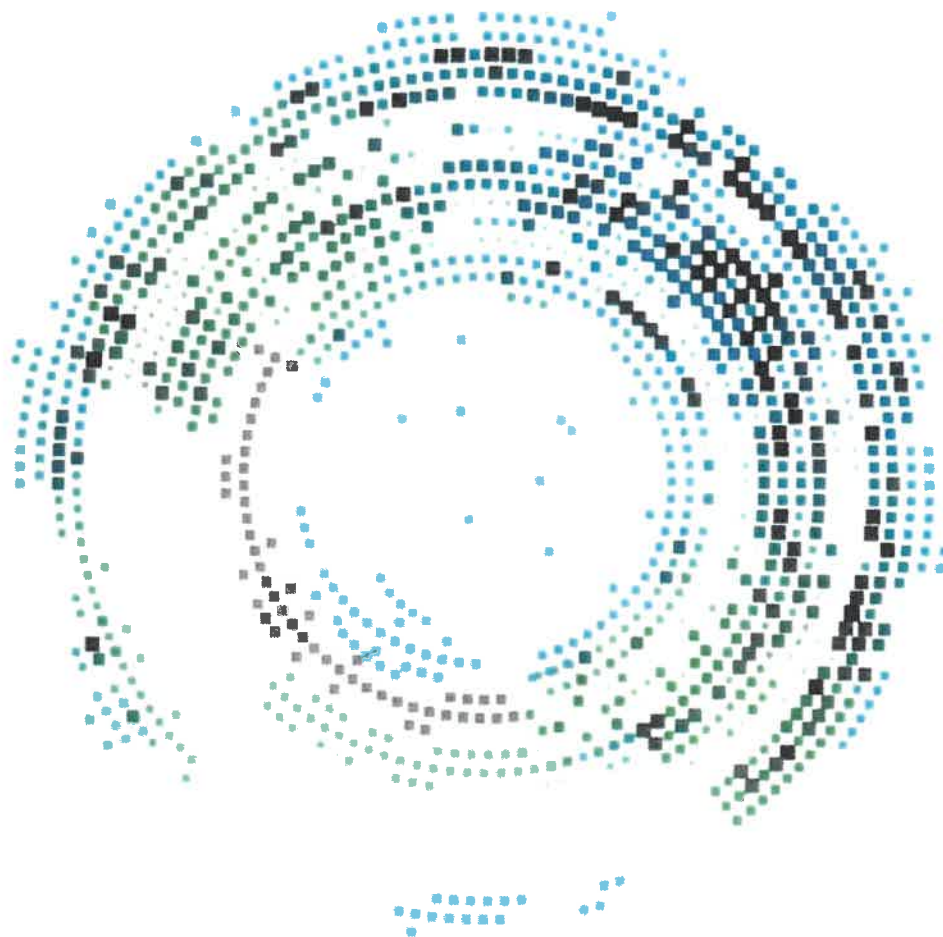


Deloitte.



WATERLOGIC DANMARK ApS

Lene Høus Vej 10,
7430 Bøst
CVR No. 33271529

Annual report 2019

The Annual General Meeting adopted the
annual report for 30.09.2020.

Erik Christoffer Berggren
Chairman of the General Meeting

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Entity details

Entity

WATERLOGIC DANMARK ApS

Lene Haus Vej 10

7430 Ikast

CVR No.: 32271529

Date of foundation: 19.06.2009

Registered office: Ikast-Brande

Financial year: 01.01.2019 - 31.12.2019

Executive Board

Nils Evert Mattias Källemyr, CEO

Erik Christoffer Berggren, direktør

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

Statement by Management

The Executive Board have today considered and approved the annual report of WATERLOGIC DANMARK ApS for the financial year 01.01.2019 - 31.12.2019.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Ikast, 30.09.2020

Executive Board



Nils Evert Mattias Källemyr
CEO



Erik Christoffer Berggren
direktør

Independent auditor's extended review report

To the shareholder of WATERLOGIC DANMARK ApS

Conclusion

We have performed an extended review of the financial statements of WATERLOGIC DANMARK ApS for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with 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 commentary.

Copenhagen, 30.09.2020

Deloitte Statsautoriseret Revisionspartnerselskab

CVR No. 33963556



Flemming Larsen

State Authorised Public Accountant

Identification No (MNE) mne27790

Management commentary

Primary activities

The Company's most significant activities are the production, sale and service of drinking water coolers, juice coolers and icing machines and thus the related business

Development in activities and finances

The result for the year is as expected and satisfactory.

