

Oterra Operations ApS

Agern Allé 24, 2970 Hørsholm

CVR no. 41953810

Annual report 1 September 2022 - 31 August 2023

Approved at the Company's annual general meeting on 27 February 2024

Chair of the meeting:

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Cecilie Dohn



Contents

Statement by Management	2
Independent auditor's report	3
Management's review	5
Financial statements 1 September – 31 August 2023	6
Income statement	6
Balance sheet	7
Statement of changes in equity	9
Notes	10

Statement by Management

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Oterra Operations ApS for the financial year 1 September 2022 - 31 August 2023.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 August 2023 and of the results of the Company's operations for the financial year 1 September 2022 - 31 August 2023.

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

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

27 February 2024
Executive Board:

.....
Martin Sonntag

Board of Directors:

.....
Cornelis de Jong

Chair

.....
Mads Munkholt Ditlevsen

Vice chair

.....
Christoffer Erik Mathies
Lorenzen

.....
Xiangwei Gong

.....
Nils Philipp Ketter

.....
Thijs William Bakker

Independent auditor's report

To the shareholders of Oterra Operations ApS

Opinion

We have audited the financial statements of Oterra Operations ApS for the financial year 1 September 2022 – 31 August 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 August 2023 and of the results of the Company's operations for the financial year 1 September 2022 – 31 August 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and 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 note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

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

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 27 February 2024

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Torben Bender
State Authorised
Public Accountant
mne21332

Mads Vinding
State Authorised
Public Accountant
mne42792

Management's review

Principal activities

The company's objective is to perform sales activities on behalf of the Oterra Group.

Development in activities and financial matters

The income statement for 2022/23 shows a profit for the year of EUR 109 thousand (2021/22: A profit of EUR 70 thousand).

The Company's result is affected by the transfer pricing agreement with Oterra A/S.

Events after the balance sheet date

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

Financial statements 1 September – 31 August 2023

Income statement

EUR thousands	Note	Sep 1, 2022 – Aug 31, 2023	Sep 1, 2021 – Aug 31, 2022
Revenue		3,362	2,671
Gross profit		3,362	2,671
Distribution costs	2, 3	(2,692)	(2,534)
Operating income/(loss) (EBIT)		670	137
Financial income	4	27	30
Financial expenses	5	(562)	(86)
Income/(loss) before tax		135	81
Income taxes		(26)	(11)
Income/(loss) for the year		109	70
Proposed distribution of Result			
Transferred to equity reserves		109	70

Financial statements 1 September – 31 August 2023

Balance sheet

EUR thousands	Note	2023 Aug	2022 Aug
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	6	786	1,068
Total intangible assets		786	1,068
Property, plant, and equipment			
Land and buildings	7	-	35
Plant and machinery		-	1
Fixtures and fittings, other plant, and equipment		127	222
Total property, plant, and equipment		127	258
Total non-current assets		913	1,326
Current assets			
Deferred tax asset	8	6	-
Trade receivables		31	9
Receivables from group entities		2,256	1,348
Other receivables		252	239
Prepayments		7	15
Cash and cash equivalents		183	202
Total current assets		2,676	1,813
Total assets		3,648	3,139

Financial statements 1 September – 31 August 2023

Balance sheet

EUR thousands	Note	2023 Aug	2022 Aug
EQUITY AND LIABILITIES			
Equity			
Share capital		5	5
Other reserves		52	(17)
Retained earnings		198	89
Total equity		255	77
Non-current liabilities	9		
Lease liabilities		27	95
Total non-current liabilities		27	95
Current liabilities			
Lease liabilities		89	127
Trade payables		16	95
Payables to group entities		2,539	2,328
Corporation tax payables		38	16
Other payables		684	401
Total current liabilities		3,366	2,967
Total liabilities		3,393	3,062
Total equity and liabilities		3,648	3,139

- 1 Accounting policies
- 10 Contractual obligations and contingencies, etc.
- 11 Related parties

Financial statements 1 September – 31 August 2023

Statement of changes in equity

EUR thousands	Share Capital	Other reserves	Retained earnings	Total equity
Equity at September 1, 2021	5	-	19	24
Transferred; see distribution of result	-	-	70	70
Foreign exchange adjustments	-	(17)	-	(17)
Equity at August 31, 2022	5	(17)	89	77
Equity at September 1, 2022	5	(17)	89	77
Transferred; see distribution of result	-	-	109	108
Foreign exchange adjustments	-	69	-	69
Equity at August 31, 2023	5	52	198	255

Financial statements 1 September – 31 August 2023

Notes

1 Accounting policies

The annual report of Oterra Operations ApS for the financial year has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in euros (EUR), as the Company's most significant transactions are settled in EUR.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables, and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The company applies IFRS 15 for recognition and measurement of revenue.

Income from the sale of goods is recognized in revenue when the most significant rewards and risks have been transferred to the buyer and provided that the income can be measured reliably, and payment is expected to be received.

Revenue consists of recharge income following the cost-plus setup.

Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc. carried out in the year, including costs related to sales staff, advertising, exhibitions and amortisation/depreciation. Sales and marketing costs are recognised in the income statement when the Company obtains control of the sales or marketing product.

