

## **Kriswell A/S**

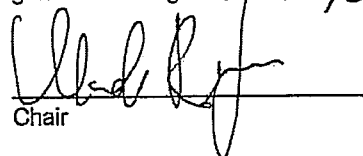
Knudstrupvej 10 C, Laurbjerg  
8870 Langå

Company registration (CVR) no. 15 38 69 40

## **Annual report**

January 1 - December 31, 2015  
(24th financial year)

Approved at the company's annual  
general meeting on 27 May 2016

  
Chair

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## Management's statement

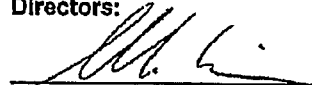
The board and directors hereby present the annual report for 2015 for Kriswell A/S.

- The annual report has been reported in accordance with the Danish Financial Statements Act.
- The annual accounts provide an accurate picture of the company's assets and liabilities, as well as its financial situation and results.

The annual report is submitted for approval by the general meeting.

Langå, 26/5 - 2016

**Directors:**



Flemming Sahner Martinsen

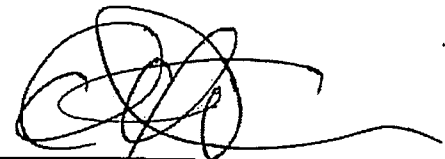
**The board:**



Christine Marie Robins



Bobby Stephen Dean



~~David Oliver Smith~~

IAN RAICTON

## **The independent auditor's statements**

### **To the shareholders of Kriswell A/S**

#### **Report on the annual accounts**

We have audited the annual accounts for Kriswell A/S for the financial year January 1 - December 31, 2015, which comprises applied accounting policy, profit and loss statement, balance, cash flow statement and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

#### **Management's responsibility for the annual accounts**

Management is responsible for preparing the annual accounts that provide an accurate picture in accordance with the Danish Financial Statements Act. Management is also responsible for the internal controls that the management regards as being necessary for preparing the annual accounts with no significant incorrect information, regardless of whether this is due to fraud or error.

#### **The responsibility of the auditor**

Our responsibility is to state a conclusion regarding the annual accounts on the basis of our audit. We have completed our audit in accordance with international standards on auditing and further requirements in accordance with Danish auditing legislation. This requires that we comply with the ethical requirements, as well as plan and carry out the audit to achieve a high degree of certainty that the annual accounts have no significantly incorrect information.

An audit comprises the carrying out of audit processes in order to obtain audit evidence for amounts and information in the annual accounts. The audit processes chosen depend on the auditor's assessment, including an assessment of the risks of significantly incorrect information in the annual accounts, regardless of whether this is due to fraud or errors. When assessing risks, the auditor considers internal controls, which are relevant for the preparation of the company's annual accounts, which give a true and fair picture. The purpose of this is to prepare audit processes that are appropriate to the situation, but not draw a conclusion about the efficiency of the company's internal control. An audit also includes an assessment of whether the management's choice of accounting practices is appropriate, whether the management's accounting estimates are reasonable, and the total presentation of the annual accounts.

It is our opinion that the audit evidence achieved is sufficient and appropriate as the basis for our conclusion.

The audit has not given rise to any reservations.

#### **Conclusion**

It is our opinion that the annual report provides an accurate picture of the company's assets, liabilities and financial situation as of December 31, 2015, as well as of the result of the company's activities for the financial year of January 1, 2015 - December 31, 2015 in accordance with the Danish Financial Statements Act.

**Statement on the management's review**

In accordance with the Danish Financial Statements Act, we have reviewed the management's review. We have not taken further action in addition to the audit of the annual accounts that has taken place. On this basis it is our opinion that the information in the management's review is in accordance with the information in the annual accounts

Randers, on 20/5 2016

**The accountancy firm**  
**Bjerre, Møller Pedersen & Bering**

  
Lars Bjerre  
Registered public accountant, FSR – Danish Auditors

## **Management's review**

### **Significant activities**

The primary activity of the company is the production and trade of outdoor barbecue grills and accessories. The company's products are sold in Denmark and the rest of Europe.

