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TRAEGER PELLETT GRILLS EUROPE APS
C/O KARSTEN NIELSEN, KATTEGATVEJ 40, 2150 NORDHAVN
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2020

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 8 July 2021**

Karsten Nielsen

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 39 66 84 67

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COMPANY DETAILS

Company	Traeger Pellet Grills Europe ApS c/o Karsten Nielsen, Kattegatvej 40 2150 Nordhavn CVR No.: 39 66 84 67 Established: 18 June 2018 Registered Office: Copenhagen Financial Year: 1 January - 31 December
Board of Directors	Jeremy Brent Andrus Alexander William Brodil Dominic Bruno Blosil Andrew Christian Rust
Executive Board	Karsten Nielsen
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Law Firm	Bech-Bruun Langelinie Allé 35 2100 Copenhagen Ø

BOARD OF DIRECTORS STATEMENT AND MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Traeger Pellet Grills Europe ApS for the financial year 1 January - 31 December 2020.

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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

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, 8 July 2021

Executive Board

Karsten Nielsen

Board of Directors

Jeremy Brent Andrus

Alexander William Brodil

Dominic Bruno Blossil

Andrew Christian Rust

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Traeger Pellet Grills Europe ApS

Opinion

We have audited the Financial Statements of Traeger Pellet Grills Europe ApS for the financial year 1 January - 31 December 2020, 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 2020** and of the results of the Company's operations for the financial year 1 January - 31 December 2020 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' 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.

Other matter

With effect for the current financial year, the company has been subject to an audit obligation. The comparative figures in the financial statements have therefore not been audited.

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.

INDEPENDENT AUDITOR'S REPORT

- 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 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'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 audit 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 Statements Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 8 July 2021

BDO Statsautoriseret revisionsaktieselskab
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Ole C. K. Nielsen
State Authorised Public Accountant
MNE no. mne23299

MANAGEMENT COMMENTARY

Principal activities

The principal activity of the company is to market and sell wood fueled barbeque grills, wood pellets used to fuel the grills, rubs, sauces, and other grill accessories.

Unusual matters

No unusual circumstances have affected the company's activities during the year.

Recognition and measurement uncertainty

The company has no uncertainty relating to recognition and measurement

Development in activities and financial and economic position

The company's financial position and the result of the year will be shown in the following income statement of the financial year 1 January 2020 - 31 December 2020 and the balance sheet as of 31 December 2020.

It is the company's 3rd financial year. The annual report is prepared in DKK.

The result for the period shows a profit of DKK 1.500.718. As of 31 December 2020 the company has a total share capital of 2.757.318.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

Future expectations

The company expects a profit for the coming year.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2020 DKK	2019 DKK
GROSS PROFIT		22.288.409	11.774.948
Staff costs.....	1	-16.893.773	-9.989.008
Depreciation, amortisation and impairment losses.....		-3.365.089	-541.050
OPERATING PROFIT		2.029.547	1.244.890
Other financial income.....		464	119
Other financial expenses.....	2	-53.873	-42.498
PROFIT BEFORE TAX		1.976.138	1.202.511
Tax on profit/loss for the year.....	3	-475.420	-268.747
PROFIT FOR THE YEAR		1.500.718	933.764
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		1.500.718	933.764
TOTAL		1.500.718	933.764

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2020 DKK	2019 DKK
Other plant, machinery tools and equipment.....		2.753.988	1.767.979
Leasehold improvements.....		2.004.608	2.434.623
Property, plant and equipment.....	4	4.758.596	4.202.602
NON-CURRENT ASSETS.....		4.758.596	4.202.602
Trade receivables.....		11.499	6.000
Deferred tax assets.....		203.614	0
Other receivables.....		3.132.943	1.697.646
Prepayments.....		572.862	474.324
Receivables.....		3.920.918	2.177.970
Cash and cash equivalents.....		1.416.245	1.437.934
CURRENT ASSETS.....		5.337.163	3.615.904
ASSETS.....		10.095.759	7.818.506

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2020 DKK	2019 DKK
Share capital.....		186.406	186.406
Retained earnings.....		2.570.912	1.070.195
EQUITY.....		2.757.318	1.256.601
Provision for deferred tax.....		0	119.870
PROVISIONS.....		0	119.870
Other non-current liabilities.....		680.675	0
Non-current liabilities.....	5	680.675	0
Trade payables.....		1.474.509	465.982
Debt to Group companies.....		4.211.133	5.129.988
Corporation tax payable.....		778.904	148.877
Other liabilities.....		193.220	697.188
Current liabilities.....		6.657.766	6.442.035
LIABILITIES.....		7.338.441	6.442.035
EQUITY AND LIABILITIES.....		10.095.759	7.818.506
 Contingencies etc.	 6		
Charges and securities	7		

EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2020.....	186.406	1.070.194	1.256.600
Proposed profit allocation.....		1.500.718	1.500.718
Equity at 31 December 2020.....	186.406	2.570.912	2.757.318

NOTES

	2020 DKK	2019 DKK	Note	
Staff costs			1	
Average number of employees	12	7		
Wages and salaries.....	15.835.931	9.312.529		
Pensions.....	782.302	508.522		
Social security costs.....	110.392	35.335		
Other staff costs.....	165.148	132.622		
	16.893.773	9.989.008		
Other financial expenses			2	
Other interest expenses.....	53.873	42.498		
	53.873	42.498		
Tax on profit/loss for the year			3	
Calculated tax on taxable income of the year.....	798.904	148.877		
Adjustment of deferred tax.....	-323.484	119.870		
	475.420	268.747		
Property, plant and equipment			4	
		Other plant, machinery tools and equipment	Leasehold improvements	
Cost at 1 January 2020.....	1.901.312	2.975.673		
Additions.....	3.739.997	181.086		
Cost at 31 December 2020.....	5.641.309	3.156.759		
Depreciation and impairment losses at 1 January 2020.....	2.887.321	0		
Depreciation for the year.....	0	1.152.151		
Depreciation and impairment losses at 31 December 2020....	2.887.321	1.152.151		
Carrying amount at 31 December 2020.....	2.753.988	2.004.608		
Long-term liabilities			5	
	31/12 2020 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2019 total liabilities
Other non-current liabilities.....	680.675	0	0	0
	680.675	0	0	0

NOTES

			Note
Contingencies etc.			6
Contingent liabilities			
	2020	2019	
	DKK	DKK	
Lease liabilities (operating leases):			
Leased cars.....	1.613.067	0	
	1.613.067	0	
Rent obligations with a non-cancellation period of:			
before 1 year.....	513.033	513.033	
	513.033	513.033	
 Charges and securities			 7
Bank securities amounting to a total of DKK ('000) 575 was given at year end.			

ACCOUNTING POLICIES

The Annual Report of Traeger Pellet Grills Europe ApS for 2020 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

Revenues are recognized in the income statement as earned.

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 external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, 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. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, 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 calculated on amortised cost prices.

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.

BALANCE SHEET

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.....	3-5 years	0%
Leasehold improvements.....	3-5 years	0%

ACCOUNTING POLICIES

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Impairment of fixed assets

The carrying amount of tangible assets, 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.

Receivables

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

Accruals, assets

Accruals 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

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