

**Grad ApS**  
Vesterbrogade 149  
1620 København V  
Business Registration No  
36951842

## **Annual report 2017**

The Annual General Meeting adopted the annual report on 04.05.2018

### **Chairman of the General Meeting**

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Name: Max Tomas Lundberg

# Contents

	<b><u>Page</u></b>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2017	7
Balance sheet at 31.12.2017	8
Statement of changes in equity for 2017	10
Notes	11
Accounting policies	13

## Entity details

### Entity

Grad ApS  
Vesterbrogade 149  
1620 København V

Central Business Registration No (CVR): 36951842

Registered in: København

Financial year: 01.01.2017 - 31.12.2017

### Board of Directors

Max Tomas Lundberg, Chairman  
Stefan Gustav Gunnar Persson  
Jimmy Fussing Nielsen

### Executive Board

Max Tomas Lundberg

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
Postboks 1600  
0900 København C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Grad ApS for the financial year 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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.

Copenhagen, 04.05.2018

### Executive Board

Max Tomas Lundberg

### Board of Directors

Max Tomas Lundberg  
Chairman

Stefan Gustav Gunnar Persson

Jimmy Fussing Nielsen

# Independent auditor's report

## To the shareholders of Grad ApS

### Opinion

We have audited the financial statements of Grad ApS for the financial year 01.01.2017 - 31.12.2017, 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.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material uncertainty related to going concern

The Entity is a start-up entity with a need for additional capital to complete the development and initiate the production and continue the sales activities. This indicates that there is a material uncertainty, which may cast substantial uncertainty about the Entity's ability to continue its operations.

As indicated in the management commentary on page 6 and in note 1, the Entity has positive expectations to obtain additional capital, and Management has, in the presentation of the financial statements, assumed that additional capital will be obtained and, therefore, the financial statements have been prepared assuming that the Entity is a going concern. Our conclusion is not modified in this respect.

### 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, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements 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 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

## Independent auditor's report

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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

## Independent auditor's report

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 audit 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 audit 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 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 commentary.

Copenhagen, 04.05.2018

### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR) 33963556

Kim Takata Mücke  
State Authorised Public Accountant  
Identification No (MNE) mne10944

## Management commentary

### Primary activities

The Entity's activities include design, development and sales of innovative cooling solutions.

### Development in activities and finances

The income statement for the period 01.01.2017 – 31.12.2017 shows a loss of DKK (1,759,893). The balance sheet shows an equity of DKK 2,391,232.

The Entity has positive expectations to obtain additional capital, and Management has, in the presentation of the financial statements, assumed that additional capital will be obtained and, therefore, the financial statements have been prepared assuming that the Entity is a going concern.

### Events after the balance sheet date

Grad ApS has on the 5th of March in 2018 received 948,340 DKK in a first loan tranche of two from the Danish Vækstfonden (total loan of 2,000,000 DKK).

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 2017

	<u>Notes</u>	<u>2017</u> <u>DKK</u>	<u>02.07.2015-</u> <u>31.12.2016</u> <u>DKK</u>
<b>Gross loss</b>		<b>(919.755)</b>	<b>(2.381.151)</b>
Staff costs	2	<u>(1.266.483)</u>	<u>(4.405.982)</u>
<b>Operating profit/loss</b>		<b>(2.186.238)</b>	<b>(6.787.133)</b>
Other financial income		620	2.500
Other financial expenses		<u>(14.275)</u>	<u>(1.654)</u>
<b>Profit/loss before tax</b>		<b>(2.199.893)</b>	<b>(6.786.287)</b>
Tax on profit/loss for the year	3	<u>440.000</u>	<u>943.800</u>
<b>Profit/loss for the year</b>		<b>(1.759.893)</b>	<b>(5.842.487)</b>
<b>Proposed distribution of profit/loss</b>			
Transferred to other reserves		(2.000.000)	0
Retained earnings		<u>240.107</u>	<u>(5.842.487)</u>
		<b>(1.759.893)</b>	<b>(5.842.487)</b>

## Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>02.07.2015- 31.12.2016 DKK</u>
Development projects in progress		2.000.000	0
<b>Intangible assets</b>		<b>2.000.000</b>	<b>0</b>
Deposits		28.135	28.135
<b>Fixed asset investments</b>		<b>28.135</b>	<b>28.135</b>
<b>Fixed assets</b>		<b>2.028.135</b>	<b>28.135</b>
Trade receivables		720.715	0
Other receivables		65.934	88.968
Income tax receivable		440.000	943.800
<b>Receivables</b>		<b>1.226.649</b>	<b>1.032.768</b>
<b>Cash</b>		<b>351.077</b>	<b>1.947.013</b>
<b>Current assets</b>		<b>1.577.726</b>	<b>2.979.781</b>
<b>Assets</b>		<b>3.605.861</b>	<b>3.007.916</b>

## Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>02.07.2015- 31.12.2016 DKK</u>
Contributed capital	4	78.700	70.706
Other reserves		(2.000.000)	0
Retained earnings		<u>4.312.532</u>	<u>2.418.007</u>
<b>Equity</b>		<b><u>2.391.232</u></b>	<b><u>2.488.713</u></b>
Other payables	5	486.804	519.203
Deferred income		<u>727.825</u>	<u>0</u>
<b>Current liabilities other than provisions</b>		<b><u>1.214.629</u></b>	<b><u>519.203</u></b>
<b>Liabilities other than provisions</b>		<b><u>1.214.629</u></b>	<b><u>519.203</u></b>
<b>Equity and liabilities</b>		<b><u>3.605.861</u></b>	<b><u>3.007.916</u></b>
Going concern	1		
Contingent assets	6		

## Statement of changes in equity for 2017

	<b>Contributed capital DKK</b>	<b>Other reserves DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	70.706	0	2.418.007	2.488.713
Increase of capital	7.994	0	1.654.418	1.662.412
Profit/loss for the year	0	(2.000.000)	240.107	(1.759.893)
<b>Equity end of year</b>	<b>78.700</b>	<b>(2.000.000)</b>	<b>4.312.532</b>	<b>2.391.232</b>

## Notes

### 1. Going concern

The Entity is a start-up entity and there is a need for additional capital to complete the development and initiate production and continue the sales activities. This indicates that there is a material uncertainty which may cast substantial uncertainty about the Entity's ability to continue its operations, at least until 31 December 2018.

As indicated in the management commentary on page 6, the Entity has positive expectations to obtain additional capital, and on this basis, Management has prepared the financial statements assuming that the Entity is a going concern.

	<b>2017 DKK</b>	<b>02.07.2015- 31.12.2016 DKK</b>
<b>2. Staff costs</b>		
Wages and salaries	2.410.364	3.599.929
Pension costs	463.150	318.949
Other social security costs	220.427	103.778
Other staff costs	<u>(1.827.458)</u>	<u>383.326</u>
	<b><u>1.266.483</u></b>	<b><u>4.405.982</u></b>
Average number of employees	<u><b>5</b></u>	<u><b>6</b></u>

	<b>2017 DKK</b>	<b>02.07.2015- 31.12.2016 DKK</b>
<b>3. Tax on profit/loss for the year</b>		
Current tax	<u>(440.000)</u>	<u>(943.800)</u>
	<b><u>(440.000)</u></b>	<b><u>(943.800)</u></b>

	<b>Number</b>	<b>Par value DKK</b>	<b>Nominal value DKK</b>
<b>4. Contributed capital</b>			
Contributed capital, A-shares	50.000	100	50.000
Contributed capital, B-shares	<u>28.700</u>	100	<u>28.700</u>
	<b><u>78.700</u></b>		<b><u>78.700</u></b>

The Entity is authorised to issue warrants for A-shares for a total amount of up to nominally DKK 5,517. The shares shall be issued at a price corresponding to DKK 400 per A-share of nominally DKK 1.00.

## Notes

	<b>2017</b>	<b>02.07.2015-</b>
	<b>DKK</b>	<b>31.12.2016</b>
	<u>DKK</u>	<u>DKK</u>
<b>5. Other payables</b>		
Wages and salaries, personal income taxes, social security costs, etc payable	109.312	129.103
Holiday pay obligation	328.906	343.620
Other costs payable	48.586	46.480
	<u><b>486.804</b></u>	<u><b>519.203</b></u>

### 6. Contingent assets

The Entity has an unrecorded deferred tax asset of DKK 484 thousand.

## 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.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

The Entity has presented a condensed gross loss for competitive reasons.

#### Revenue

Revenue is recognised in the income statement when delivery is made and risk has passed 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.

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including development costs and expenses for premises, stationery and office supplies, marketing costs, etc.

#### Staff costs

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

## Accounting policies

### Other financial income

Other financial income comprises interest income.

### Other financial expenses

Other financial expenses comprise interest expenses, currency losses and 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

#### Intellectual property rights etc

Intellectual property rights etc comprise development projects in progress.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and cost of sales that are directly and indirectly attributable to the development projects.

#### Receivables

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

#### Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

#### 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.



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## Jimmy Fussing Nielsen

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-175540718594

IP: 77.86.212.225

2018-05-04 04:35:16Z

NEM ID 

## STEFAN PERSSON

Bestyrelsesmedlem

Serienummer: 19650418xxxx

IP: 85.195.41.170

2018-05-04 05:34:30Z



## Max Lundberg

Direktionsmedlem

Serienummer: 19890510xxxx

IP: 62.44.135.1

2018-05-04 07:27:22Z



## Max Lundberg

Bestyrelsesformand

Serienummer: 19890510xxxx

IP: 62.44.135.1

2018-05-04 07:27:22Z



## Max Lundberg

Dirigent

Serienummer: 19890510xxxx

IP: 62.44.135.1

2018-05-04 07:27:22Z



## Kim Takata Mücke

Revisor

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