### **The development of activities and financial conditions.**

Also in 2015, the company continued to have a positive, stable development with an increasing net turnover. The increased demand has result in the hiring of more personnel in the organization.

Due to the rapidly increasing dollar exchange rate, the result was less than in 2014.

### **The year's result compared to the expected development**

The year's result is DKK 6,690K. Management expected a result that was greater than that of 2014 due to the significantly increasing turnover.

The deviation is due to the increasing dollar exchange rate, a larger organization and higher marketing costs.

### **Significant events after the end of the financial year**

No significant events have taken place after the end of the financial year that change the statements in the annual report.

### **The expected developments**

Management expects that the stable, positive development will continue.

Management expects a result that is greater than that of 2015 due to continually increasing turnover.

Because the company has developed a strong product range, as well as a larger organization and more marketing activities, it is expected that the positive development can continue in 2016.

### **Special risks**

There are no special business or financial risks.

However, the weather plays an important role, especially in the Scandinavian market.

### **Knowledge resources of special significance for future profits**

The company's policy continues to be product development. Therefore, it is crucial that the company is capable of maintaining a strong product development department, also in the future.

**Insurance and development**

The company develops products and processes on an ongoing basis. No actual re-search is carried out.

**Effect on the external environment**

The company complies with legal environmental requirements. The management has continued to focus on the effects on the external environment during the financial year.

**Five-year main and key figures**

(Main figures in thousands of DKK)

	2015	2014	2013	2011/12	2010/11
				16 months	
Results of ordinary primary operations	9,022	16,279	5,716	179	7,808
Result of financial entries	-217	-63	-11	-43	-235
Result of extraordinary entries	0	0	0	0	0
The year's result	6,690	12,221	4,288	4	5,677
Balance sum	117,773	78,598	62,175	29,997	39,661
Equity	26,272	17,713	4,892	604	600
Investments in tangible fixed assets	745	304	572	0	230
Profit ratio	6%	15%	8%	0%	14%
Return on capital employed	9%	28%	18%	1%	25%
Equity share	22%	23%	8%	2%	2%
Return on equity	48%	262%	710%	1%	0%

## **Applied accounting policy**

### **Basis of accounting**

The annual report is presented in accordance with reporting class C (medium) of the Danish Financial Statements Act.

The applied accounting policy is unchanged with regard to the previous financial year.

In accordance with section 32 of the Danish Financial Statements Act, certain items have been included in the calculation of the profit and loss account for an item called gross profit or gross loss.

These are the distinctive features of the applied accounting policy:

### **General information about factoring in and measurements**

Income is factored into the profit and loss statement as it is earned. Likewise, costs, including write-offs and devaluations, for realizing this year's earnings are factored in.

Assets are factored into the balance when it is likely that future financial benefits will go to the company and the value of the assets can be measured accurately.

Obligations are factored into the balance when it is likely that future financial resources will leave the company and the value of the obligations can be measured accurately.

At the first recognition, assets and liabilities are measured at cost price. Subsequently, assets and liabilities are measured as described for each separate item of account below.

At inclusion and measurement, any profits, losses and risks arising before the annual report is presented are considered, as well as any of these that confirm or disprove any conditions present at the balance sheet date.

### **Conversion of foreign currency**

Transactions in foreign currencies are converted to the exchange rate of the transaction date. Any currency differences that occur between the exchange rate on the transaction date and the exchange rate of the payment date is factored into the profit and loss account under turnover and cost of sales.

Accounts receivable or payable, as well as other monetary items in foreign currency that have not been settled on the balance sheet date, are calculated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of emergence of the accounts receivable or payable is factored into the profit and loss account under turnover and cost of sales.