Financial income and expenses

Finance income and expenses comprise income and expenses related to interest and foreign exchange rate adjustments.

Accounting policies (continued)

Amortisation and depreciations

Finance income and expenses comprise income and expenses related to interest and foreign exchange rate adjustments.

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment. The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight-line basis over the expected useful life. The expected useful lives of the assets are as follows:

Goodwill	10 years
Buildings	25–50 years
Plant and machinery	5-20 years
Fixtures and fittings, other plant, and equipment	3-10 years

Land is not depreciated.

Tax

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

Balance sheet

Intangible assets

On initial recognition, intangible assets are measured at cost.

Acquired goodwill is subsequently measured at cost less accumulated amortization. Goodwill is amortized on a straight-line basis over 10 years. Goodwill is amortized over 10 years as the expected useful life cannot be assessed.

Property, plant, and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

The company has chosen IFRS 16 as interpretation for classification and recognition of leases.

Lease assets are "right-of-use assets", which is a contract or part of a contract that conveys the leasee's right to use an asset for a period of time.

Right-of-use assets are initially measured as the present value of future fixed lease payments plus upfront payments and/or other initial direct costs incurred, less any lease incentives received. If, on the inception of the lease, it is reasonably certain that an extension or purchase option will be exercised, future lease payments will be included.

Lease liabilities are measured using the Company's average incremental borrowing rate.

Lease assets are classified alongside owned assets of a similar type under "Property, plant and equipment".

Lease assets are depreciated using the straight-line method over the lease term. Lease assets are tested when there is an indication of impairment. Oterra Operation ApS' portfolio of leases includes buildings and cars.

Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

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

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

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash.

Corporation tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on taxable income in previous years and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net assets are measured at net realisable values.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in tax rates are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Financial statements 1 September 2022 – 31 August 2023

Notes

2 Staff costs

EUR thousands	Sep 1, 2022 - Aug 31, 2023	Sep 1, 2021 - Aug 31, 2022
Wages/salaries	(1,816)	(1,529)
Pensions	(122)	(27)
Other social security costs	(260)	(228)
	(2,198)	(1,784)

Staff costs are recognised as follows in the financial statements:

Sales and marketing	(2,198)	(1,784)
	(2,198)	(1,784)

Average number of full-time employees	19	20
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3 Amortisation and depreciation of intangible assets and property, plant and equipment

Amortisation of intangible assets	(104)	(124)
Depreciation of property, plant and, equipment	(88)	(155)
	(192)	(279)

Amortisation and depreciation of intangible assets and property, plant and equipment are recognised as follows in the financial statements:

Sales and marketing	(192)	(279)
	(192)	(279)

4 Financial income

Exchange rate adjustments	27	30
	27	30

5 Financial expenses

EUR thousands	Sep 1, 2022 - Aug 31, 2023	Sep 1, 2021 - Aug 31, 2022
Interest expenses, group entities	(128)	(44)
Interest expenses, lease liabilities	-	(2)
Exchange rate adjustments	(413)	(20)
Other financial expenses	(20)	(20)
	(561)	(86)

6 Intangible assets

EUR thousands	Goodwill
Cost at 1 September 2022	1,243
Foreign exchange rate adjustments	(198)
Cost at 31 August 2023	1,045
Impairment losses and amortisation at 1 September 2022	(175)
Foreign exchange rate adjustments	25
Amortisation for the year	(104)
Adjustment to prior years	(5)
Impairment losses and amortization at 31 August 2023	(259)
Carrying amount at 31 August 2023	786

7 Property, plant and, equipment

EUR thousands	Land and buildings	Plant and machinery	Fixtures and fittings, other plant, and equipment	Total
Cost at 1 September 2022	118	2	367	487
Adjustment to prior years	(19)	-	(33)	(52)
Foreign exchange rate adjustments	(2)	-	(31)	(33)
Disposals	-	-	(8)	(8)
Cost at 31 August 2023	97	2	295	394
Impairment losses and depreciation at 1 September 2022	(83)	(1)	(145)	(229)
Adjustment to prior years	-	-	32	32
Foreign exchange rate adjustments	2	-	16	18
Depreciation for the year	(16)	(1)	(71)	(88)
Impairment losses and depreciation at 31 August 2023	(97)	(2)	(168)	(267)
Carrying amount at 31 August 2023	-	-	127	127
Hereof leases	-	-	127	127

8 Current assets

Out of the Company's total current assets, no receivables fall due for payment after more than one year after the balance sheet date.

9 Non-current liabilities

Of the long-term liabilities, EUR 0 falls due for payment after more than 5 years after the balance sheet date.

10 Contractual obligations and contingencies, etc.

The company is jointly taxed with its Parent company Spring TopCo DK ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of Danish corporation taxes for the income year 2021 onwards.

11 Related parties

Oterra Operations ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Oterra Holding ApS	Agern Allé 24 2970 Hørsholm, Denmark	Parent entity

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Oterra Holding ApS	Agern Allé 24 2970 Hørsholm, Denmark	www.cvr.dk