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# *Nordgreen ApS*

Lindgreens Allé 9, st., DK-2300 Copenhagen

## Annual Report for 2021

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CVR No. 38 69 42 43

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 20/6 2022

Lars Kornbech  
Chairman of the  
general meeting



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Nordgreen ApS for the financial year 1 January - 31 December 2021.

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 at 31 December 2021 of the Company and of the results of the Company operations for 2021.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Copenhagen, 20 June 2022

## Executive Board

Lars Kornbech  
CEO

Jonathan William Vilsøe Lowth

Christopher Paul Day

## Board of Directors

Pascar Paw Paramasivam  
Chairman

Vasilij Niiazi Brandt

# Independent Auditor's report

To the shareholders of Nordgreen ApS

## Opinion

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.

We have audited the Financial Statements of Nordgreen ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## 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.

## 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.

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, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

## 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.

# Independent Auditor's report

## 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.

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.
- 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.

Hellerup, 20 June 2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Niels Henrik B. Mikkelsen

State Authorised Public Accountant

mne16675

Martin Birch

State Authorised Public Accountant

mne42825

## Company information

<b>The Company</b>	Nordgreen ApS  Lindgreens Allé 9, st. DK-2300 Copenhagen  CVR No: 38 69 42 43 Financial period: 1 January - 31 December Incorporated: 29 May 2017 Financial year: 5th financial year Municipality of reg. office: Copenhagen
<b>Board of Directors</b>	Pascar Paw Paramasivam, Chairman Vasilij Niiazi Brandt
<b>Executive board</b>	Lars Kornbech Jonathan William Vilsøe Lowth Christopher Paul Day
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

# Management's review

## Key activities

Nordgreen's journey began in 2017 by envisioning a watch brand that manifests inspirational Nordic design with a deeply rooted responsibility to give back.

The entire watch collection is designed by the award-winning Chief Designer Jakob Wagner, whose work is widely recognised as iconic, and brings to light timepieces that surpass the challenges of time.

Nordgreen aligns its CSR initiatives through its 'Giving Back Program' to Nordic principles supporting health, educational, and environmental challenges faced by communities on a global level, by forming partnerships with relevant international NGOs.

We are continuously working towards finding and applying more sustainable solutions across our entire production and supply chain, in order to bring the change we want to see in our industry.

## Development in the year

The income statement of the Company for 2021 shows a loss of DKK 16,130,942, and at 31 December 2021 the balance sheet of the Company shows negative equity of DKK 5,602,079.

## Capital resources

The company has lost more than 50 % of the share capital and are therefore covered by the Danish Companies Act for capital resources.

The Company invested heavily in brand awareness through 2020-2021 which, along with operational efficiencies will improve future profitability. Furthermore, the brand has raised significant equity investments in 2022 and continues to do so throughout the first half of 2022.

The annual report is presented in the presumption of the company's future existence. The management of the company expects the level of activity to be strengthened which together with the significantly improved equity gives a strong basis for the future growth.

The management considers the capital resources sufficient for the company.

The Company has received a letter of support from Blazar ApS stating that they will extend existing loans to ensure that the Company will be able to meet its obligations. Further, loan extended to the Company from Blazar ApS will not be called unless the liquidity position of the Company is adequate to justify such repayment. The support letter is valid until 31 December 2022.

## Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## Income statement 1 January - 31 December

	Note	2021	2020
		DKK	DKK
<b>Gross profit</b>		<b>1,532,396</b>	<b>6,899,530</b>
Staff expenses	2	-15,959,587	-10,052,884
Depreciation and impairment losses of property, plant and equipment		0	-56,759
<b>Profit/loss before financial income and expenses</b>		<b>-14,427,191</b>	<b>-3,210,113</b>
Financial income		127,802	423,097
Financial expenses	3	-1,831,553	-1,236,997
<b>Profit/loss before tax</b>		<b>-16,130,942</b>	<b>-4,024,013</b>
Tax on profit/loss for the year	4	0	46,750
<b>Net profit/loss for the year</b>		<b>-16,130,942</b>	<b>-3,977,263</b>

## Distribution of profit

	2021	2020
	DKK	DKK
<b>Proposed distribution of profit</b>		
Retained earnings	-16,130,942	-3,977,263
	<b>-16,130,942</b>	<b>-3,977,263</b>



## Balance sheet 31 December

### Assets

	Note	2021	2020
		DKK	DKK
Deposits		0	108,000
<b>Fixed asset investments</b>		<b>0</b>	<b>108,000</b>
<b>Fixed assets</b>		<b>0</b>	<b>108,000</b>
Finished goods and goods for resale		21,025,701	13,569,049
Prepayments for goods		40,955	809,462
<b>Inventories</b>		<b>21,066,656</b>	<b>14,378,511</b>
Trade receivables		8,782,647	11,783,353
Receivables from group enterprises		165,173	118,553
Other receivables		0	50,000
Prepayments		990,277	2,381,893
<b>Receivables</b>		<b>9,938,097</b>	<b>14,333,799</b>
<b>Cash at bank and in hand</b>		<b>4,568,392</b>	<b>149,927</b>
<b>Current assets</b>		<b>35,573,145</b>	<b>28,862,237</b>
<b>Assets</b>		<b>35,573,145</b>	<b>28,970,237</b>

