

**ANNUAL REPORT**

**1. January 2021 - 31. December 2021**

**STATE DRINKS APS**

**Hauser Plads 10  
1127 København K**

**CVR-NO. 36 07 80 49**

**7. Financial year**

The Annual Report was presented and  
adopted by the Annual General Meeting  
5. April 2022

Michael Christian Stig Iuul  
Chairman of the meeting

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Please note that Danish decimal and digit grouping symbols have been used in the Annual Report.

**The Company:**

State Drinks ApS  
Hauser Plads 10  
1127 København K

**Board of Directors:**

Michael Christian Stig Iuul  
Michael Gjeldstrup Stenskrog  
Anders Marcus  
Kim Sandal Have  
Peter Thor Munck Birkmand

**Executive Board:**

Kim Sandal Have  
Jon Volf Andersen  
Danni Møgelvang Rasmussen

**Auditors:**

Lægård Revision  
Statsautoriseret revisionsfirma  
Østerbrogade 62  
2100 København Ø

Today the Board of Directors and the Executive Board presented the Annual Report for 2021 for State Drinks ApS.

The Annual Report has been presented in accordance with the Danish Financial Statements Act.

We find the accounting policies applied appropriate, and the Annual Report therefore provides a true and fair view of the Company's assets, liabilities and equity, financial position and results of the company. In our opinion, the Management's Review includes a true and fair description of the matters mentioned in the review.

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

København, 18. March 2022.

**Executive Board:**

\_\_\_\_\_  
Kim Sandal Have

\_\_\_\_\_  
Jon Volf Andersen

\_\_\_\_\_  
Danni Møgelvang Rasmussen

**Board of Directors:**

\_\_\_\_\_  
Michael Christian Stig Iuul  
(chairman)

\_\_\_\_\_  
Michael Gjeldstrup Stenskrog

\_\_\_\_\_  
Anders Marcus

\_\_\_\_\_  
Kim Sandal Have

\_\_\_\_\_  
Peter Thor Munck Birkmand

**To the shareholders of State Drinks ApS.**

## **DECLARATION OF EXTENDED REVIEW OF THE FINANCIAL STATEMENTS**

### **Conclusion:**

We have performed an extended review of the Financial Statements of State Drinks ApS for the financial year 1. January 2021 - 31. December 2021, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies, for the Company. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 31. December 2021 and of the results of the Company's operations for the financial year 1. January 2021 - 31. December 2021 in accordance with the Danish Financial Statements Act.

### **Basis for conclusion:**

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### **Emphasis of matter**

Without modifying our conclusion, we must draw attention to note 2 in the Financial Statements, where the management explains the uncertainty regarding recognized deferred tax assets.

### **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.

**Management's Responsibilities for the Financial Statements, continued:**

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.

**Practitioner's responsibilities for the extended review of the financial statements**

Our responsibility is to express an opinion on the Financial Statements. This requires that we plan and perform actions in order to obtain limited assurance of our conclusion on the Financial Statements and in addition perform specifically required additional actions in order to obtain additional assurance of our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

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

**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 extended review 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.

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.

København, 18. March 2022.  
Lægård Revision, CVR-No. 18 43 70 82  
State Authorised Public Accountants

Kurt Lægård  
State Authorised Public Accountant  
MNE-No. mne15013

**Principal activity:**

The purpose of State Drinks ApS is development, marketing and sale of energy drinks.

The company's competencies and knowledge are used for the development of energy drinks, which are composed and adapted for an optimal physical and mental effect, and, depending on the purpose of the individual energy drink, positioned and marketed in continuation thereof.

**Developments in the company's activities and conditions:**

In 2021, substantial investments continued in marketing and sales activities in Denmark with the aim of increasing awareness and sales, and during the same period, investments were made and focused on building exports.

This resulted in a very satisfactory revenue growth of more than 60% compared to the financial year 2020.

The result for the period exceeded the budget expectations and was at the same time a significant improvement compared to the financial year 2020.

The company continues to work with the development of new products and still expects large revenue growth in the financial year 2022.

During the financial year 2021, the company implemented capital increases for use in the company's continued expansion.

The company is fully aware of the societal challenges associated with the climate challenges and global warming, and works continuously to ensure greater sustainability in its products, as well as in development and production, where work is done to ensure as much recycled plastic as possible in the company's plastic bottles.

**Uncertainty in recognition and measurement, including conditions after the closing of the financial statements:**

The company has capitalized deferred tax of DKK 4.315.871 as a result of unutilized tax losses that can be used to offset future taxable profits. Reference is made to the notes in the financial statements for a description of the uncertainty associated with the measurement of deferred tax.



The annual report of State Drinks ApS for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act regarding reporting medium-sized class B enterprises.

The significant areas of the accounting policies, which are presented using the same policies as last year, are mentioned below.

### **GENERALLY REGARDING RECOGNITION AND MEASUREMENT**

Income is recognised in the Income Statement as earned, including value adjustments of financial assets and liabilities. Likewise, all expenses including depreciation and amortisation which are due to changes in estimated amounts previously recognised in the Income Statement, are recognised in the Income Statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and when the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that the future economic benefits will flow out of the Company and when the measurement of the value of the liability is reliable.

