

Dalum Beverage Equipment ApS

Industrivej 10, 1., 5471 Søndersø

CVR no. 40 10 81 81

Annual report 2023

Approved at the Company's annual general meeting on 13 May 2024

Chair of the meeting:

.....
Kim Christian Dalum

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Dalum Beverage Equipment ApS for the financial year 1 January - 31 December 2023.

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

In our opinion, the financial statements give a true and fair view of the 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.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Odense, 13 May 2024
Executive Board:

.....
Kim Christian Dalum

Board of Directors:

.....
John Joseph Kiedrowski
Chairman

.....
John Chester Kiedrowski

.....
Kim Christian Dalum

Independent auditor's report

To the shareholders of Dalum Beverage Equipment ApS

Conclusion

We have conducted an extended review of the financial statements of Dalum Beverage Equipment ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on the work we have performed, in our opinion, the financial statements give a true and fair view of the 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 conclusion

We conducted our extended review in accordance with the Danish Business Authority's standard on extended review for Small entities 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 "Auditor's responsibilities for the extended review of the financial statements" section. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 that 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 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 for our conclusion on the financial statements and perform specifically required supplementary procedures to obtain additional assurance for our conclusion.

An extended review comprises procedures that primarily consist of making enquiries 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 the Management's review

Management is responsible for the Management's review.

Our conclusion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

Independent auditor's report

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Odense, 13 May 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Emil Overlund
State Authorised Public Accountant
mne47833

Management's review

Company details

Name	Dalum Beverage Equipment ApS
Address, Postal code, City	Industrivej 10, 1., 5471 Søndersø
CVR no.	40 10 81 81
Established	18 December 2018
Financial year	1 January - 31 December
Board of Directors	John Joseph Kiedrowski, Chairman John Chester Kiedrowski Kim Christian Dalum
Executive Board	Kim Christian Dalum
Auditors	EY Godkendt Revisionspartnerselskab Cortex Park Vest 3, 5230 Odense M, Denmark

Management's review

Business review

The company's purpose is activities engaging in development, production, sales, and servicing of equipment for beverage production.

Financial review

The income statement for 2023 shows a profit of DKK 3,483,712 against a profit of DKK 433,025 last year, and the balance sheet at 31 December 2023 shows equity of DKK 5,750,723. Management considers the Company's financial performance in the year satisfactory.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2023	2022
	Gross profit	8,007,939	2,353,018
2	Staff costs	-3,255,958	-1,418,009
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-148,436	-150,419
	Profit before net financials	4,603,545	784,590
3	Financial income	43,609	2,940
	Financial expenses	-180,492	-227,630
	Profit before tax	4,466,662	559,900
4	Tax for the year	-982,950	-126,875
	Profit for the year	3,483,712	433,025
	Recommended appropriation of profit		
	Retained earnings	3,483,712	433,025
		3,483,712	433,025

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2023	2022
	ASSETS		
	Fixed assets		
5	Intangible assets		
	Completed development projects	433,416	0
	Development projects in progress	0	577,888
		<u>433,416</u>	<u>577,888</u>
6	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	0	3,964
		<u>0</u>	<u>3,964</u>
7	Investments		
	Investments in group entities	1	350,633
	Deposits, investments	28,000	28,000
		<u>28,001</u>	<u>378,633</u>
	Total fixed assets	<u>461,417</u>	<u>960,485</u>
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	2,492,776	200,000
	Prepayments for goods	392,595	525,516
		<u>2,885,371</u>	<u>725,516</u>
	Receivables		
	Trade receivables	960,854	1,295,519
8	Construction contracts	4,753,636	0
	Receivables from group entities	1,077,112	338,598
	Other receivables	426,527	82,820
	Prepayments	16,738	16,332
		<u>7,234,867</u>	<u>1,733,269</u>
	Cash	<u>4,145,853</u>	<u>1,536,946</u>
	Total non-fixed assets	<u>14,266,091</u>	<u>3,995,731</u>
	TOTAL ASSETS	<u>14,727,508</u>	<u>4,956,216</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	55,778	55,778
	Reserve for development costs	338,065	450,753
	Retained earnings	5,356,880	1,760,480
	Total equity	<u>5,750,723</u>	<u>2,267,011</u>
	Provisions		
	Deferred tax	481,546	128,007
	Total provisions	<u>481,546</u>	<u>128,007</u>
	Liabilities other than provisions		
9	Non-current liabilities other than provisions		
	Other credit institutions	1,214,847	1,341,967
	Other payables	525,854	512,765
		<u>1,740,701</u>	<u>1,854,732</u>
	Current liabilities other than provisions		
9	Short-term part of long-term liabilities other than provisions	236,068	0
8	Prepayments on work in progress	4,751,014	0
	Trade payables	298,494	482,100
	Joint taxation contribution payable	629,411	56,762
10	Other payables	839,551	167,604
		<u>6,754,538</u>	<u>706,466</u>
	Total liabilities other than provisions	<u>8,495,239</u>	<u>2,561,198</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>14,727,508</u></u>	<u><u>4,956,216</u></u>

- 1 Accounting policies
11 Contractual obligations and contingencies, etc.
12 Security and collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2023	55,778	450,753	1,760,480	2,267,011
Transfer through appropriation of profit	0	0	3,483,712	3,483,712
Depreciation in the year	0	-144,472	144,472	0
Tax on items recognised directly in equity	0	31,784	-31,784	0
Equity at 31 December 2023	55,778	338,065	5,356,880	5,750,723

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Dalum Beverage Equipment ApS for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

Income from construction contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

Gross profit

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Fixtures and fittings, other plant and equipment 5 years

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Deposits, investments

Includes deposit related to rental of premises.

