

TONON Scandinavia ApS

c/o Lars Duus Madsen Æblehaven 31, 5462 Morud

CVR no. 37 60 30 66

Annual report 2020

Approved at the Company's annual general meeting on 25 March 2021

Chair of the meeting:

.....
Ole Feder Madsen





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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of TONON Scandinavia ApS for the financial year 1 January - 31 December 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 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 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.

Morud, 25 March 2021
Executive Board:

.....
Ole Feder Madsen
manager

.....
Lars Duus Madsen
manager

Independent auditor's report

To the shareholders of TONON Scandinavia ApS

Opinion

We have audited the financial statements of TONON Scandinavia ApS for the financial year 1 January - 31 December 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 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 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.

Odense, 25 March 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Smedegaard Hvid
State Authorised Public Accountant
mne31450



Management's review

Company details

Name	TONON Scandinavia ApS
Address, Postal code, City	c/o Lars Duus Madsen Æblehaven 31, 5462 Morud
CVR no.	37 60 30 66
Established	11 April 2016
Registered office	Nordfyns
Financial year	1 January - 31 December
Executive Board	Ole Feder Madsen, manager Lars Duus Madsen, manager
Auditors	EY Godkendt Revisionspartnerselskab Englandsgade 25, P.O. Box 200, 5100 Odense C, Denmark

Management's review

Business review

The Entity's object is trade, industry and related activities.

Financial review

The income statement for 2020 shows a profit of DKK 267,767 against a profit of DKK 14,350 last year, and the balance sheet at 31 December 2020 shows equity of DKK 724,384.

The company has been influenced by Covid-19 to the extent that part of their customers consists of restaurants, kitchens, hotels and more. which has been closed due to Covid-19. Furthermore, the company has foreign customers where sales have been affected by Covid-19.

Events after the balance sheet date

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

Financial statements 1 January - 31 December

Income statement

Note	DKK	2020	2019
	Gross profit/loss	279,676	-24,033
	Financial income	75,533	47,647
	Financial expenses	-11,590	-4,777
	Profit before tax	343,619	18,837
3	Tax for the year	-75,852	-4,487
	Profit for the year	<u>267,767</u>	<u>14,350</u>
	Recommended appropriation of profit		
	Retained earnings	<u>267,767</u>	<u>14,350</u>
		<u>267,767</u>	<u>14,350</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2020	2019
	ASSETS		
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	334,931	159,238
		<u>334,931</u>	<u>159,238</u>
	Trade receivables	817,291	609,380
	Prepayments	2,802	1,413
		<u>820,093</u>	<u>610,793</u>
	Cash	<u>432,337</u>	<u>206,353</u>
	Total non-fixed assets	<u>1,587,361</u>	<u>976,384</u>
	TOTAL ASSETS	<u>1,587,361</u>	<u>976,384</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2020	2019
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	80,000	80,000
	Retained earnings	644,384	376,617
	Total equity	<u>724,384</u>	<u>456,617</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	355,823	107,491
	Payables to group enterprises	11,704	288,790
	Joint taxation contribution payable	75,852	4,487
	Other payables	419,598	118,999
		<u>862,977</u>	<u>519,767</u>
		<u>862,977</u>	<u>519,767</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>1,587,361</u></u>	<u><u>976,384</u></u>

- 1 Accounting policies
- 2 Staff costs
- 4 Contractual obligations and contingencies, etc.
- 5 Collateral
- 6 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2019	80,000	362,267	442,267
Transfer through appropriation of profit	0	14,350	14,350
Equity at 1 January 2020	80,000	376,617	456,617
Transfer through appropriation of profit	0	267,767	267,767
Equity at 31 December 2020	80,000	644,384	724,384

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of TONON Scandinavia ApS for 2020 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.

The accounting policies used in the preparation of the financial statements are consistent with those of last year, but some reclassifications have been made in the comparative figures.

Reporting currency

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

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Gross profit/loss

The items revenue, change in inventories of finished goods, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Raw materials and consumables, etc.

Raw materials and consumables include expenses relating to consumables used in generating the year's revenue.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

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

Liabilities

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Staff costs

The Company has no employees.

DKK	<u>2020</u>	<u>2019</u>
3 Tax for the year		
Estimated tax charge for the year	<u>75,852</u>	<u>4,487</u>
	<u>75,852</u>	<u>4,487</u>

4 Contractual obligations and contingencies, etc.

Contingent liabilities

Other contingent liabilities

The Company is jointly taxed with its parent company, LO Madsen ApS, which acts as management company, and has limited and alternative liability together with other jointly taxed group entities for payment of income taxes onwards as well as withholding taxes on interest, royalties and dividends.

5 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2020.

6 Related parties

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
Luca Tonon	Via Biella 3, 1012 Torino, Italien
Eric Tonon	Corso Tassoni 73, 10143 Torino, Italien

ΠΕΝΝΕΟ

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"By my signature I confirm all dates and content in this document."

Ole Feder Madsen

Executive Board

On behalf of: TONON Scandinavia ApS

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IP: 80.62.xxx.xxx

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NEM ID 

Lars Duus Madsen

Executive Board

On behalf of: TONON Scandinavia ApS

Serial number: PID:9208-2002-2-123131251220

IP: 185.125.xxx.xxx

2021-03-25 12:58:23Z

NEM ID 

Søren Smedegaard Hvid

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:1256831000710

IP: 80.208.xxx.xxx

2021-03-25 13:14:10Z

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Ole Feder Madsen

Chairman

On behalf of: TONON Scandinavia ApS

Serial number: PID:9208-2002-2-769236771096

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