## **PROFIT AND LOSS ACCOUNT**

### **Gross profit or gross loss**

Gross profit or gross loss have been included in the net turnover, cost of sales and other external costs entries.

### **Net turnover**

The net turnover is factored into the profit and loss statement if delivery and the passing of risk to the purchaser have taken place before the end of the financial year. Net



turnover is factored in excluding VAT and fees, and with the deduction of any given discounts in connection with the sale.

#### **Cost of sales**

Cost of sales comprises the year's purchase of materials and consumables with the deduction of any given discounts and the year's postponed products on stock.

#### **Other external costs**

Other external costs comprise sales, operation of motor vehicles, rooms and administration.

#### **Personnel costs**

Personnel costs comprise salaries and wages, including holiday pay and pensions, as well as other costs for social security with the deduction of any refunding from the authorities.

#### **Tax on the year's result**

Tax on the year's result includes the year's current tax as well as adjustments of provisions for deferred tax. The part of the year's tax that can be ascribed to the year's result is factored into the profit and loss account, while the part that can be ascribed to movements directly on the equity is factored in under the equity.

#### **Other financial costs**

Other financial costs include interest.

#### **Tax on the year's result**

Tax on the year's result includes the current tax and the year's adjustments of provisions for deferred tax. Current tax is calculated based on the year's result before tax, corrected for non-taxable income and costs.

For calculating the year's tax, a tax percent of 23.5 is used, and for deferred tax, a tax percent of 22.0 is used.

#### **Tangible fixed assets**

Fixed assets are measured as cost with the accumulated depreciations deducted.

Straight-line depreciations are made based on an assessment of individual useful life of the assets. The estimated residual value after useful life of the assets has ended is not included in the basis for depreciation.

	Useful life	Residual value
Furnishing of rented premises	5-20 years	DKK 0
Production facilities and machines	10 years	DKK 0
Tools	5 years	DKK 0
Vehicles and office inventory	3-5 years	DKK 0

Fixed assets are reduced to the recoverable amount if it is lower than the account-related value. Profits or losses related to the sale of fixed assets are factored into the "Profit and loss statement" and are specified in the notes.

**Financial fixed assets**

Financial fixed assets, which are rent deposits, are measured according to cost price.

**Inventories**

Inventories are measured at cost price or net realizable value if the latter is lower. The inventories' cost price includes all costs that can be directly related to the acquisition. The cost price for produced products and products being produced are also included in indirect production costs (IPOs), including indirect materials and salary, as well as deductions for fixed assets used in production.

**Accounts receivable**

Accounts receivable for sales and services are calculated at nominal value reduced by write-offs to counter the expected loss.

**Unrealized forward exchange transactions**

Unrealized forward exchange transactions are calculated at market value at the end of the financial year.

**Liabilities - general**

Liabilities are calculated at nominal outstanding debt. Where the raising of a loan involves significant exchange losses or exchange gains, the debt is calculated at the amortized cost price.

Corporation tax and other non-financial obligations are measured at net realization value.

**The cash flow statement**

The cash flow statement shows the company's cash flow divided into operations activities and financing activities. The year's deferred cash and cash equivalents and cash and cash equivalents at the start and end of the year are also shown.

- **Cash flow from operations** comprises the result adjusted for entries without effect on cash flow, changes in working capital and paid corporation tax.
- **Cash flow from investments** comprises the purchase and sales of intangible, tangible and financial fixed assets.
- **Cash flow from financing** comprises taking out loans, paying off debts and profits to the members of the company.
- **Cash and cash equivalents** comprise cash and cash equivalents in hand.

