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BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
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CVR no. 20 22 26 70

GRAD APS
VESTERBROGADE 149, 1620 KØBENHAVN V
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 27 June 2024**

Max Tomas Lundberg

CVR NO. 36 95 18 42

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COMPANY DETAILS

| | |
|---------------------------|---|
| Company | Grad ApS Vesterbrogade 149 1620 Copenhagen V CVR No.: 36 95 18 42 Established: 2 July 2015 Municipality: Copenhagen Financial Year: 1 January - 31 December |
| Board of Directors | Max Tomas Lundberg, chairman Jimmy Fussing Nielsen Stefan Gustav Gunnar Persson |
| Executive Board | Max Tomas Lundberg |
| Auditor | BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V |
| Bank | Danske Bank Erhverv København Bernstorffsgade 40 1577 Copenhagen V |

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Grad ApS for the financial year 1 January - 31 December 2023.

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 Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

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

Copenhagen, 27 June 2024

Executive Board

Max Tomas Lundberg

Board of Directors

Max Tomas Lundberg
Chairman

Jimmy Fussing Nielsen

Stefan Gustav Gunnar Persson

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Grad ApS

Opinion

We have audited the Financial Statements of Grad ApS for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and 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 assets, liabilities and financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 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.

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 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 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 judgment and maintain professional skepticism 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.

INDEPENDENT AUDITOR'S REPORT

- 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 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 Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover 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 Management Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management Commentary.

Copenhagen, 27 June 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Kim Mücke
State Authorised Public Accountant
MNE no. mne10944

MANAGEMENT COMMENTARY

Principal activities

The Company's activities include design, development and sales of innovative cooling solutions for the beverage industry.

Development in activities and financial and economic position

During the year Grad has continued investing in its cutting edge design and technology. Together with the current product portfolio, we believe that these investments in development projects put Grad in a satisfying position within our industry in the short as well as long term.

Significant events after the end of the financial year

In 2024, the Company has received, significant orders on several of their both new and traditional product innovations. It will have a positive impact on the operations and financial statements during 2024 and beyond.

In addition in 2024, the Company has received equity funding of DKK 4,7 mio. to strengthen the Company's working capital.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

| | Note | 2023 DKK | 2022 DKK |
|---|------|-------------------|-------------------|
| GROSS PROFIT | | 7.433.556 | 4.670.052 |
| Staff costs..... | 1 | -5.961.707 | -5.870.314 |
| Depreciation, amortisation and impairment losses..... | | -3.743.388 | -3.334.703 |
| OPERATING LOSS | | -2.271.539 | -4.534.965 |
| Other financial income..... | | 218.361 | 150.215 |
| Other financial expenses..... | | -1.528.296 | -442.076 |
| LOSS BEFORE TAX | | -3.581.474 | -4.826.826 |
| Tax on profit/loss for the year..... | 2 | 709.808 | 1.365.009 |
| LOSS FOR THE YEAR | | -2.871.666 | -3.461.817 |
| PROPOSED DISTRIBUTION OF LOSS | | | |
| Retained earnings..... | | -2.871.666 | -3.461.817 |
| TOTAL | | -2.871.666 | -3.461.817 |

BALANCE SHEET AT 31 DECEMBER

| ASSETS | Note | 2023 DKK | 2022 DKK |
|---|-------------|---------------------|---------------------|
| Development projects completed..... | | 11.464.303 | 10.036.704 |
| Intangible assets..... | 3 | 11.464.303 | 10.036.704 |
| Other plant, machinery tools and equipment..... | | 3.585.639 | 2.279.001 |
| Leasehold improvements..... | | 19.811 | 31.208 |
| Property, plant and equipment..... | 4 | 3.605.450 | 2.310.209 |
| Rent deposit and other receivables..... | | 110.172 | 103.221 |
| Financial non-current assets..... | 5 | 110.172 | 103.221 |
| NON-CURRENT ASSETS..... | | 15.179.925 | 12.450.134 |
| Finished goods and goods for resale..... | | 2.500.921 | 70.000 |
| Prepayments for goods..... | | 4.794.512 | 2.712.732 |
| Inventories..... | | 7.295.433 | 2.782.732 |
| Trade receivables..... | | 1.789.515 | 640.856 |
| Other receivables..... | | 1.428.347 | 131.564 |
| Corporation tax receivable..... | | 973.880 | 1.329.621 |
| Prepayments..... | | 83.862 | 107.521 |
| Receivables..... | | 4.275.604 | 2.209.562 |
| Cash and cash equivalents..... | | 3.331.397 | 2.204.567 |
| CURRENT ASSETS..... | | 14.902.434 | 7.196.861 |
| ASSETS..... | | 30.082.359 | 19.646.995 |

