
Nordgreen ApS

Lindgreens Allé 9, st., DK-2300 København S

Annual Report for 2020

CVR No. 38 69 42 43

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 23/3 2021

Pascar Sivam
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Financial Statements of Nordgreen 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 at 31 December 2020 of the Company and of the results of the Company operations for 2020.

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.

København S, 23 March 2021

Executive Board

Pascar Sivam
CEO

Christopher Paul Day

Vasilij Brandt

Lars Kornbech

Independent Auditor's report

To the shareholder 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 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.

We have audited the Financial Statements of Nordgreen ApS for the financial year 1 January - 31 December 2020, 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the 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, 23 March 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Niels Henrik B. Mikkelsen

State Authorised Public Accountant

mne16675

Company information

The Company

Nordgreen ApS

Lindgreens Allé 9, st.
DK-2300 København S

CVR No: 38 69 42 43

Financial period: 1 January - 31 December

Incorporated: 29 May 2017

Financial year: 4th financial year

Municipality of reg. office: København

Executive board

Pascar Sivam
Christopher Paul Day
Vasilij Brandt
Lars Kornbech

Auditors

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 2020 shows a loss of DKK 4,002,263, and at 31 December 2020 the balance sheet of the Company shows positive equity of DKK 4,489,550. The negative net result was expected by management, as the primary focus in 2020 was revenue growth. The Company managed to grow its revenue by 225 %.

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	2020 DKK	2019 DKK
Gross profit/loss		6,899,530	1,563,649
Staff expenses	1	-10,052,884	-5,338,054
Depreciation and impairment losses of property, plant and equipment		-56,759	-11,542
Profit/loss before financial income and expenses		-3,210,113	-3,785,947
Financial income		423,097	18,945
Financial expenses		-1,236,997	-81,476
Profit/loss before tax		-4,024,013	-3,848,478
Tax on profit/loss for the year	2	46,750	64,953
Net profit/loss for the year		-3,977,263	-3,783,525

Distribution of profit

	2020 DKK	2019 DKK
Proposed distribution of profit		
Retained earnings	-3,977,263	-3,783,525
	-3,977,263	-3,783,525

Balance sheet 31 December

Assets

	Note	2020	2019
		DKK	DKK
Other fixtures and fittings, tools and equipment		0	37,651
Leasehold improvements		0	19,108
Property, plant and equipment	3	0	56,759
Deposits		108,000	108,000
Fixed asset investments		108,000	108,000
Fixed assets		108,000	164,759
Raw materials and consumables		14,378,511	5,267,632
Inventories		14,378,511	5,267,632
Trade receivables		11,783,353	5,310,094
Receivables from group enterprises		118,553	0
Other receivables		50,000	74,658
Corporation tax receivable from group enterprises		0	64,953
Prepayments		2,381,893	1,221,031
Receivables		14,333,799	6,670,736
Cash at bank and in hand		149,927	1,553,386
Current assets		28,862,237	13,491,754
Assets		28,970,237	13,656,513

Balance sheet 31 December

Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital		115,459	115,459
Other reserves		0	4,750
Retained earnings		4,399,091	8,371,604
Equity		4,514,550	8,491,813
Other payables		5,000,000	0
Long-term debt	4	5,000,000	0
Credit institutions		3,213,128	0
Trade payables		12,226,505	4,874,350
Payables to group enterprises		565,871	0
Other payables		3,450,183	290,350
Short-term debt		19,455,687	5,164,700
Debt		24,455,687	5,164,700
Liabilities and equity		28,970,237	13,656,513
Contingent assets, liabilities and other financial obligations	5		
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Statement of changes in equity

	Share capital	Other reserves	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	115,459	4,750	8,371,604	8,491,813
Transfers, reserves	0	-4,750	4,750	0
Net profit/loss for the year	0	0	-3,977,263	-3,977,263
Equity at 31 December	115,459	0	4,399,091	4,514,550

Notes to the Financial Statements

	2020	2019
	DKK	DKK
1. Staff Expenses		
Wages and salaries	9,707,253	5,097,865
Other social security expenses	214,819	80,895
Other staff expenses	130,812	159,294
	<u>10,052,884</u>	<u>5,338,054</u>
 Average number of employees	 <u>43</u>	 <u>17</u>

	2020	2019
	DKK	DKK
2. Income tax expense		
Current tax for the year	-46,750	0
Adjustment of tax concerning previous years	0	-64,953
	<u>-46,750</u>	<u>-64,953</u>

3. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	<u>47,995</u>	<u>31,848</u>
Cost at 31 December	<u>47,995</u>	<u>31,848</u>
 Impairment losses and depreciation at 1 January	 10,344	 12,740
Depreciation for the year	37,651	19,108
Impairment losses and depreciation at 31 December	<u>47,995</u>	<u>31,848</u>
 Carrying amount at 31 December	 <u>0</u>	 <u>0</u>
 Amortised over	 <u>3 years</u>	 <u>4 years</u>

Notes to the Financial Statements

4. 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:

	<u>2020</u>	<u>2019</u>
	DKK	DKK
Other payables		
After 5 years	5,000,000	0
Long-term part	5,000,000	0
Other short-term payables	3,450,183	290,350
	<u>8,450,183</u>	<u>290,350</u>
	<u>2020</u>	<u>2019</u>
	DKK	DKK

5. 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:	26,311,791	7,758,356
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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

6. Accounting policies

The Annual Report of Nordgreen ApS for 2020 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 2020 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/loss

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.

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 Arnstedt Holding ApS. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3 years
Leasehold improvements	4 years

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

If so, the asset is written down to its lower recoverable amount.

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

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.

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

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