ICEpower Global Holding ApS

Sundkrogsgade 21, DK-2100 Copenhagen

Annual Report for
28 September 2023 - 31 May 2024

CVR No. 44 33 39 88

The Annual Report was presented and adopted at the Annual General Meeting of the company on 7/10 2024

Andrey Panna
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of ICEpower Global Holding ApS for the financial year 28 September 2023 - 31 May 2024.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 May 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023/24.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Copenhagen, 7 October 2024

Executive Board

Andrey Panna
CEO

Board of Directors

Andrey Panna Chairman	Ronnie Møller-Thorsøe	Jan Alexander de Wolff

Independent Auditor's report

To the shareholders of ICEpower Global Holding ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 May 2024 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 28 September 2023 - 31 May 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of ICEpower Global Holding ApS for the financial year 28 September 2023 - 31 May 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows (”the Financial Statements”).

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 Group 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group´s and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

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 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 Group´s and the Parent 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 Group´s and the Parent 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 Group and the Parent 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Independent Auditor's report

Hellerup, 7 October 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Niels Henrik B. Mikkelsen	Martin Birch
State Authorised Public Accountant	State Authorised Public Accountant
mne16675	mne42825

Company information

The Company	ICEpower Global Holding ApS Sundkrogsgade 21 DK-2100 Copenhagen CVR No: 44 33 39 88 Financial period: 28 September 2023 - 31 May 2024 Incorporated: 28 September 2023 Financial year: 1st financial year Municipality of reg. office: Copenhagen
Board of Directors	Andrey Panna, chairman Ronnie Møller-Thorsøe Jan Alexander de Wolff
Executive Board	Andrey Panna
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a 1-year period, the development of the Group is described by the following financial highlights:

	Group
	2023/24
	TDKK 8 months
Key figures	
Profit/loss	
Gross profit/loss	59,924
Profit/loss of financial income and expenses	-20,484
Net profit/loss for the year	-69,721
Balance sheet	
Balance sheet total	957,791
Investment in property, plant and equipment	68
Equity	379,178
Cash flows	
Cash flows from:	
- operating activities	-8,406
- investing activities	-791,025
- financing activities	800,434
Change in cash and cash equivalents for the year	1,003
Number of employees	103
Ratios	
Return on assets	-7.1%
Solvency ratio	39.6%
Return on equity	-36.8%

Management's review

Key activities

The ICEpower Global Holding ApS consist of ICEpower Holding ApS, ICEpower A/S, ICEpower AB and ICEpower America Inc. The majority of the Groups activities are carried out in ICEpower A/S.

ICEpower Global Holding was established on September 28th, 2023 and October 3rd, 2023 ICEpower entered an agreement with Crestline Investors, Inc. (“Crestline), for an investment in a majority stake in the Company. Crestline, headquartered in the US, is an institutional alternative investment management firm with c. $19 billion in assets under management.

ICEpower aspires **“to become the preferred partner for outsourced product creation to the leaders of the audio industry”.**

Originally, ICEpower was focused on supply of parts such as amplification modules and switch mode power supplies for the **audio industry**. Over the past 8 years ICEpower has developed into a developer and manufacturer of turnkey products (finished goods) and customized electronic solutions to the audio industry including mechanics, software, analog, and digital hardware.

1. ICEpower serves the entire audio industry with audio products. The Audio Products are off-the-shelf products ready made for implementation for all audio segments and all audio applications from consumer, automotive to professional use.

2. In addition, ICEpower focuses its **turnkey business** on 3 core application segments

a. **Home Automation** audio equipment incl. cinema rack amps,
b. Audio equipment for **Commercial, Corporate and Educational installations**
c. Audio equipment for **PRO audio**, incl. **rack equipment and backplates** for powered speakers for both **touring and fixed installation.**

This means that ICEpower is a **project-focused company** that *also* has **a large portfolio of audio products** for the wider market.

Turnkey solutions are products developed for a specific customer, and include turnkey products, custom designs and speaker backplates.

Audio products are off-the-shelf products, and include amplifier power modules, audio integrated circuits (IC) and power supplies.

Among its peers, ICEpower is the only manufacturer offering solutions to the audio industry based on own ASIC development, and ICEpower is the only developer that possess and masters all amplification and power supply technologies, all feedback technologies, all diagnostics and monitoring, complete mastery of continuous and short-term power capabilities, DSP, software, and network technologies incl. AVB, Dante and others.

