

Oterra Operations ApS

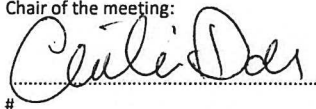
Agern Alle 24, 2970 Hørsholm

CVR no. 41 95 38 10

Annual report 17 December 2020 - 31
August 2021

Approved at the Company's annual general meeting on ^{11 February} 2022

Chair of the meeting:


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Oterra™

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Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Oterra Operations ApS for the financial year 17 December 2020 – 31 August 2021.

The annual report has been 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 2021 and of the results of its operations for the financial year 17 December 2020 – 31 August 2021.

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.

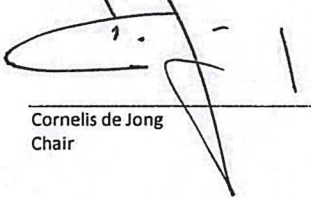
11 February 2022

Executive Board:



Odd Erik Hansen

Board of Directors:



Cornelis de Jong
Chair

Mads Munkholt Ditlevsen
Vice

~~Wicaya Villos~~
Xianwei Gong

Christoffer Erik Mathies Lorenzen

Anne Louise Eberhard

Carl Martin Borchert

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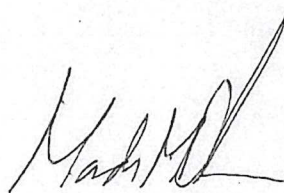
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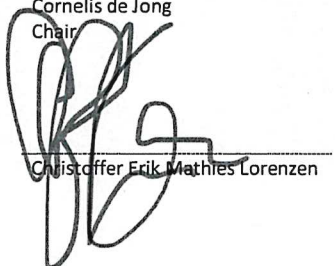
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Wizaya Vilas
Xiangwei Gong

Christoffer Erik Mathies Lorenzen

Anne Louise Eberhard

M. Li
Carl Martin Borchert

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 17 December 2020 – 31 August 2021, 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 2021 and of the results of the Company's operations for the financial year 17 December 2020 – 31 August 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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.

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.

Independent auditor's report

- ▶ 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.

11 February, 2022
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 2020/21 shows a result before tax of KEUR 25. It is the first accounting period for the company.

The Company's income/loss is affected by the cost-plus agreement (costs plus a mark-up of 5%) with its immediate parent 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.

Outlook

For 2021/22, the Company expects increasing income/loss, hence also an increase in equity.

Financial statements 17 December 2020 – 31 August 2021

Income statement

Note	EUR'000	2021
	Revenue	1,116
	Gross result	1,116
2	Sales and marketing expenses	(1,071)
	Operating result (EBIT)	45
3	Financial expenses	(20)
	Result before tax	25
	Tax for the year	(6)
	Result for the year	19
	Proposed distribution of result	
	Dividend for the financial year	-
	Transferred to equity reserves	19
		19

Financial statements 17 December 2020 – 31 August 2021

Balance sheet

Note	EUR'000	<u>2021</u>
	ASSETS	
	Non-current assets	
	Intangible assets	
	Goodwill	1,616
		<u>1,616</u>
	Tangible assets	
4	Property, plant and equipment	362
	Total non-current assets	<u>1,978</u>
	Current assets	
	Receivables	
	Receivables from group entities	795
	Other receivables	143
	Prepayments	42
		<u>980</u>
	Cash	154
	Total current assets	<u>1,134</u>
	TOTAL ASSETS	<u>3,112</u>

Financial statements 17 December 2020 – 31 August 2021

Balance sheet

Note	EUR'000	<u>2021</u>
	EQUITY AND LIABILITIES	
	Equity	
	Share capital	5
	Retained earnings	<u>19</u>
	Total equity	<u>24</u>
	Non-current liabilities	
	Lease liabilities	123
	Payables to group entities	<u>1,928</u>
	Total non-current liabilities	<u>2,051</u>
	Current liabilities	
	Lease liabilities	205
	Trade payables	79
	Payables to group entities	378
	Tax payables	6
	Other payables	<u>369</u>
	Total current liabilities	<u>1,037</u>
	Total liabilities	<u>3,088</u>
	TOTAL EQUITY AND LIABILITIES	<u>3,112</u>

- 1 Accounting policies
- 5 Contingent liabilities
- 6 Collateral
- 7 Related parties

Financial statements 17 December 2020 – 31 August 2021

Statement of changes in equity

EUR'000	Share capital	Retained earnings	Total
Equity at 17 December 2020	5	-	5
Transferred; see distribution of result	-	19	19
Equity at 31 August 2021	5	19	24

Financial statements 17 December 2020 – 31 August 2021**Notes****1 Accounting policies**

The annual report of Oterra Operations ApS for 2020/21 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.

