



Nordic Distribution A/S

Lejrvej 9
3500 Værløse
CVR No. 38449540

**Annual report 01.04.2019 -
31.03.2020**

The Annual General Meeting adopted the
annual report on 28.08.2020

Christian Løvenkjær-Knudtson
Chairman of the General Meeting

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Entity details

Entity

Nordic Distribution A/S

Lejrvej 9

3500 Værløse

CVR No.: 38449540

Registered office: Furesø

Financial year: 01.04.2019 - 31.03.2020

Board of Directors

Christian Løvenkjær-Knudtzon

Johnny Davidsen

Henrik Sebastian Thøger Nielsen, formand

Alexander Stig Paciorek Nielsen

Executive Board

Christian Løvenkjær-Knudtzon, direktør

Johnny Davidsen, direktør

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 Nordic Distribution A/S for the financial year 01.04.2019 - 31.03.2020.

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 31.03.2020 and of the results of its operations for the financial year 01.04.2019 - 31.03.2020.

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.

Værløse, 28.08.2020

Executive Board

Christian Løvenkjær-Knudtzon
direktør

Johnny Davidsen
direktør

Board of Directors

Christian Løvenkjær-Knudtzon

Johnny Davidsen

Henrik Sebastian Thøger Nielsen
formand

Alexander Stig Paciorek Nielsen

Independent auditor's extended review report

To the shareholders of Nordic Distribution A/S

Conclusion

We have performed an extended review of the financial statements of Nordic Distribution A/S for the financial year 01.04.2019 - 31.03.2020, 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 31.03.2020 and of the results of its operations for the financial year 01.04.2019 - 31.03.2020 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.

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

Claus Jorch Andersen

State Authorised Public Accountant
Identification No (MNE) mne33712

Management commentary

Primary activities

The Company's activity is to act within distribution and logistics service including other related business.

Development in activities and finances

The income statement for the current financial year show a loss of DKK 1,020 thousand, which is considered unsatisfactory by management.

The company has lost more than 50% of its share capital. As a result, the company now falls within the provision of the Danish Companies Act governing loss of capital. Profit are expected for the coming years, and Management intends to reestablish the share capital through these profits.

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 2019/20

| | Notes | 2019/20 DKK | 2018/19 DKK |
|--|-------|--------------------|------------------|
| Gross profit/loss | | 4,392,542 | 6,001,833 |
| Staff costs | 1 | (5,169,228) | (3,759,768) |
| Depreciation, amortisation and impairment losses | | (406,641) | (268,606) |
| Operating profit/loss | | (1,183,327) | 1,973,459 |
| Other financial income | 2 | 77,145 | 151,175 |
| Other financial expenses | 3 | (196,175) | (269,438) |
| Profit/loss before tax | | (1,302,357) | 1,855,196 |
| Tax on profit/loss for the year | 4 | 281,949 | 390,225 |
| Profit/loss for the year | | (1,020,408) | 2,245,421 |
| Proposed distribution of profit and loss | | | |
| Retained earnings | | (1,020,408) | 2,245,421 |
| Proposed distribution of profit and loss | | (1,020,408) | 2,245,421 |

Balance sheet at 31.03.2020

Assets

| | Notes | 2019/20 DKK | 2018/19 DKK |
|--|-------|-------------------|-------------------|
| Acquired licences | | 676,232 | 545,767 |
| Intangible assets | 5 | 676,232 | 545,767 |
| Other fixtures and fittings, tools and equipment | | 419,412 | 346,978 |
| Leasehold improvements | | 298,756 | 231,553 |
| Property, plant and equipment | 6 | 718,168 | 578,531 |
| Deposits | | 345,525 | 338,750 |
| Other financial assets | | 345,525 | 338,750 |
| Fixed assets | | 1,739,925 | 1,463,048 |
| Manufactured goods and goods for resale | | 7,964,387 | 5,985,425 |
| Inventories | | 7,964,387 | 5,985,425 |
| Trade receivables | | 10,331,286 | 8,765,622 |
| Receivables from group enterprises | | 493,405 | 2,792 |
| Deferred tax | | 321,775 | 390,225 |
| Other receivables | | 411,658 | 349,415 |
| Joint taxation contribution receivable | | 350,399 | 0 |
| Prepayments | | 236,849 | 155,082 |
| Receivables | | 12,145,372 | 9,663,136 |
| Cash | | 3,750,443 | 808,286 |
| Current assets | | 23,860,202 | 16,456,847 |
| Assets | | 25,600,127 | 17,919,895 |

