

# **Medion Nordic A/S**


**Virkeholm 3B, 1., 2730 Herlev**

**Company reg. no. 79 55 47 15**

## **Annual report**

**1 April 2021 - 31 March 2022**

The annual report was submitted and approved by the general meeting on the 20 June 2022.



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**Flemming Dalager Nielsen**  
Chairman of the meeting

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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 statement

Today, the Board of Directors and the Managing Director have approved the annual report of Medion Nordic A/S for the financial year 1 April 2021 - 31 March 2022.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2022 and of the results of the Company's operations for the financial year 1 April 2021 - 31 March 2022.

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

We recommend that the annual report be approved at the Annual General Meeting.

Herlev, 20 June 2022

**Managing Director**



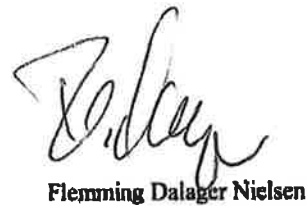
Flemming Dalager Nielsen  
CEO

**Board of directors**

Markus Möbes  
Chairman



Nicole Bilke



Flemming Dalager Nielsen

## **Independent auditor's report**

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### **To the Shareholders of Medion Nordic A/S**

#### **Opinion**

We have audited the financial statements of Medion Nordic A/S for the financial year 1 April 2021 - 31 March 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under 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 March 2022, and of the results of the Company's operations for the financial year 1 April 2021 - 31 March 2022 in accordance with the Danish Financial Statements Act.

#### **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.

#### **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 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 judgment and maintain professional skepticism throughout the audit. We also:

## **Independent auditor's report**

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- 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.

### **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.

## **Independent auditor's report**

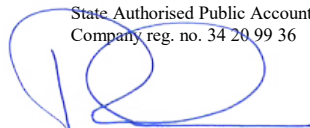
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Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material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

Copenhagen, 20 June 2022

### **Grant Thornton**

State Authorised Public Accountants  
Company reg. no. 34 20 99 36



**Per Lundahl**

State Authorised Public Accountant  
mne27832

## Company information

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### The company

Medion Nordic A/S  
Virkeholm 3B, 1.  
2730 Herlev

Phone +45 70200111  
Fax +45 70234233  
Web site [www.medion.com](http://www.medion.com)

Company reg. no. 79 55 47 15  
Established: 5 December 1985  
Domicile: Herlev  
Financial year: 1 April - 31 March

### Board of directors

Markus Möbes, Chairman  
Nicole Bilke  
Flemming Dalager Nielsen

### Managing Director

Flemming Dalager Nielsen, CEO

### Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab  
Stockholmsgade 45  
2100 København Ø

### Parent company

Medion AG  
Am Zehnthof 77, 45307 Essen, Germany

## **Management's review**

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### **The principal activities of the company**

The company's purpose is to sell a retail and wholesale of goods as well as export business within the radio-, TV- and computerbusiness as well as various services in connection with the marketing of the company's products.

### **Development in activities and financial matters**

The revenue for the year totals DKK 4.117.625 against DKK 4.211.185 last year. Income from ordinary activities after tax totals DKK 471.372 against DKK 898.486 last year. The management considers the net profit for the year satisfactory.

### **Events occurring after the end of the financial year**

No events have occurred after the balance sheet date to this date which would influence the evaluation of the annual report.



## **Accounting policies**

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The annual report for Medion Nordic A/S 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.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

## **Accounting policies**

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Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or writedown for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

### **Income statement**

#### **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**

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

#### **Other external costs**

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.

## **Accounting policies**

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### **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.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

## **Statement of financial position**

### **Receivables**

Receivables are measured at amortised cost, which usually corresponds to nominal value.

To counter expected losses, writedown is done to net realisable value. The enterprise will be applying IFRS 9 as the basis of interpretation for the recognition of impairment of financial assets, meaning that an expected loss must be included at initial recognition of the receivable.

### **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.

### **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.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

## **Accounting policies**

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Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Medion Nordic A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

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.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

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 April - 31 March

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All amounts in DKK.