Investments in group entities

Investments in group entities and associates are measured at cost. Dividends received that exceed the accumulated earnings in the group entity or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in group entities is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Construction contracts

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Prepayments received from customers

Prepayments consists of payment in relation to ongoing projects.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2023	2022	
2 Staff costs			
Wages/salaries	3,102,314	1,264,343	
Other social security costs	76,515	27,654	
Other staff costs	77,129	126,012	
	<u>3,255,958</u>	<u>1,418,009</u>	
 Average number of full-time employees	 <u>8</u>	 <u>4</u>	
3 Financial income			
Interest receivable, group entities	27,569	2,804	
Other financial income	16,040	136	
	<u>43,609</u>	<u>2,940</u>	
4 Tax for the year			
Estimated tax charge for the year	629,411	56,762	
Deferred tax adjustments in the year	353,539	70,113	
	<u>982,950</u>	<u>126,875</u>	
5 Intangible assets			
DKK	<u>Completed development projects</u>	<u>Development projects in progress</u>	<u>Total</u>
Cost at 1 January 2023	0	722,360	722,360
Transferred	722,360	-722,360	0
Cost at 31 December 2023	<u>722,360</u>	<u>0</u>	<u>722,360</u>
Impairment losses and amortisation at 1 January 2023	0	144,472	144,472
Amortisation for the year	144,472	0	144,472
Transferred	144,472	-144,472	0
Impairment losses and amortisation at 31 December 2023	<u>288,944</u>	<u>0</u>	<u>288,944</u>
Carrying amount at 31 December 2023	<u>433,416</u>	<u>0</u>	<u>433,416</u>

Financial statements 1 January - 31 December

Notes to the financial statements

6 Property, plant and equipment

DKK	Fixtures and fittings, other plant and equipment
Cost at 1 January 2023	17,840
Cost at 31 December 2023	17,840
Impairment losses and depreciation at 1 January 2023	13,876
Depreciation	3,964
Impairment losses and depreciation at 31 December 2023	17,840
Carrying amount at 31 December 2023	0

7 Investments

DKK	Investments in group entities	Deposits, investments	Total
Cost at 1 January 2023	350,633	28,000	378,633
Disposals	-350,632	0	-350,632
Cost at 31 December 2023	1	28,000	28,001
Carrying amount at 31 December 2023	1	28,000	28,001

Group entities

Name	Legal form	Domicile	Interest
DALUM USA	LLC	USA	100.00%

DKK	2023	2022
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8 Construction contracts

Selling price of work performed	4,753,636	0
Progress billings	-4,751,014	0
	2,622	0

9 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2023	Short-term portion	Long-term portion	Outstanding debt after 5 years
Other credit institutions	1,450,915	236,068	1,214,847	0
Other payables	525,854	0	525,854	0
	1,976,769	236,068	1,740,701	0

Other debts consist of convertible bonds totaling DKK 500 thousand, which can be redeemed at par value until September 2025. An extension of 12 months is possible with an additional premium of 10%.

Financial statements 1 January - 31 December

Notes to the financial statements

10 Other payables

Other payables consists of outstanding personnel expenses, accrued vacation pay, as well as provisions for warranty costs and other accrued expenses.

11 Contractual obligations and contingencies, etc.

Other contingent liabilities

Other contingent liabilities include the company's lease obligations. The total contingent liabilities amount to DKK 49,500 as of December 31, 2023.

The Company is jointly taxed with its parent, DALUM Holding ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest.

12 Security and collateral

As security for the Company's debt to credit institutions, DKK 1,451 thousand, a letter of indemnity has been issued with a nominal amount of DKK 1,300 thousand against the Company's assets, including fixed assets, goodwill, inventory, vehicles, and trade receivable from sales of goods and services.

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“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Kim Christian Dalum

Direktion

På vegne af: Dalum Beverage Equipment ApS

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Kim Christian Dalum

Dirigent

På vegne af: Dalum Beverage Equipment ApS

Serienummer: f14974a0-1449-49e1-95be-d4bb1977dd75

IP: 5.103.xxx.xxx

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Kim Christian Dalum

Bestyrelse

På vegne af: Dalum Beverage Equipment ApS

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IP: 5.103.xxx.xxx

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John Chester Kiedrowski

Bestyrelse

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John Joseph Kiedrowski

Bestyrelse

På vegne af: Dalum Beverage Equipment ApS

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Emil Overlund

EY Godkendt Revisionspartnerselskab CVR: 30700228

Statsautoriseret revisor

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