
Kellfri ApS

Trigevej 20, DK-8382 Søften

Annual Report for 1 January - 31 December 2019

CVR No 29 40 45 69

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 31/3 2020

Carl-Axel Svensson
Chairman

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Management's Statement

The Executive Board has today considered and adopted the Annual Report of Kellfri ApS for the financial year 1 January 31 December 2019.

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 2019 of the Company and of the results of the Company operations for 2019.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Søften, date 31 March 2020

Management

Carl-Axel Svensson

Alexander Larsen

Independent auditor's report

To the shareholder of Kellfri ApS

Opinion

We have audited the financial statements of Kellfri ApS for the financial year 1 January - 31 December 2018, 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 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 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.

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, 31 March 2020
ERNST & YOUNG
Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

Anders Flymer-Dindler
State Authorised Public Accountant
mne35423

Company Information

The Company

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Website: kellfri.dk

CVR No: 29 40 45 69

Financial period: 1 January 31 December

Financial year: 12th financial year

Municipality of reg. office: Middelfart

Executive Board

Carl-Axel Svensson
Alexander Larsen

Auditors

Ernst & Young Godkendt Revisionspartnerselskab
Dirch Passers Alle 36
DK-2000 Frederiksberg

Lawyers

Advokatfirman Glimstedt
Kungsgatan 42
403 14 Göteborg

Bankers

Nordea Bank Danmark A/S
Strandgade 3
1401 København K

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Gross profit		1 536 584	1 479 440
Staff expenses	1	-955 860	-963 848
Profit before financial income and expenses		580 724	515 591
Financial income	2	27 866	8 903
Financial expenses	3	<u>11</u>	<u>-406</u>
Profit before tax		608 600	524 088
Tax on profit for the year	4	<u>-133 885</u>	<u>-115 346</u>
Net profit for the year		<u>474 715</u>	<u>408 742</u>

Distribution of profit

Proposed distribution of profit

Proposed dividend for the year	0	600 000
Retained earnings	<u>474 715</u>	<u>-191 258</u>
	<u>474 715</u>	<u>408 742</u>

Balance Sheet 31 December

Assets

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Fixed assets			
Other receivables		<u>99 582</u>	<u>139 582</u>
		<u>99 582</u>	<u>139 582</u>
Total fixed assets		<u>99 582</u>	<u>139 582</u>
Non-fixed Assets			
Trade receivables		393 450	822 733
Receivables from group enterprises		2 908 153	3 425 781
Corporation tax		0	11 334
Prepayments		<u>54 726</u>	<u>43 675</u>
Receivables		<u>3 356 329</u>	<u>4 303 523</u>
Total non-fixed assets		<u>3 356 329</u>	<u>4 303 523</u>
Total assets		<u>3 455 911</u>	<u>4 443 105</u>

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Share capital		125 000	125 000
Retained earnings		1 708 687	1 233 972
Proposed dividend for the year		<u>0</u>	<u>600 000</u>
Equity	5	<u>1 833 687</u>	<u>1 958 972</u>
Provisions			
Deferred tax		<u>8 568</u>	<u>5 627</u>
Total Provisions		<u>8 568</u>	<u>5 627</u>
Liabilities			
Current liabilities other than provisions			
Prepayments received from customers		62 549	14 562
Trade payables		60 548	148 524
Payables to group enterprises		699 571	1 342 172
Corporation tax		38 944	0
Other payables		<u>752 044</u>	<u>973 248</u>
		<u>1 613 656</u>	<u>2 478 506</u>
Total liabilities		<u>1 613 656</u>	<u>2 478 506</u>
Total equity and liabilities		<u>3 455 911</u>	<u>4 443 105</u>
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Notes to the financial statements

	<u>2019</u> DKK	<u>2018</u> DKK
1 Staff expenses		
Wages and salaries	879 902	875 948
Pensions	69 192	81 368
Other social security expenses	<u>6 766</u>	<u>6 532</u>
	<u>955 860</u>	<u>963 848</u>
 Average number of employees	 <u>2</u>	 <u>2</u>
 2 Financial income		
Interest received from group enterprises	0	0
Other financial income	<u>27 866</u>	<u>8 903</u>
	<u>27 866</u>	<u>8 903</u>
 3 Financial expenses		
Other financial expenses	<u>-11</u>	<u>406</u>
	<u>-11</u>	<u>406</u>
 4 Tax on profit/loss for the year		
Current tax for the year	130 944	116 666
Deferred tax for the year	<u>2 941</u>	<u>-1 320</u>
	<u>133 885</u>	<u>115 346</u>

Notes to the financial statements

5 Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Proposed dividend for the year</u>	<u>Total</u> DKK
Equity at 1 January	125 000	1 233 972	600 000	1 958 972
Paid dividend			-600 000	-600 000
Net profit/loss for the year	<u>0</u>	<u>474 715</u>	<u>0</u>	<u>474 715</u>
Equity at 31 December	<u>125 000</u>	<u>1 708 687</u>	<u>0</u>	<u>1 833 687</u>

The share capital consists of 1,000 shares of a nominal value of DKK 125. No shares carry any special rights.

6 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Company has concluded leases with an annual rent of 19 669 118 015

The lease is regulated once every year (1/1 each year), for 2020 the increase is 3% and is terminable at six months' notice. The company has terminated the lease and the last lease period will be February 2020. The rent during the interminable period amounts to DKK 0.

7 Related parties

Consolidated Financial Statements

The Company's immediate parent company is Kellfri AB, and the Company's ultimate parent company is Volati AB, which prepares consolidated financial statements in which the Company is included as a subsidiary.

The Group Report of Volati AB can be obtained from the below address:

Volati AB, Engelbrektsplan 1, 114 34 Stockholm, Sweden
www.volati.se

8 Main activity

The Company's object is to carry on trade. The result and economic development of the company fulfilled the expectations and is considered to be satisfactory.

9 Subsequent events

The Covid 19 pandemic is expected to have a significant impact on the company. However, it is too early to determine to what extent and we do not believe that our industry is one of the most affected.

Notes to the financial statements

10 Accounting policies

The Annual Report of Kellfri ApS for 2019 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.

Financial Statements for 2019 are presented in DKK.

Recognition and measurement

Revenues are recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized cost is recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognized in the income statement.

Assets are recognized 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 recognized 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.

Certain financial assets and liabilities are measured at amortized cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortized cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortization of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

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 recognized in financial income and expenses in the income statement.

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 recognized in financial income and expenses in the income statement.

Accounting Policies

Income Statement

Gross profit

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Revenue from the sale of goods is recognized 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 recognized exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the enterprise.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses other than production wages.

Amortization, depreciation and impairment losses

Amortization, depreciation and impairment losses comprise amortization, depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realized and unrealized exchange adjustments as well as extra payments and repayment under the on account taxation scheme.

Tax on profit 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 recognized in the income statement, whereas the tax attributable to equity transactions is recognized directly in equity.

Accounting Policies

Balance Sheet

Impairment of fixed assets

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

If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount. If so, the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Investments

Deposits are measured at the lower of amortized cost and net realizable value. Where cost exceeds the net realizable value, write-down is made to the lower value.

Receivables

Receivables are measured in the balance sheet at the lower of amortized cost and net realizable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Prepayments

Prepayments comprise prepaid expenses relating to the following financial year.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Accounting Policies

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realized, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallize as current tax. Any changes in deferred tax due to changes to tax rates are recognized in the income statement or in equity if the deferred tax relates to items recognized in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognized 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 recognized in the income statement in financial income and expenses.

Financial debts

Other debts are measured at amortized cost, substantially corresponding to nominal value.