Events after the balance sheet date

The consequences of Covid-19, in which the government has decided to "close down Denmark", are expected to have an impact on the result in 2020. Thus, the revenue has been affected by the close down.

Management considers the consequences of Covid-19 to be an event that has occurred after the balance sheet date of 31 December 2019 and therefore has no impact on the financial statements for 2019 (non-regulatory event). To mitigate the effects of Covid-19, the Company has temporarily closed parts of the service and installation business as well as parts of the sales and administration department. Affected employees have been sent home with pay and compensation has been sought under state assistance schemes. The changed operation will negatively affect the company's revenue and profit in 2020 in relation to realized revenue and profit in 2019. It is not possible at this stage to make a reliable assessment of the effect. Management considers that it is adequately prepared to provide liquidity.

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

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		2,302,543	3,924,178
Staff costs	3	(1,583,699)	(4,312,186)
Depreciation, amortisation and impairment losses		(174,970)	(239,989)
Operating profit/loss		543,874	(627,997)
Other financial income		144,785	13,686
Other financial expenses		(26,881)	(17,926)
Profit/loss before tax		661,778	(632,237)
Tax on profit/loss for the year	4	(145,591)	90,027
Profit/loss for the year		516,187	(542,210)
Proposed distribution of profit and loss			
Retained earnings		516,187	(542,210)
Proposed distribution of profit and loss		516,187	(542,210)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Other fixtures and fittings, tools and equipment		575,544	551,563
Property, plant and equipment		575,544	551,563
Deposits		44,400	44,400
Other financial assets		44,400	44,400
Fixed assets		619,944	595,963
Manufactured goods and goods for resale		1,488,759	1,115,881
Inventories		1,488,759	1,115,881
Trade receivables		292,603	772,124
Receivables from group enterprises		2,370,916	0
Deferred tax		45,107	190,698
Other receivables		0	465
Prepayments		147,345	83,229
Receivables		2,855,971	1,046,516
Cash		2,097,928	1,798,757
Current assets		6,442,658	3,961,154
Assets		7,062,602	4,557,117

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		125,000	125,000
Share premium		1,147,268	1,147,268
Retained earnings		(32,767)	(548,954)
Equity		1,239,501	723,314
Other payables		44,826	0
Non-current liabilities other than provisions		44,826	0
Trade payables		338,737	214,367
Payables to group enterprises		2,228,505	834,542
Other payables		3,019,533	1,700,406
Deferred income		191,500	1,084,488
Current liabilities other than provisions		5,778,275	3,833,803
Liabilities other than provisions		5,823,101	3,833,803
Equity and liabilities		7,062,602	4,557,117
Going concern	1		
Events after the balance sheet date	2		
Unrecognised rental and lease commitments	5		
Contingent liabilities	6		
Group relations	7		

Statement of changes in equity for 2019

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125,000	1,147,268	(548,954)	723,314
Profit/loss for the year	0	0	516,187	516,187
Equity end of year	125,000	1,147,268	(32,767)	1,239,501

Notes

1 Going concern

The parent company has issued a letter of comfort and guaranteed financial support for the next 12 months.

2 Events after the balance sheet date

The consequences of Covid-19, in which the government has decided to "close down Denmark", are expected to have an impact on the result in 2020. Thus, the revenue has been affected by the close down.

Management considers the consequences of Covid-19 to be an event that has occurred after the balance sheet date of 31 December 2019 and therefore has no impact on the financial statements for 2019 (non-regulatory event). To mitigate the effects of Covid-19, the Company has temporarily closed parts of the service and installation business as well as parts of the sales and administration department. Affected employees have been sent home with pay and compensation has been sought under state assistance schemes. The changed operation will negatively affect the company's revenue and profit in 2020 in relation to realized revenue and profit in 2019. It is not possible at this stage to make a reliable assessment of the effect. Management considers that it is adequately prepared to provide liquidity.

3 Staff costs

	2019	2018
	DKK	DKK
Wages and salaries	1,448,067	4,042,854
Pension costs	85,086	211,189
Other social security costs	50,546	58,143
	1,583,699	4,312,186

Average number of employees for 2019 is 6 (2018: 7)

4 Tax on profit/loss for the year

	2019	2018
	DKK	DKK
Change in deferred tax	145,591	(116,027)
Adjustment concerning previous years	0	26,000
	145,591	(90,027)

5 Unrecognised rental and lease commitments

	2019	2018
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	1,264,355	1,264,355

6 Contingent liabilities

There is a pledge in one of the Company's cars of DKK 550 thousand.

7 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Waterlogic Norge AS, Postboks 14, 1421 Trollåsen, Norway

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Property, plant and equipment**

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-10 years
--	------------

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.