BALANCE SHEET AT 31 DECEMBER

| EQUITY AND LIABILITIES | Note | 2023 DKK | 2022 DKK |
|--|-------------|---------------------|---------------------|
| Share Capital..... | | 83.076 | 83.076 |
| Reserve for development costs..... | | 8.942.156 | 7.828.629 |
| Retained earnings..... | | -3.004.426 | 980.767 |
| EQUITY..... | | 6.020.806 | 8.892.472 |
| Provision for deferred tax..... | | 654.430 | 730.193 |
| PROVISIONS..... | | 654.430 | 730.193 |
| Other non-current liabilities..... | | 1.881.695 | 2.270.339 |
| Frozen holiday pay..... | | 400.037 | 380.736 |
| Non-current liabilities..... | 6 | 2.281.732 | 2.651.075 |
| Bank debt..... | | 0 | 10.754 |
| Prepayments from customers..... | | 13.303.699 | 2.756.000 |
| Trade payables..... | | 4.404.167 | 1.259.028 |
| Other liabilities..... | | 911.892 | 616.105 |
| Deferred income..... | | 2.505.633 | 2.731.368 |
| Current liabilities..... | | 21.125.391 | 7.373.255 |
| LIABILITIES..... | | 23.407.123 | 10.024.330 |
| EQUITY AND LIABILITIES..... | | 30.082.359 | 19.646.995 |
| Contingencies etc. | 7 | | |
| Charges and securities | 8 | | |
| Significant events after the end of the financial year | 9 | | |

EQUITY

| DKK | Share Capital | Reserve for development costs | Retained earnings | Total |
|--|---------------|-------------------------------|-------------------|------------------|
| Equity at 1 January 2023..... | 83.076 | 7.828.629 | 980.767 | 8.892.472 |
| Proposed loss allocation..... | | | -2.871.666 | -2.871.666 |
| Other legal bindings | | | | |
| Transfer..... | | 1.113.527 | -1.113.527 | 0 |
| Equity at 31 December 2023..... | 83.076 | 8.942.156 | -3.004.426 | 6.020.806 |

NOTES

| | 2023 DKK | 2022 DKK | Note |
|---|------------------|--------------------------------------|----------|
| Staff costs | | | 1 |
| Average number of full time employees | 9 | 7 | |
| Wages and salaries..... | 5.330.458 | 5.221.230 | |
| Pensions..... | 373.253 | 402.411 | |
| Social security costs..... | 53.082 | 53.992 | |
| Other staff costs..... | 204.914 | 192.681 | |
| | 5.961.707 | 5.870.314 | |
| Tax on profit/loss for the year | | | 2 |
| Tax credit for the year..... | -973.880 | -1.329.621 | |
| Adjustment of tax in previous years..... | 339.835 | 0 | |
| Adjustment of deferred tax..... | -75.763 | -35.388 | |
| | -709.808 | -1.365.009 | |
| Intangible assets | | | 3 |
| | | Development projects completed | |
| DKK | | | |
| Cost at 1 January 2023..... | | 18.859.026 | |
| Additions..... | | 4.549.404 | |
| Cost at 31 December 2023..... | | 23.408.430 | |
| Amortisation at 1 January 2023..... | | 8.822.322 | |
| Amortisation for the year..... | | 3.121.805 | |
| Amortisation at 31 December 2023..... | | 11.944.127 | |
| Carrying amount at 31 December 2023..... | | 11.464.303 | |

Development projects cover the development of the Company's products. Being a growth and development company there is inherent uncertainty as to the future commercial success and future profitability. Based on the success of the products launched to date and the expectation that the Company will be profitable in 2024 and forwards, Management assess that the value of future likely earnings at least equal the carrying value at 31 December 2023 of completed and ongoing development projects.