Equity and liabilities

| | Notes | 2019/20 DKK | 2018/19 DKK |
|--|--------------|------------------------------|------------------------------|
| Contributed capital | | 2,500,000 | 2,500,000 |
| Retained earnings | | (2,152,758) | (1,432,350) |
| Equity | | 347,242 | 1,067,650 |
| Other payables | | 3,000,000 | 0 |
| Non-current liabilities other than provisions | 7 | 3,000,000 | 0 |
| Trade payables | | 20,121,754 | 16,075,408 |
| Payables to group enterprises | | 1,046,429 | 14,105 |
| Other payables | | 1,084,702 | 762,732 |
| Current liabilities other than provisions | | 22,252,885 | 16,852,245 |
| Liabilities other than provisions | | 25,252,885 | 16,852,245 |
| Equity and liabilities | | 25,600,127 | 17,919,895 |
| Unrecognised rental and lease commitments | 8 | | |
| Contingent liabilities | 9 | | |
| Assets charged and collateral | 10 | | |

Statement of changes in equity for 2019/20

| | Contributed capital DKK | Retained earnings DKK | Total DKK |
|---------------------------|--|--------------------------------------|----------------------|
| Equity beginning of year | 2,500,000 | (1,432,350) | 1,067,650 |
| Group contributions etc | 0 | 300,000 | 300,000 |
| Profit/loss for the year | 0 | (1,020,408) | (1,020,408) |
| Equity end of year | 2,500,000 | (2,152,758) | 347,242 |

Notes

1 Staff costs

| | 2019/20 DKK | 2018/19 DKK |
|---------------------------------------|------------------|------------------|
| Wages and salaries | 4,499,947 | 3,240,123 |
| Pension costs | 520,107 | 406,180 |
| Other social security costs | 34,207 | 29,663 |
| Other staff costs | 114,967 | 83,802 |
| | 5,169,228 | 3,759,768 |
| Average number of full-time employees | 15 | 13 |

2 Other financial income

| | 2019/20 DKK | 2018/19 DKK |
|---|----------------|----------------|
| Financial income from group enterprises | 61,617 | 13,047 |
| Other interest income | 599 | 55 |
| Exchange rate adjustments | 14,929 | 138,073 |
| | 77,145 | 151,175 |

3 Other financial expenses

| | 2019/20 DKK | 2018/19 DKK |
|---|----------------|----------------|
| Financial expenses from group enterprises | 0 | 108,708 |
| Other interest expenses | 102,037 | 12,496 |
| Exchange rate adjustments | 94,138 | 148,234 |
| | 196,175 | 269,438 |

4 Tax on profit/loss for the year

| | 2019/20 DKK | 2018/19 DKK |
|--------------------------------------|------------------|------------------|
| Change in deferred tax | 68,450 | (390,225) |
| Refund in joint taxation arrangement | (350,399) | 0 |
| | (281,949) | (390,225) |

5 Intangible assets

| | Acquired licences DKK |
|---|--------------------------------------|
| Cost beginning of year | 756,701 |
| Additions | 318,114 |
| Cost end of year | 1,074,815 |
| Amortisation and impairment losses beginning of year | (210,934) |
| Amortisation for the year | (187,649) |
| Amortisation and impairment losses end of year | (398,583) |
| Carrying amount end of year | 676,232 |

6 Property, plant and equipment

| | Other fixtures and fittings, tools and equipment DKK | Leasehold improvements DKK |
|---|---|---|
| Cost beginning of year | 515,763 | 340,184 |
| Additions | 191,829 | 166,800 |
| Cost end of year | 707,592 | 506,984 |
| Depreciation and impairment losses beginning of year | (168,785) | (108,631) |
| Depreciation for the year | (119,395) | (99,597) |
| Depreciation and impairment losses end of year | (288,180) | (208,228) |
| Carrying amount end of year | 419,412 | 298,756 |

7 Non-current liabilities other than provisions

| | Due after more than 12 months 2019/20 DKK |
|----------------|--|
| Other payables | 3,000,000 |
| | 3,000,000 |

8 Unrecognised rental and lease commitments

| | 2019/20 DKK | 2018/19 DKK |
|--|------------------------|------------------------|
| Liabilities under rental or lease agreements until maturity in total | 636,261 | 1,199,017 |

9 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement of d. 28.09.2019 where Cousin Corp 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.

10 Assets charged and collateral

Debt to the Company's primary supplier is secured by way of general floating charges corresponding the current value of inventories and trade receivables.

As collateral for other longterm debt of DKK 3 million, there is registered company mortgage with priority position in front of other creditors company mortgage.

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, changes in inventories of finished goods and work in progress, own work capitalised, 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.

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, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

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

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**Intellectual property rights etc**

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

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 |
| Leasehold improvements | 5 years |

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.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

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.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

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.