Grant Thornton

Grant Thornton
Statsautoriseret
Revisionspartnerselskab

Stockholmsgade 45
2100 København Ø
CVR-nr. 34209936

T (+45) 33 110 220

www.grantthornton.dk

Ter Nordic ApS

Rosenbæk Torv 1, 4., 5000 Odense C

Company reg. no. 38 43 26 21

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 27 June 2022.

Andreas Früh
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Ter Nordic ApS for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

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

We recommend that the annual report be approved at the Annual General Meeting.

Odense C, 27 June 2022

Managing Director

Emmanuel John Kann-Tsavaris

Board of directors

Andreas Früh

Independent auditor's report

To the Shareholder of Ter Nordic ApS

Opinion

We have audited the financial statements of Ter Nordic ApS for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under 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 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 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 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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 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 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management's Review.

Copenhagen, 27 June 2022

Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36

Brian Rasmussen
State Authorised Public Accountant
mne30153

Kasper Sone Randrup
State Authorised Public Accountant
mne36175

Company information

The company	Ter Nordic ApS Rosenbæk Torv 1, 4. 5000 Odense C	
	Company reg. no.	38 43 26 21
	Established:	20 February 2017
	Domicile:	Odense
	Financial year:	1 January 2021 - 31 December 2021 5th financial year
Board of directors	Andreas Früh	
Managing Director	Emmanuel John Kann-Tsavaris	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	
Parent company	Ter Hell & Co. GmbH	

Management´s review

The principal activities of the company

The principal activities are sales and marketing activities in the Nordic countries on behalf of the parent company in Hamburg, Germany.

Development in activities and financial matters

The gross profit for the year totals DKK 7.669.481 against DKK 4.035.176 last year. Income or loss from ordinary activities after tax totals DKK 1.124.740 against DKK 168.177 last year. Management considers the net profit or loss for the year satisfactory.

Accounting policies

The annual report for Ter Nordic ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Accounting policies

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Accounting policies

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

Accounting policies

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Prepayments

Prepaymentsrecognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Accounting policies

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2021	2020
	Gross profit	**7.669.481**	**4.035.176**
1	Staff costs	-4.332.629	-2.776.042
	Depreciation and impairment of property, land, and equipment	-9.182	-12.188
	Operating profit	**3.327.670**	**1.246.946**
2	Other financial expenses	-1.881.752	-1.027.430
	Pre-tax net profit or loss	**1.445.918**	**219.516**
3	Tax on net profit or loss for the year	-321.178	-51.339
	Net profit or loss for the year	**1.124.740**	**168.177**
	Proposed appropriation of net profit:		
	Transferred to retained earnings	1.124.740	168.177
	Total allocations and transfers	**1.124.740**	**168.177**

Balance sheet at 31 December

All amounts in DKK.

	Assets		
Note		2021	2020
	Non-current assets		
4	Other fixtures and fittings, tools and equipment	49.190	58.371
	Total property, plant, and equipment	49.190	58.371
5	Deposits	58.237	127.747
	Total investments	58.237	127.747
	Total non-current assets	**107.427**	**186.118**
	Current assets		
	Manufactured goods and goods for resale	27.272.776	15.047.398
	Prepayments for goods	489.643	1.143.096
	Total inventories	27.762.419	16.190.494
	Trade receivables	11.446.500	11.403.697
	Receivables from subsidiaries	313.884	0
	Deferred tax assets	337.985	659.163
	Income tax receivables	2.000	4.000
	Other receivables	142.469	141.007
	Prepayments	53.712	73.831
	Total receivables	12.296.550	12.281.698
	Cash and cash equivalents	5.859.940	3.821.688
	Total current assets	**45.918.909**	**32.293.880**
	Total assets	**46.026.336**	**32.479.998**

Balance sheet at 31 December

All amounts in DKK.

Note	**Equity and liabilities**	2021	2020
	Equity		
	Contributed capital	57.737	57.737
	Retained earnings	2.519.789	1.395.049
	Total equity	**2.577.526**	**1.452.786**
	Long term labilities other than provisions		
	Other payables	0	177.892
6	Total long term liabilities other than provisions	0	177.892
6	Current portion of long term liabilities	180.560	0
	Prepayments received from customers	882.995	0
	Trade payables	9.934.831	4.055.747
	Payables to subsidiaries	30.865.653	24.925.713
	Other payables	1.584.771	1.867.860
	Total short term liabilities other than provisions	43.448.810	30.849.320
	Total liabilities other than provisions	**43.448.810**	**31.027.212**
	Total equity and liabilities	**46.026.336**	**32.479.998**

7 Contingencies

8 Financial risks

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2020	57.737	1.226.872	1.284.609
Profit or loss for the year brought forward	0	168.177	168.177
Equity 1 January 2021	57.737	1.395.049	1.452.786
Profit or loss for the year brought forward	0	1.124.740	1.124.740
	57.737	**2.519.789**	**2.577.526**

Notes

All amounts in DKK.

		2021	2020
1.	**Staff costs**		
	Salaries and wages	3.891.973	2.516.950
	Pension costs	255.084	187.138
	Other costs for social security	185.572	71.954
		4.332.629	**2.776.042**
	Average number of employees	6	6
2.	**Other financial expenses**		
	Financial costs, group enterprises	572.288	349.340
	Other financial costs	1.309.464	678.090
		1.881.752	**1.027.430**
3.	**Tax on net profit or loss for the year**		
	Adjustment for the year of deferred tax	321.178	51.339
		321.178	**51.339**
4.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 January 2021	87.181	87.181
	Cost 31 December 2021	**87.181**	**87.181**
	Depreciation and writedown 1 January 2021	-28.810	-16.621
	Depreciation for the year	-9.181	-12.189
	Depreciation and writedown 31 December 2021	**-37.991**	**-28.810**
	Carrying amount, 31 December 2021	**49.190**	**58.371**

Notes

All amounts in DKK.

		31/12 2021	31/12 2020
5.	**Deposits**		
	Cost 1 January 2021	127.747	58.026
	Additions during the year	0	69.721
	Disposals during the year	-69.510	0
	Cost 31 December 2021	**58.237**	**127.747**
	Carrying amount, 31 December 2021	**58.237**	**127.747**

6. Long term labilities other than provisions

	Total payables 31 Dec 2021	Current portion of long term payables	Long term payables 31 Dec 2021	Outstanding payables after 5 years
Other payables	180.560	180.560	0	0
	180.560	**180.560**	**0**	**0**

7. Contingencies

Contingent liabilities

	DKK in thousands
Total contingent liabilities	369

8. Financial risks

Exchange rate risks

For the purpose of hedging future purchased supplies in USD, the company has entered into forward exchange contracts totalling USD 1.865.000. Compared to the forward price at the reporting date, the contracts have a negative value of approximately DKK 27.000. The exchange gain is not recognised.