NOTES

| | | | | Note |
|--|---------------------------------|--|---------------------------------------|---------------------------------|
| Property, plant and equipment | | | | 4 |
| DKK | | Other plant, machinery tools and equipment | Leasehold improvements | |
| Cost at 1 January 2023..... | | 2.859.018 | 56.986 | |
| Additions..... | | 1.916.826 | 0 | |
| Cost at 31 December 2023..... | | 4.775.844 | 56.986 | |
| Depreciation and impairment losses at 1 January 2023..... | | 580.019 | 25.778 | |
| Depreciation for the year..... | | 610.186 | 11.397 | |
| Depreciation and impairment losses at 31 December 2023... | | 1.190.205 | 37.175 | |
| Carrying amount at 31 December 2023..... | | 3.585.639 | 19.811 | |
| Financial non-current assets | | | | 5 |
| DKK | | | Rent deposit and other receivables | |
| Cost at 1 January 2023..... | | | 103.221 | |
| Additions..... | | | 6.951 | |
| Cost at 31 December 2023..... | | | 110.172 | |
| Carrying amount at 31 December 2023..... | | | 110.172 | |
| Long-term liabilities | | | | 6 |
| | 31/12 2023 total liabilities | Repayment next year | Debt outstanding after 5 years | 31/12 2022 total liabilities |
| Other non-current liabilities..... | 2.367.695 | 486.000 | 0 | 2.510.469 |
| Frozen holiday pay..... | 400.037 | 0 | 0 | 380.736 |
| | 2.767.732 | 486.000 | 0 | 2.891.205 |
| Contingencies etc. | | | | 7 |
| Contingent commitments | | | | |
| The Company has entered into a rent contract with a total commitment DKK ('000) 225. | | | | |

NOTES

Note

Charges and securities

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As security for debt of DKK ('000) 2,368, the Company has given a company charge of a nominal amount of DKK ('000) 2,671. The company charge includes the following assets, whose carrying amounts of which at the balance sheet date are:

| | DKK |
|---|------------|
| Development projects completed..... | 11.464.303 |
| Other plant, machinery tools and equipment..... | 3.585.639 |
| Inventories..... | 7.295.433 |
| Trade receivables..... | 1.789.515 |
| Other receivables..... | 1.428.347 |

Significant events after the end of the financial year

9

In 2024, the Company has received equity funding of DKK 4,7 mio. to strengthen the Company's working capital.

Special items

10

| | 2023 DKK | 2022 DKK |
|--|----------------|----------------|
| Covid-19 compensation for fixed costs..... | 592.525 | 832.075 |
| | 592.525 | 832.075 |

ACCOUNTING POLICIES

The Annual Report of Grad ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement when supply and risk transfer to purchaser has taken place and if the income can be measured reliably and is expected to be received.

Grants received from cooperation partners to cover investments are recognised as income concurrently with depreciation on eligible investments.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other operating income

Other operating income includes items of a secondary nature in relation to the Company's principal activities, including profit from sale of intangible and tangible assets, government grants, as well as salary refunds. Compensations are recognised when the income is considered certain.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including it, marketing, premises, lease expenses, etc

Payments related to operating leases and other lease agreements are expensed in the Income Statement over the contract period. The Company's total liability concerning operating and other lease agreements are stated under contingencies, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees.

Financial income and expenses

Financial income and expenses include interest income and expenses, currency gains and losses as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are recognised on basis of the amortised cost method.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets

Development projects comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the Company’s development activities and which fulfil the criteria for recognition on the Balance Sheet such as there is a clear expectation that the development activities will result in products that will be available for sale in the future and thereby also implying that the Company has an intention and the ability to complete the development of the various product developments.

The accounting item is measured at the lower of the capitalised costs less accumulated amortisation and recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 5 years.

Tangible fixed assets

Other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

| | Useful life | Residual value |
|--|-------------|----------------|
| Other plant, fixtures and equipment..... | 5 years | 0 % |
| Leasehold improvements..... | 3-5 years | 0 % |

Financial non-current assets

The Other securities include rent deposit expected to be held to maturity and are measured at amortised cost.

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with financial fixed assets, which are not measured at fair value, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

ACCOUNTING POLICIES

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of finished goods includes the cost of raw materials, consumables, direct payroll cost and other direct production cost.

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

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Prepayments

Prepayments recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff 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 under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Deferred income

Deferred income include payments received from costumers to be recognised as income in subsequent years.

ACCOUNTING POLICIES

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated 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 date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.