On initial recognition, assets and liabilities are recognised at cost. Subsequently, assets and liabilities are measured as described below for each item.

Allowances are made for predictable losses and risks that arise before the presentation of the Annual Report and that confirm or invalidate circumstances that existed at the balance sheet date.

The carrying value of the tangible fixed assets, are reviewed annually to determine, if there are any indication of impairment, besides what is determined as normal depreciation. If this is the case, the assets will be written down to its recoverable amount.

### **THE INCOME STATEMENT:**

#### **Gross profit and loss:**

Gross profit and loss includes net sales and other operating income less inventory consumption and other external costs.

#### **Net revenue:**

Net revenue from the sale of merchandise and finished goods is recognized in the income statement if delivery and transfer of risk to the buyer has taken place before the end of the year. Net revenue is recognised less VAT and taxes and with the deduction of any discounts granted in connection with the sale.

**Cost of sales:**

Cost of sales includes costs incurred to achieve net sales for the year. Including direct and indirect costs for raw materials and consumables.

**Other operating income or other operating expenses:**

Other operating income or other operating expenses comprises items of a secondary activity, including profit and losses on sale of intangible and tangible fixed assets.

**Other external costs:**

Other external costs include costs relating to sale, administration and premises.

**Staff costs:**

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Reimbursements received from public authorities are deducted from staff costs.

**Financials:**

Financial income and costs are recognised in the income statement, with the amounts concerning the financial year.

**Tax on results for the year:**

Tax on results for the year which comprises current tax and changes in deferred tax is recognised in the Income Statement with the portion of taxes related to the taxable income for the year whereas the portion attributable to entries on equity is recognised directly in equity.

**ASSETS:****Tangible fixed assets:**

Tangible fixed assets are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less expected residual value after the end of the asset's life.

**Tangible fixed assets, continued:**

Cost includes the purchase price, as well as expenses directly attributable to the acquisition, up until the moment the asset is ready to be commissioned.

Assets are depreciated under the straight-line method over the expected useful lives of the assets and the scrap value:

	<u>Operating time</u>	<u>Scrap value</u>
Fixed assets	5 years	0%

Small assets are recognised as costs in the Income Statement in the year of acquisition.

Profits and losses arising from disposal of plant and equipment are stated as the difference between the selling price less the selling costs and the carrying amount of the asset at the time of the disposal. Profits and losses are recognised in the Income Statement in other operating income or other operating expenses.

**Financial assets:**

Deposits are measured at amortized cost, which normally corresponds to the nominal value.

**Inventories:**

Inventories are measured at cost on basis of "first in - first out" (FIFO) accounting. If the net realisable value is lower than cost, write-down is provided to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes cost of raw materials, consumables, direct payroll cost and direct production cost.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

**Receivables:**

Receivables are measured at amortised cost which usually equals nominal value. The value will be adjusted to meet expected losses.

**Cash funds:**

Cash equivalents consist of bank deposits and cash. Cash and cash equivalents are carried at fair value.

**LIABILITIES:****Tax payable and deferred tax:**

Current tax liabilities and current tax receivable are recognised in the balance sheet as tax calculated on the taxable income for the year adjusted for tax on previous years' taxable income and taxes paid on account/prepaid.

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

Deferred tax assets including the tax value of tax loss carryforwards, are measured at the expected realisable value, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured on the basis of the tax rules and tax rates that will apply with the legislation on the balance sheet date, when the deferred tax is expected to be triggered as current tax. Changes in deferred tax as a result of changes in tax rates are recognized in the income statement.

For the current year, a tax rate of 22% has been applied.

**Liabilities:**

Liabilities concerning debts to suppliers and other debts are measured at amortised cost which usually corresponds to the nominal value.

Note	2021	2020
GROSS PROFIT	5.617.723	3.690.630
1 Staff costs	-5.026.779	-3.408.445
EARNINGS CONTRIBUTION	590.943	282.186
Depreciation	-73.501	-73.501
EARNINGS BEFORE INTEREST & TAX (EBIT)	517.443	208.685
Financial income	5.900	5.035
Financial expenses	-20.317	-128.719
PROFIT/LOSS BEFORE TAX	503.026	85.000
Tax on profit for the year	-111.076	-19.084
<b>PROFIT/LOSS AFTER TAX</b>	<b>391.950</b>	<b>65.916</b>
PROPOSED DISTRIBUTION OF PROFIT		
Retained earnings	391.950	65.916
<b>TOTAL DISTRIBUTION</b>	<b>391.950</b>	<b>65.916</b>

