

EPI-USE Nordic & Baltic Holding ApS

Ny Carlsberg Vej 80, 1799 Copenhagen V

CVR no. 37 19 67 89

Annual report 2019/20

Approved at the Company's annual general meeting on 29 June 2020

Chairman:


John Logan McFadzean





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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of EPI-USE Nordic & Baltic Holding ApS for the financial year 1 March 2019 - 29 February 2020.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 29 February 2020 and of the results of the Company's operations for the financial year 1 March 2019 - 29 February 2020.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.


We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 29 June 2020
Executive Board:



Keld Johan Ebbesen

Board of Directors:


John Logan McFadzean
Chairman
Robert James Patrick
Keld Johan Ebbesen

Independent auditor's report

To the shareholder of EPI-USE Nordic & Baltic Holding ApS

Opinion

We have audited the financial statements of EPI-USE Nordic & Baltic Holding ApS for the financial year 1 March 2019 - 29 February 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 29 February 2020 and of the results of the Company's operations for the financial year 1 March 2019 - 29 February 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 the 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 our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company 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 rules and requirements.

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to 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 the 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.

Independent auditor's report

- ▶ 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 Company'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 Company'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 Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 29 June 2020
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Martin Alsbæk
State Authorised Public Accountant
mne28627



Management's review

Company details

Name	EPI-USE Nordic & Baltic Holding ApS
Address, Postal code, City	Ny Carlsberg Vej 80, 1799 Copenhagen V
CVR no.	37 19 67 89
Established	31 October 2015
Registered office	Copenhagen
Financial year	1 March 2019 - 29 February 2020
Telephone	+45 33 28 43 27
Board of Directors	John Logan McFadzean, Chairman Robert James Patrick Keld Johan Ebbesen
Executive Board	Keld Johan Ebbesen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark



Management's review

Business review

The Company's main activity is to own subsidiaries and related operating activities.

Financial review

The income statement for 2019/20 shows a loss of DKK 118,279 against a profit of DKK 430,017 last year, and the balance sheet at 29 February 2020 shows a negative equity of DKK 523,618.

The Company's ability to continue operations and meet its obligations as they fall due depends on continued funding from the parent company. The ultimate parent company in the group has guaranteed to provide the funding required to continue operations at least until the date for the general meeting where the Annual Report for 2020/21 will be approved, against which background Management has presented the financial statement on a going concern assumption.

Events after the balance sheet date

The Covid-19 outbreak has not significantly affected the company's performance and financial position in 2020. However, it is not possible for the company's management at the time of financial reporting to quantify the effect further for 2020.

No events materially affecting the Company's financial position have occurred subsequent to the financial year end.



Financial statements 1 March 2019 - 29 February 2020

Income statement

Note	DKK	2019/20	2018/19
	Other external expenses	<u>-54,870</u>	<u>-54,254</u>
	Gross profit	-54,870	-54,254
2	Financial income	0	484,271
3	Financial expenses	<u>-63,409</u>	<u>0</u>
	Profit/loss before tax	-118,279	430,017
	Tax for the year	<u>0</u>	<u>0</u>
	Profit/loss for the year	<u>-118,279</u>	<u>430,017</u>
	Recommended appropriation of profit/loss	-118,279	430,017
	Retained earnings/accumulated loss	<u>-118,279</u>	<u>430,017</u>

Financial statements 1 March 2019 - 29 February 2020

Balance sheet

Note	DKK	2019/20	2018/19
	ASSETS		
	Fixed assets		
4	Investments	0	0
	Investments in group enterprises	0	0
	Total fixed assets	0	0
	Non-fixed assets		
	Receivables		
	Receivables from group enterprises	2,139,948	2,217,049
	Prepayments	671	634
		2,140,619	2,217,683
	Total non-fixed assets	2,140,619	2,217,683
	TOTAL ASSETS	2,140,619	2,217,683
	EQUITY AND LIABILITIES		
	Equity		
5	Share capital	50,000	50,000
	Retained earnings	-573,618	-455,339
	Total equity	-523,618	-405,339
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	38,999	38,001
	Payables to group enterprises	2,625,238	2,585,021
		2,664,237	2,623,022
	Total liabilities other than provisions	2,664,237	2,623,022
	TOTAL EQUITY AND LIABILITIES	2,140,619	2,217,683

- 1 Accounting policies
- 6 Contractual obligations and contingencies, etc.
- 7 Contingent assets
- 8 Collateral
- 9 Related parties



Financial statements 1 March 2019 - 29 February 2020

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 March 2019	50,000	-455,339	-405,339
Transfer through appropriation of loss	0	-118,279	-118,279
Equity at 29 February 2020	50,000	-573,618	-523,618

The Company's ability to continue operations and meet its obligations as they fall due depends on continued funding from the parent company. The ultimate parent company in the group has guaranteed to provide the funding required to continue operations at least until the date for the general meeting where the Annual Report for 2020/21 will be approved, against which background Management has presented the financial statement on a going concern assumption.

Financial statements 1 March 2019 - 29 February 2020

Notes to the financial statements

1 Accounting policies

The annual report of EPI-USE Nordic & Baltic Holding ApS for 2019/20 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Income statement

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Financial statements 1 March 2019 - 29 February 2020

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Investments in subsidiaries

Investments in subsidiaries and associates are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the subsidiaries' income taxes vis à vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

Other payables

Other payables are measured at net realisable value.

	2019/20	2018/19
DKK		
2 Financial income	0	484,271
Reversel of impairment of financial assets	0	484,271
	<u>0</u>	<u>484,271</u>
3 Financial expenses		
Impairment of financial assets	62,164	0
Exchange adjustments	1,245	0
	<u>63,409</u>	<u>0</u>



Financial statements 1 March 2019 - 29 February 2020

Notes to the financial statements

4 Investments

DKK	Investments in group enterprises
Cost at 1 March 2019	334,302
Additions	62,164
Cost at 29 February 2020	396,466
Value adjustments at 1 March 2019	-334,302
Impairment losses	-62,164
Value adjustments at 29 February 2020	-396,466
Carrying amount at 29 February 2020	0

Amounts regarding EPI-USE Sweden 2 AB is not audited.

Name	Legal form	Domicile	Interest	Equity DKK	Profit/loss DKK
Subsidiaries					
EPI-USE Sweden 2 AB	Aktiebolag	Stockholm, Sweden	100.00%	-707,231	112,731
EPI-USE Denmark ApS	ApS	Copenhagen, Denmark	100.00%	-25,590,738	3,408,621



Financial statements 1 March 2019 - 29 February 2020

Notes to the financial statements

DKK	2019/20	2018/19
5 Share capital		
Analysis of the share capital:		
10,000 A shares of DKK 1.00 nominal value each	10,000	10,000
40,000 B shares of DKK 1.00 nominal value each	40,000	40,000
	<u>50,000</u>	<u>50,000</u>

The Company's share capital has remained DKK 50,000 over the past 4 years.

6 Contractual obligations and contingencies, etc.

Other contingent liabilities

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends falling due for payment.

7 Contingent assets

The company has tax loss carry-forwards totalling DKK 257 thousand. The nominal value thereof is 22%, totalling DKK 57 thousand. DKK 0 of the amount has been recognised in the balance sheet due to the uncertainty as to application of the tax losses.

8 Collateral

The Company has not provided any security or other collateral in assets at 29 February 2020.

9 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
EPI-USE Systems Limited	Grand Cayman	At the parent company address