.11)
Return on equity (%)	(0.91)	(0.88)	(17.67)	(0.00)	(1.3)
Equity ratio (%)	21.55	22.37	23.61	80.54	80.48

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**

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 and to provide for management services in Norican.

### **Development in activities and finances**

The result for the year amounts to a loss of EUR 964k and is as expected.

### **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
Revenue		13,339	12,729
Other external expenses		(14,292)	(13,816)
<b>Gross profit/loss</b>		<b>(953)</b>	<b>(1,087)</b>
Other financial income	2	17,278	16,661
Other financial expenses	3	(17,522)	(17,434)
<b>Profit/loss before tax</b>		<b>(1,197)</b>	<b>(1,860)</b>
Tax on profit/loss for the year		233	908
<b>Profit/loss for the year</b>	4	<b>(964)</b>	<b>(952)</b>

# Balance sheet at 31.12.2019

## Assets

	Notes	2019 EUR'000	2018 EUR'000
Investments in group enterprises		134,180	134,180
Receivables from group enterprises		308,000	308,000
Other receivables		0	362
Deferred tax	6	760	355
<b>Other financial assets</b>	5	<b>442,940</b>	<b>442,897</b>
<b>Fixed assets</b>		<b>442,940</b>	<b>442,897</b>
Receivables from group enterprises		34,703	31,530
Income tax receivable		207	299
<b>Receivables</b>		<b>34,910</b>	<b>31,829</b>
<b>Cash</b>		<b>8,812</b>	<b>4,826</b>
<b>Current assets</b>		<b>43,722</b>	<b>36,655</b>
<b>Assets</b>		<b>486,662</b>	<b>479,552</b>

**Equity and liabilities**

	Notes	2019 EUR'000	2018 EUR'000
Contributed capital		1,535	1,535
Share premium		151,755	151,755
Retained earnings		(48,426)	(46,028)
<b>Equity</b>		<b>104,864</b>	<b>107,262</b>
Bank loans		339,113	338,902
<b>Non-current liabilities other than provisions</b>		<b>339,113</b>	<b>338,902</b>
Bank loans		30,432	6,861
Trade payables		483	159
Payables to group enterprises		5,797	22,298
Other payables		5,973	4,070
<b>Current liabilities other than provisions</b>		<b>42,685</b>	<b>33,388</b>
<b>Liabilities other than provisions</b>		<b>381,798</b>	<b>372,290</b>
<b>Equity and liabilities</b>		<b>486,662</b>	<b>479,552</b>
Events after the balance sheet date	1		
Contingent liabilities	7		
Assets charged and collateral	8		
Related parties with controlling interest	9		
Non-arm's length related party transactions	10		
Group relations	11		

# Statement of changes in equity for 2019

	Contributed capital EUR'000	Share premium EUR'000	Retained earnings EUR'000	Total EUR'000
Equity beginning of year	1,535	151,755	(46,028)	107,262
Fair value adjustments of hedging instruments	0	0	(1,434)	(1,434)
Profit/loss for the year	0	0	(964)	(964)
<b>Equity end of year</b>	<b>1,535</b>	<b>151,755</b>	<b>(48,426)</b>	<b>104,864</b>

# Notes

## 1 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.

## 2 Other financial income

	2019 EUR'000	2018 EUR'000
Financial income from group enterprises	17,275	16,608
Other interest income	3	53
	<b>17,278</b>	<b>16,661</b>

## 3 Other financial expenses

	2019 EUR'000	2018 EUR'000
Financial expenses from group enterprises	18	44
Other interest expenses	17,053	16,852
Exchange rate adjustments	221	271
Other financial expenses	230	267
	<b>17,522</b>	<b>17,434</b>

## 4 Proposed distribution of profit and loss

	2019 EUR'000	2018 EUR'000
Retained earnings	(964)	(952)
	<b>(964)</b>	<b>(952)</b>

## 5 Financial assets

	Investments in group enterprises EUR'000	Receivables from group enterprises EUR'000	Deferred tax EUR'000
Cost beginning of year	134,180	308,000	355
Additions	0	0	405
<b>Cost end of year</b>	<b>134,180</b>	<b>308,000</b>	<b>760</b>
<b>Carrying amount end of year</b>	<b>134,180</b>	<b>308,000</b>	<b>760</b>

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Norican Holdings ApS	Taastrup	ApS	100

## 6 Deferred tax

Changes during the year	2019 EUR'000	2018 EUR'000
Beginning of year	355	0
Recognised directly in equity	405	355
<b>End of year</b>	<b>760</b>	<b>355</b>

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.

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.

### **7 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 companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

### **8 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.

### **9 Related parties with controlling interest**

Norican Global A/S, 2630 Taastrup owns all shares in Norican A/S and thereby has a controlling interest of the Company.

### **10 Non-arm's length related party transactions**

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

### **11 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 prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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.

## 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 the 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 external expenses

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

**Other financial income**

Other financial income comprises interest income on receivables from group enterprises, payables and transactions in foreign currencies.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, and amortisation of loan costs.

**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.

**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.

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.

**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.

### **Cash flow statement**

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Norican Global A/S, the Company has not prepared a cash flow statement.