**BALANCE SHEET AS AT 31. DECEMBER 2021**  
**ASSETS**

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Note	31/12 2021	31/12 2020
Other fixtures and fittings.	86.703	160.203
<b>TANGIBLE ASSETS</b>	<b>86.703</b>	<b>160.203</b>
Other receivables	50.653	49.177
<b>FINANCIAL ASSETS</b>	<b>50.653</b>	<b>49.177</b>
<b>FIXED ASSETS</b>	<b>137.355</b>	<b>209.381</b>
Work in progress	698.922	259.335
Manufactured goods and goods for resale	1.430.523	1.018.877
<b>INVENTORY</b>	<b>2.129.444</b>	<b>1.278.212</b>
Receivables from sales and services	5.170.591	2.287.285
2 Deferred Tax	4.315.871	4.426.947
Other receivables	749.935	0
Prepayments	0	62.500
<b>RECEIVABLES</b>	<b>10.236.397</b>	<b>6.776.732</b>
<b>CASH AND CASH EQUIVALENTS</b>	<b>7.773.820</b>	<b>3.624.923</b>
<b>CURRENT ASSETS</b>	<b>20.139.661</b>	<b>11.679.867</b>
<b>TOTAL ASSETS</b>	<b>20.277.017</b>	<b>11.889.248</b>

**BALANCE SHEET AS AT 31. DECEMBER 2021**  
**LIABILITIES**

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Note	31/12 2021	31/12 2020
Contributed capital	230.650	203.880
Retained earnings	14.794.213	8.057.069
<b>EQUITY</b>	<b>15.024.863</b>	<b>8.260.949</b>
3 Other long-term liabilities	157.539	157.539
<b>LONG-TERM LIABILITIES OTHER THAN PROVISIONS</b>	<b>157.539</b>	<b>157.539</b>
Suppliers of goods and services	2.447.924	1.233.065
Other short-term payables	2.646.690	2.237.695
<b>SHORT-TERM LIABILITIES</b>	<b>5.094.614</b>	<b>3.628.299</b>
<b>LIABILITIES</b>	<b>5.252.153</b>	<b>3.628.299</b>
<b>LIABILITIES AND EQUITY</b>	<b>20.277.017</b>	<b>11.889.248</b>
4 Mortgages and securities		
5 Contractual obligations		

1	Staff costs	2021	2020
	Wages and salaries	4.926.573	3.280.529
	Other social security contributions	82.238	64.292
	Other employee costs	17.968	63.624
	<b>TOTAL</b>	<b>5.026.779</b>	<b>3.408.445</b>
	<u>Average number of employees</u>	<u>10</u>	<u>9</u>

## 2 Uncertainty regarding deferred tax

The company has capitalized deferred tax of DKK 4.315.871 as a result of unutilized tax losses that can be used to offset future taxable profits.

There is uncertainty associated with the measurement of deferred tax, given that the company expects to make further investments in the coming financial year, but that operations are expected to continue to be profitable from 2023. Management again expects that the overall positive development in revenue will lead to sufficient profit in the next 3-5 years, so that it is likely that all unutilized deficits will be fully utilized.



3	Other long-term liabilities	2021	2020
	Repayments in next financial year		0
			0
	Other long-term liabilities falling due more than 5 years after the balance sheet date	157.539	157.539

#### 4 Mortgages and securities

The company has provided security. The security includes a mortgage with a nominal value of DKK 500.000. The carrying amount of the pledged assets amounts to DKK 7.386.738. At the balance sheet date, there is no debt to the company's bank.

#### 5 Contractual obligations

The company's total contingent liabilities amount to approx. DKK 195.400.

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## Danni Møgelvang Rasmussen

### Direktør

På vegne af: State Drinks ApS

Serienummer: PID:9208-2002-2-046126866420

IP: 104.28.xxx.xxx

2022-03-20 06:00:26 UTC

NEM ID 

## Peter Thor Munck Birkmand

### Bestyrelsesmedlem

På vegne af: State Drinks ApS

Serienummer: PID:9208-2002-2-251518988372

IP: 83.233.xxx.xxx

2022-03-20 07:51:41 UTC

NEM ID 

## Kurt Lægård

### Statsautoriseret revisor

På vegne af: Lægård Revision

Serienummer: CVR:18437082-RID:1060001072948

IP: 91.133.xxx.xxx

2022-03-20 08:57:55 UTC

NEM ID 

## Kim Sandal Have

### Direktør og bestyrelsesmedlem

På vegne af: State Drinks ApS

Serienummer: PID:9208-2002-2-962842454337

IP: 77.241.xxx.xxx

2022-03-20 11:16:34 UTC

NEM ID 

## Michael Gjelstrup Stenskrøg

### Bestyrelsesmedlem

På vegne af: State Drinks ApS

Serienummer: PID:9208-2002-2-936390792745

IP: 85.27.xxx.xxx

2022-03-21 05:08:45 UTC

NEM ID 

## Anders Marcus

### Bestyrelsesmedlem

På vegne af: State Drinks ApS

Serienummer: PID:9208-2002-2-505808409090

IP: 152.115.xxx.xxx

2022-03-21 08:12:41 UTC

NEM ID 

## Michael Christian Stig Iuul

### Bestyrelsesformand

På vegne af: State Drinks ApS

Serienummer: PID:9208-2002-2-859713930401

IP: 2.108.xxx.xxx

2022-03-22 03:25:12 UTC

NEM ID 

## Jon Volf Andersen

### Direktør

På vegne af: State Drinks ApS

Serienummer: PID:9208-2002-2-817487215094

IP: 80.243.xxx.xxx

2022-03-22 10:15:42 UTC

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