**Key figures in the management's review**

Key figures are calculated as follows:

$$\text{Profit ratio} = \frac{\text{Results of ordinary primary operations} \times 100}{\text{Net turnover}}$$

$$\text{Return on capital employed} = \frac{\text{Results of ordinary primary operations} \times 100}{\text{Average operative assets}}$$

$$\text{Equity share} = \frac{\text{Equity interest, end} \times 100}{\text{Total liabilities, end}}$$

$$\text{Equity interest} = \frac{\text{Change of equity} \times 100}{\text{Equity, beginning}}$$

- Result of ordinary primary operations:  
The result before the financial entries, extraordinary entries and tax.
- Operative assets:  
Total assets minus cash and cash equivalents, other interest-bearing assets (including shares) and capital shares in subsidiary and associated companies.

**Profit and loss statement for the period of January 1 - December 31, 2015**

Notes	2015	2014
<b>Gross profit</b>	<b>19.429.708</b>	<b>24.455.496</b>
1 Personnel costs	<u>-10.165.294</u>	<u>-7.981.593</u>
<b>Result before write-downs</b>	<b>9.264.414</b>	<b>16.473.903</b>
Write-offs and write-downs of fixed assets	<u>-241.739</u>	<u>-194.860</u>
<b>Result before financial entries</b>	<b>9.022.675</b>	<b>16.279.043</b>
2 Other financial incomes	0	9.383
3 Other financial costs	<u>-217.571</u>	<u>-71.959</u>
<b>Ordinary result before tax</b>	<b>8.805.104</b>	<b>16.216.467</b>
Tax on the year's result	<u>-2.115.462</u>	<u>-3.995.865</u>
<b>The year's result</b>	<b><u>6.689.642</u></b>	<b><u>12.220.602</u></b>
<b>Distribution of net profit</b>		
Retained earnings	6.689.642	
Total distribution of net profit	<b><u>6.689.642</u></b>	

**Balance as of December 31, 2015**

Notes	2015	2014
<b>ASSETS</b>		
<b>4 Tangible fixed assets</b>		
Furnishing of rented premises	607.240	284.883
Production facilities and machines, as well as tools	619.686	385.775
Vehicles and office inventory	59.903	112.501
	<u>1.286.829</u>	<u>783.159</u>
<b>Financial fixed assets</b>		
<b>5 Other securities and equity holdings</b>	3.510.889	3.960.889
	<u>3.510.889</u>	<u>3.960.889</u>
<b>TOTAL FIXED ASSETS</b>	<u>4.797.718</u>	<u>4.744.048</u>
<b>Inventories</b>		
Raw materials and consumables	649.111	956.419
Products in production	12.279.971	12.301.437
Produced products and commodities	70.488.925	43.824.718
Prepayments for goods	3.964.220	1.150.760
	<u>87.382.227</u>	<u>58.233.334</u>
<b>Accounts receivable</b>		
Receivables from sales and services	20.489.098	13.245.664
Unrealized forward exchange transactions	2.469.385	600.343
Deferred tax asset	587.465	23.167
Other accounts receivable	954.442	854.283
<b>6 Prepayments and accrued income</b>	457.687	152.369
	<u>24.958.077</u>	<u>14.875.826</u>
<b>Cash at bank and in hand</b>	<u>634.624</u>	<u>744.731</u>
<b>TOTAL CURRENT ASSETS</b>	<u>112.974.928</u>	<u>73.853.891</u>
<b>TOTAL ASSETS</b>	<u>117.772.646</u>	<u>78.597.939</u>

**Balance as of December 31, 2015**

Notes	2015	2014
<b>LIABILITIES</b>		
<b>7 EQUITY CAPITAL</b>		
8 Share capital	600.000	600.000
Unrealized forward exchange transactions	2.469.385	600.343
Retained earnings	23.202.180	16.512.539
	<u>26.271.565</u>	<u>17.712.882</u>
<b>SHORT-TERM LIABILITIES</b>		
Debts to financial institutions	1.738.534	101.146
Debts to parent company	30.342.593	30.342.593
Suppliers of goods and services	56.019.919	25.750.459
Corporation tax	2.291.760	3.909.911
Other payables	1.108.275	780.948
	<u>91.501.081</u>	<u>60.885.057</u>
<b>TOTAL LIABILITIES</b>	<u>117.772.646</u>	<u>78.597.939</u>