Pursuant to section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements. The financial statements of Oterra Operations ApS and its group entities are included in the consolidated financial statements of Spring TopCo DK ApS.

Reporting currency

The financial statements are presented in Euros (EUR'000).

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 has chosen IAS 11/IAS 18 as interpretation for classification and recognition of revenue. Revenue consists of commission income and cost reimbursement.

Income from the sale of goods is recognised 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.

Sales and marketing expenses

Sales and marketing expenses comprise primarily staff expenses relating to sales and marketing personnel. Amortization of goodwill is also included.

Tax for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the result for the year is recognised in the income statement, and the tax expense relating to amounts recognised directly in equity is recognised directly in equity. The tax expense recognised in the income statement relating to the extraordinary result for the year is allocated to this item, whereas the remaining tax expense is allocated to the result for the year from ordinary activities.

Balance sheet**Intangible assets**

On initial recognition, intangible assets are measured at cost.

Acquired goodwill is subsequently measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over 10 years. Goodwill is amortised 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 less any accumulated impairment charges. Property, plant and equipment in progress are measured at cost. Cost comprises expenses for materials, other expenses directly related to making the asset ready for use, and re-establishment expenses, provided that a corresponding provision is made at the same time. Borrowing costs in respect of construction of assets are capitalized when it takes more than 12 months for the assets to be ready for use.

The useful lives of the individual groups of assets are estimated as follows:

- Buildings 25-50 years
- Plant and machinery 5-20 years
- Other fixtures and equipment 3-10 years

Land and property, plant and equipment in progress are not depreciated.

Depreciation is provided on a straight-line basis.

Gains and losses on the disposal of property, plant and equipment are recognized in the income statement under other operating income and other operating expenses.

Leases

The Company has chosen IAS 17 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 lessee's right to use an asset for a period of time. Lease 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 Oterra Group'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.

Short-term leases and leases of low value are recognized as expenses in the income statement on a straight-line basis over the lease term.

Oterra's portfolio of leases includes land, buildings, cars, and equipment.

Receivables

Receivables are measured at amortized cost, usually equalling nominal value less provisions for bad and doubtful debts. The provisions are based on a specific assessment of the individual receivable.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Corporation tax and deferred tax

Current tax liabilities and receivables are recognized in the balance sheet at the amounts calculated on the taxable income for the year, adjusted for tax on taxable incomes for prior years and for taxes paid on account.

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

Liabilities other than provisions

Financial liabilities comprising amounts payable to trade payables and payables to group entities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Amortized cost is calculated as the original cost less instalments plus/less the accumulated amortization of the difference between cost and nominal value. Losses and gains on loans are thus allocated over the term so that the effective interest rate is recognized in the income statement over the loan period. Financial liabilities are derecognized when settled.

The portion of the debt maturing after one year is recognized as non-current debt and the remainder as current debt.

Financial liabilities also include the capitalised residual lease commitment in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements 17 December 2020 – 31 August 2021

Notes

2 Production, research and development costs, sales, marketing and administrative expenses as well as other operating income and other operating expenses

Staff expenses

Production, research and development costs, sales, marketing, and administrative expenses, and other operating income and expenses include wages and salaries etc, which are distributed as follows:

EUR'000	2020/21
Wages and salaries	612
Pensions	21
Other social security costs	91
	<u>724</u>
Average number of full-time employees	<u>19,4</u>

Depreciation and amortisation

Depreciation and amortization are included in production, research and development costs and sales, marketing and administrative expenses and are distributed as follows:

Sales and marketing expenses	134,394
	<u>134,394</u>

3 Financial expenses

Interest expenses to Group companies	17
Interest expenses	1
Interest on lease liabilities	1
Foreign exchange losses	1
Total	<u>20</u>

5 Contingent liabilities

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.

Financial statements 17 December 2020 – 31 August 2021

Notes

6 Collateral

The Company has provided an absolute guarantee of EUR 57,627 thousand for Oterra Holding ApS.

7 Related parties

Oterra Operations ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Oterra Holding ApS	Agern Alle 24 2970 Hørsholm, Denmark	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Spring TopCo DK ApS	Agern Alle 24 2970 Hørsholm, Denmark	www.cvr.dk