# Balance sheet 31 December

## Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital		135,217	115,459
Retained earnings		-5,737,296	4,399,091
<b>Equity</b>		<b>-5,602,079</b>	<b>4,514,550</b>
Other payables		5,000,000	5,000,000
<b>Long-term debt</b>	5	<b>5,000,000</b>	<b>5,000,000</b>
Credit institutions		6,773,701	3,213,128
Trade payables		16,206,908	12,226,505
Payables to group enterprises		7,246,677	565,871
Payables to owners and Management		1,338,133	0
Other payables	5	4,609,805	3,450,183
<b>Short-term debt</b>		<b>36,175,224</b>	<b>19,455,687</b>
<b>Debt</b>		<b>41,175,224</b>	<b>24,455,687</b>
<b>Liabilities and equity</b>		<b>35,573,145</b>	<b>28,970,237</b>
Going concern	1		
Contingent assets, liabilities and other financial obligations	6		
Accounting Policies	7		

## Statement of changes in equity

	Share capital	Share premium account	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	115,459	0	4,399,091	4,514,550
Cash capital increase	19,758	5,994,555	0	6,014,313
Net profit/loss for the year	0	0	-16,130,942	-16,130,942
Transfer from share premium account	0	-5,994,555	5,994,555	0
<b>Equity at 31 December</b>	<b>135,217</b>	<b>0</b>	<b>-5,737,296</b>	<b>-5,602,079</b>

# Notes to the Financial Statements

## 1. Going concern

The company has lost more than 50 % of the share capital and are therefore covered by the Danish Companies Act for capital resources.

The Company invested heavily in brand awareness through 2020-2021 which, along with operational efficiencies will improve future profitability. Furthermore, the brand has raised significant equity investments in 2022 and continues to do so throughout the first half of 2022.

The annual report is presented in the presumption of the company's future existence. The management of the company expects the level of activity to be strengthened which together with the significantly improved equity gives a strong basis for the future growth.

The management considers the capital resources sufficient for the company.

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	2021	2020
	DKK	DKK
<b>2. Staff Expenses</b>		
Wages and salaries	15,302,370	9,707,253
Pensions	154,327	0
Other social security expenses	367,616	214,819
Other staff expenses	135,274	130,812
	<u>15,959,587</u>	<u>10,052,884</u>
<b>Average number of employees</b>	<u>65</u>	<u>43</u>

The Company has provided warrant programmes for selected employees and executive management in Company. The number of warrants issued are 15,757 warrants (nominal share capital DKK 15,757). The exercise price has been determined individually for each warrant agreement.

The maturity period varies from 4-10 years from the time of granting and programmes have been granted from 2017.

Incentive programmes are not recognised in the Financial Statements.

## Notes to the Financial Statements

	2021	2020
	DKK	DKK
<b>3. Financial expenses</b>		
Interest paid to group enterprises	52,156	0
Other financial expenses	1,145,806	801,294
Exchange loss	633,591	435,703
	<u>1,831,553</u>	<u>1,236,997</u>

	2021	2020
	DKK	DKK
<b>4. Income tax expense</b>		
Current tax for the year	0	-46,750
	<u>0</u>	<u>-46,750</u>

### 5. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2021	2020
	DKK	DKK
<b>Other payables</b>		
After 5 years	5,000,000	5,000,000
Long-term part	5,000,000	5,000,000
Within 1 year	0	0
Other short-term payables	4,609,805	3,450,183
	<u>9,609,805</u>	<u>8,450,183</u>

	2021	2020
	DKK	DKK

### 6. Contingent assets, liabilities and other financial obligations

#### Charges and security

The following assets have been placed as security with bankers:

Mortgage deeds registered to the mortgagor totalling kDKK 10,000, providing security on trade receivables, inventory, intangible assets as well as property, plant and equipment at a total carrying amount of:	29,849,303	26,311,791
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# Notes to the Financial Statements

## Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Blazar ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

# Notes to the Financial Statements

## 7. Accounting policies

The Annual Report of Nordgreen ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in DKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

### Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

## Income statement

### Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

# Notes to the Financial Statements

## Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

## Other external expenses

Other external expenses comprise expenses for premises, sales and as well as office expenses, etc.

## Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

## Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

## Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

## Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

## Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Blazar ApS. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

# Balance sheet

## Other fixed asset investments

Other fixed asset investments consist of deposits.

## Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.



# Notes to the Financial Statements

## Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

## Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

## Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

## Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

## Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.