

Ter Nordic ApS
Rosenbæk Torv 1, 4., 5000 Odense C

Company reg. no. 38 43 26 21

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 24 June 2021.

Andreas Früh
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's report	1
Independent auditor's report	2
Management commentary	
Company information	5
Management commentary	6
Financial statements 1 January - 31 December 2020	
Accounting policies	7
Income statement	12
Statement of financial position	13
Statement of changes in equity	15
Notes	16

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 report

Today, the board of directors and the executive board have presented the annual report of Ter Nordic ApS for the financial year 1 January - 31 December 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Odense, 24 June 2021

Executive board

Casper Werenberg la Cour Larsen

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 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities 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 and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the 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 express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 24 June 2021

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 2020 - 31 December 2020 4th financial year
Board of directors	Andreas Früh
Executive board	Casper Werenberg la Cour Larsen Emmanuel John Kann-Tsavaris
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø
Parent company	Ter Hell & Co. GmbH

Management commentary

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 4.035.176 against DKK 1.946.706 last year. Income or loss from ordinary activities after tax totals DKK 168.177 against DKK -1.014.361 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 costs comprise costs 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 according to the FIFO method. In cases when the net realisable value of the inventories 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 and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits 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.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Gross profit	4.035.176	1.946.706
1 Staff costs	-2.776.042	-2.935.661
Depreciation and impairment of property, land, and equipment	-12.188	-12.188
Operating profit	1.246.946	-1.001.143
Other financial income	0	75.610
2 Other financial costs	-1.027.430	-363.584
Pre-tax net profit or loss	219.516	-1.289.117
3 Tax on net profit or loss for the year	-51.339	274.756
Net profit or loss for the year	168.177	-1.014.361
 Proposed appropriation of net profit:		
Transferred to retained earnings	168.177	0
Allocated from retained earnings	0	-1.014.361
Total allocations and transfers	168.177	-1.014.361

Statement of financial position at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2020</u>	<u>2019</u>
Non-current assets		
4 Other fixtures and fittings, tools and equipment	58.371	70.560
Total property, plant, and equipment	<u>58.371</u>	<u>70.560</u>
5 Deposits	127.747	58.026
Total investments	<u>127.747</u>	<u>58.026</u>
Total non-current assets	<u>186.118</u>	<u>128.586</u>
Current assets		
Manufactured goods and goods for resale	15.047.398	10.246.649
Prepayments for goods	1.143.096	0
Total inventories	<u>16.190.494</u>	<u>10.246.649</u>
Trade receivables	11.403.697	9.891.944
Deferred tax assets	659.163	710.502
Income tax receivables	4.000	8.000
Other receivables	141.007	121.015
Prepayments and accrued income	73.831	29.820
Total receivables	<u>12.281.698</u>	<u>10.761.281</u>
Cash on hand and demand deposits	<u>3.821.688</u>	<u>2.615.493</u>
Total current assets	<u>32.293.880</u>	<u>23.623.423</u>
Total assets	<u>32.479.998</u>	<u>23.752.009</u>

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities		<u>2020</u>	<u>2019</u>
<u>Note</u>			
Equity			
	Contributed capital	57.737	57.737
	Retained earnings	1.395.049	1.226.872
	Total equity	<u>1.452.786</u>	<u>1.284.609</u>
Liabilities other than provisions			
	Other payables	177.892	0
6	Total long term liabilities other than provisions	<u>177.892</u>	<u>0</u>
6	Current portion of long term payables	0	0
	Trade payables	4.055.747	4.686.548
	Payables to group enterprises	24.925.713	16.589.848
	Other payables	1.867.860	1.191.004
	Total short term liabilities other than provisions	<u>30.849.320</u>	<u>22.467.400</u>
	Total liabilities other than provisions	<u>31.027.212</u>	<u>22.467.400</u>
	Total equity and liabilities	<u>32.479.998</u>	<u>23.752.009</u>

7 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
	<hr/>	<hr/>	<hr/>
Equity 1 January 2019	57.737	-373.792	-316.055
Profit or loss for the year brought forward	0	-1.014.361	-1.014.361
Group contribution	0	2.615.025	2.615.025
Equity 1 January 2020	<hr/> 57.737	<hr/> 1.226.872	<hr/> 1.284.609
Profit or loss for the year brought forward	0	168.177	168.177
	<hr/> 57.737	<hr/> 1.395.049	<hr/> 1.452.786

Notes

All amounts in DKK.

	<u>2020</u>	<u>2019</u>
1. Staff costs		
Salaries and wages	2.516.950	2.603.173
Pension costs	187.138	179.616
Other costs for social security	<u>71.954</u>	<u>152.872</u>
	<u>2.776.042</u>	<u>2.935.661</u>
Average number of employees	<u>6</u>	<u>5</u>
2. Other financial costs		
Financial costs, group enterprises	349.340	329.413
Other financial costs	<u>678.090</u>	<u>34.171</u>
	<u>1.027.430</u>	<u>363.584</u>
3. Tax on net profit or loss for the year		
Adjustment for the year of deferred tax	<u>51.339</u>	<u>-274.756</u>
	<u>51.339</u>	<u>-274.756</u>
4. Other fixtures and fittings, tools and equipment		
Cost 1 January 2020	<u>87.181</u>	<u>87.181</u>
Cost 31 December 2020	<u>87.181</u>	<u>87.181</u>
Depreciation and writedown 1 January 2020	-16.621	-4.433
Depreciation for the year	<u>-12.189</u>	<u>-12.188</u>
Depreciation and writedown 31 December 2020	<u>-28.810</u>	<u>-16.621</u>
Carrying amount, 31 December 2020	<u>58.371</u>	<u>70.560</u>

Notes

All amounts in DKK.

	<u>31/12 2020</u>	<u>31/12 2019</u>		
5. Deposits				
Cost 1 January 2020	58.026	58.026		
Additions during the year	<u>69.721</u>	<u>0</u>		
Cost 31 December 2020	<u>127.747</u>	<u>58.026</u>		
Carrying amount, 31 December 2020	<u>127.747</u>	<u>58.026</u>		
6. Liabilities other than provision				
	Total payables 31 Dec 2020	Current portion of long term payables	Long term payables 31 Dec 2020	Outstanding payables after 5 years
Other payables	<u>177.892</u>	<u>0</u>	<u>177.892</u>	<u>177.892</u>
	<u>177.892</u>	<u>0</u>	<u>177.892</u>	<u>177.892</u>
7. Contingencies				
Contingent liabilities				DKK in thousands
Total contingent liabilities				<u>635</u>