- 9 Related parties
- 10 Ownership
- 11 Charged assets and collateral securities
- 12 Contingent liabilities

**Cash flow balance as of December 31, 2015**

	<b>2015</b>	<b>2014</b>
Cash flow from operations activities	-1.452.087	-21.100.575
Cash flow from investment activities	-295.409	-304.462
Cash flow from financing activities	<u>1.637.388</u>	<u>401.611</u>
Change of cash and cash equivalents	-110.108	-21.003.426
Cash and cash equivalents as of January 1	<u>744.731</u>	<u>21.748.157</u>
<b>Cash and cash equivalents as of December 31</b>	<b><u>634.623</u></b>	<b><u>744.731</u></b>

## Notes

<b>1 Personnel costs</b>			
Salary	9.171.025	6.845.229	
Pensions	909.233	662.391	
Other expenses for social security	85.036	473.973	
	<u>10.165.294</u>	<u>7.981.593</u>	
Of which payment to the directors is comprised	<u>1.556.891</u>	<u>694.639</u>	
Average number of employees	<u>28</u>	<u>22</u>	
<b>2 Other financial incomes</b>			
Other financial incomes	0	9.384	
	<u>0</u>	<u>9.384</u>	
<b>3 Other financial costs</b>			
Other financial costs	217.572	71.959	
	<u>217.572</u>	<u>71.959</u>	
<b>4 Tangible fixed assets</b>			
	<b>Furnishing of Rented rooms</b>	<b>Production activities and machines And tools</b>	<b>Cars and office stock</b>
Cost price January 1	155.583	2.425.198	327.981
Year's gain	177.162	29.900	97.400
Cost price December 31	<u>332.745</u>	<u>2.455.098</u>	<u>425.381</u>
Write-offs January 1	8.847	1.965.366	261.992
The year's write-offs	40.015	103.957	50.888
Write-offs December 31	<u>48.862</u>	<u>2.069.323</u>	<u>312.880</u>
Account-related value December 31	<u>283.883</u>	<u>385.775</u>	<u>112.501</u>
Of which the leased assets comprise	<u>0</u>	<u>0</u>	<u>0</u>



## Notes

### 5 Other securities and equity holdings

	Rent deposits
Cost price January 1	3.960.889
Departure	450.000
Cost price December 31	<u>3.510.889</u>
Cost price January 1	0
The year's write-ups	0
Write-ups December 31	<u>0</u>
Account-related value December 31	<u>3.510.889</u>

### 6 Prepayments and accrued income

Prepaid expenses and accrued revenue under assets comprises prepaid rent and insurance.

### 7 Statement of changes in equity

	Transferred profit
January 1	17.112.538
The year's result	6.689.642
December 31	<u>23.802.180</u>
Unrealized forward exchange transactions	2.469.385
Share capital	600.000
Total equity	<u>26.871.565</u>

### 8 Share capital, 2015

Number of shares, no.	6.000
Nominal value per share:	100
Total	<u>600.000</u>

The share capital is not divided into different classes of shares.

## **Notes**

### **9 Related parties with determinative influence**

The principal shareholder is:  
Char-Broil, LLC  
P.O. Box 1240  
Columbus, GA 31904  
USA

### **10 Ownership**

Shareholders who own at least five percent of the voting rights or at least five percent of Share capital

Char-Broil, LLC  
P.O. Box 1240  
Columbus, GA 31904  
USA

### **11 Charged assets and collateral securities**

None.

### **12 Contingent liabilities**

The company has entered into rental agreements with a yearly rent of DKK 1,275,000 with a remaining irrevocability period until January 1 2019.

The company has entered into a machine rental agreement with a yearly rent of DKK 600,000 a time to maturity of three years.