<u>Note</u>	<u>2021/22</u>	<u>2020/21</u>
Revenue	4.117.625	4.211.185
Costs of raw materials and consumables	-833.575	-725.691
Other external costs	-982.182	-792.799
<b>Gross profit</b>	<b>2.301.868</b>	<b>2.692.695</b>
1 Staff costs	-1.600.630	-1.599.634
Depreciation and impairment of property, land, and equipment	0	-1.293
<b>Operating profit</b>	<b>701.238</b>	<b>1.091.768</b>
Other financial income	14.615	73.659
2 Other financial costs	-111.073	-9.583
<b>Pre-tax net profit or loss</b>	<b>604.780</b>	<b>1.155.844</b>
3 Tax on net profit or loss for the year	-133.408	-257.358
<b>Net profit or loss for the year</b>	<b>471.372</b>	<b>898.486</b>
<b>Proposed appropriation of net profit:</b>		
Transferred to retained earnings	471.372	898.486
<b>Total allocations and transfers</b>	<b>471.372</b>	<b>898.486</b>

**Balance sheet at 31 March**

All amounts in DKK.

<b>Assets</b>		
<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Current assets</b>		
Trade receivables	98.520	55.526
Receivables from group enterprises	284.668	246.108
Other receivables	138.028	172.179
Prepayments and accrued income	15.026	14.409
Total receivables	<u>536.242</u>	<u>488.222</u>
Cash on hand and demand deposits	<u>3.449.386</u>	<u>3.728.454</u>
<b>Total current assets</b>	<b><u>3.985.628</u></b>	<b><u>4.216.676</u></b>
<b>Total assets</b>	<b><u>3.985.628</u></b>	<b><u>4.216.676</u></b>

**Balance sheet at 31 March**

All amounts in DKK.

<b>Equity and liabilities</b>	2022	2021
<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Equity</b>		
Contributed capital	500.000	500.000
Retained earnings	2.627.093	2.155.721
<b>Total equity</b>	<b>3.127.093</b>	<b>2.655.721</b>
<b>Liabilities other than provisions</b>		
Trade payables	162.181	171.934
Payables to group enterprises	185.181	569.907
Income tax payable	133.408	257.642
Other payables	377.765	561.472
Total short term liabilities other than provisions	858.535	1.560.955
<b>Total liabilities other than provisions</b>	<b>858.535</b>	<b>1.560.955</b>
<b>Total equity and liabilities</b>	<b>3.985.628</b>	<b>4.216.676</b>

**4 Contingencies****5 Related parties**

**Statement of changes in equity**

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All amounts in DKK.

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 April 2021	500.000	2.155.721	2.655.721
Retained earnings for the year	0	471.372	471.372
	<b>500.000</b>	<b>2.627.093</b>	<b>3.127.093</b>



## Notes

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All amounts in DKK.

	<u>2021/22</u>	<u>2020/21</u>
<b>1. Staff costs</b>		
Salaries and wages	1.506.250	1.486.032
Pension costs	89.836	91.793
Other costs for social security	4.544	21.809
	<u><b>1.600.630</b></u>	<u><b>1.599.634</b></u>
Average number of employees	<u>2</u>	<u>2</u>
<b>2. Other financial costs</b>		
Other financial costs	111.073	9.583
	<u><b>111.073</b></u>	<u><b>9.583</b></u>
<b>3. Tax on net profit or loss for the year</b>		
Tax on net profit or loss for the year	133.408	257.642
Adjustment of deferred tax for the year	0	-284
	<u><b>133.408</b></u>	<u><b>257.358</b></u>
<b>4. Contingencies</b>		
<b>Contingent liabilities</b>		
Rent and leasing liabilities:		
The company has entered into operational leasing contracts with an average annual leasing payment of T.DKK 108. The leasing contracts have 8 months left to run, and the total outstanding leasing payment is T.DKK 72.		
The company has entered into a rent contract, where the rent obligation can be estimated to T.DKK. 110.		

### Joint taxation

With Lenovo (Danmark) ApS, company reg. no 28511345 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

## Notes

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All amounts in DKK.

### 4. Contingencies (continued)

#### Joint taxation (continued)

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

### 5. Related parties

The company is included in the consolidated annual accounts of Medion AG, Am Zehnthof 77, Essen, Germany