ICEpower capabilities include both “simple” products, where all interconnects are analog as well as highly feature-rich digital products incorporating elements such as streaming audio and control over a network connection (e. g. Dante, Milan, or proprietary protocols), Advanced DSP, GUI Control, Hosted webservers and displays.

Management's review

With app. 103 employees in the center of Copenhagen, Denmark, ICEpower has one of the largest teams of power electronics engineers at one location in the world and is a global R&D center of excellence within audio electronics.

The mission of ICEpower is **“through engineering excellence and close partnering, ICEpower offers customers the highest quality and performance audio products at the best price in the market”.**

ICEpower has been able to prove this concrete offer to turnkey customers during several years in which engineering excellence has proven better audio performance, improved sustainability and competitive pricing compared to ICEpower’s main competitors, the customers themselves in combination with the Electronic Manufacturing Suppliers (EMS) in Asia.

Development in the year

The world-wide electronic component shortage that lasted for app. 2 years finally came to an end early 2023. At that time all the POs that were placed upstream in the supply chain were executed. The POs in our industry were larger than earlier and in many cases with much longer horizon - procurement was often done 1-2 years in advance. For ICEpower it meant that we were able to deliver most of our POs to most of our customers during the spring of 2023.

During the autumn of 2023 several of our customers claimed to be overstocked and started cancelling orders and decreasing forecasts. All in all, it can be concluded that our customers had placed POs for more than they could sell and 3-4 of ICEpower’s largest customers within audio for home automation and commercial installation became severely overstocked on their usual high-running products. The overstock is generally between 12-18 months for what reason our customers sell-out rates are closely followed.

At the same time, it seems that a recession within housing and construction as well as materials and hardware for such were hit by a recession. Analysts have explained this recession by an after-COVID rebalancing of economics spending. The explanation behind that is that during COVID both consumers and corporations were unable to spend their usual amounts on services and during the COVID-period consumers and corporations tended to spend considerably more on goods, buildings and electronics such as audio installations both for private, corporate, and commercial purposes.

During 2022/23 ICEpower continued to win several new projects - all contracted in Development and Supply Agreements for the coming years. While ICEpower during that period prepared for continuing the growth by investments in new projects for customers (with increasing project and people costs) ICEpower experienced a severe set-back. This set-back is reflected in the P&L for FY 23/24.

The set-back is not an individual ICEpower phenomenon. All audio companies with business within audio for home automation and commercial, educational, and corporate installations are affected. Audio for Live Sound, that is app. 15% of the ICEpower revenue, experienced a reverse impact as Live Sound were badly hit during COVID when everything closed, but regained strength - or returned to normal when the doors to cultural and recreational events opened again.

ICEpower has during this crisis decided to continue our large and largest ever investments in audio turnkey products for specific named well known brands in the audio industry. All these new product developments are contracted with certain minimum criteria and new products will enter the market during FY 24/25 through our customers.

ICEpower has not lost any customers during this period on the contrary ICEpower has retained all customers and increased the co-operation in a way that will result in several new contracts with the leaders of the 3 audio segments in which ICEpower operates. Also, although the audio industry within home automation and commercial installation have been and still are somewhat financially strained, ICEpower has not had any loss on debtors.

Together with the management of ICEpower, also the former largest single shareholder of ICEpower, Dansk Ejerkapital continued with a minority shareholder position in ICEpower. In connection with this investment by Crestline, the existing shareholders injected 40 MDKK into ICEpower.

Management's review

Operating risks

The Company's revenue is primarily in USD and results in the Group being sensitive to fluctuations in the USD exchange rate. This is partially met with currency hedging.

Targets and expectations for the year ahead

Our decision to continue ICEpower's investment in increasing market share, revenue and earnings however has a short-term negative influence on the P&L for FY 23/24. This trend is also expected for FY 24/25 although ICEpower expects an improved P&L for FY 24/25, with an expected EBIT close to zero.

Today ICEpower is working on turnkey solutions for several of the customers that ICEpower strategically has decided to and wish to work for. ICEpower can continuously state that - although delayed by derivative COVID circumstances, ICEpower has a pipeline of work in progress and potential new assignments that eventually will result in a revenue double of the FY 2022/23 revenue.

The Group has a solid cash position to fund the Group's organic growth and operations through the financial year 2024/25 and beyond.

Sustainability - ICEpower's Environmental, Social and Governance practice

Towards a sustainable ICEpower

At ICEpower we take great pride in our efforts toward a better environment, and a sustainable business. And we want to do it the right way.

ICEpower has created our first stepds towards an ICEpower Policy Commitment covering social, environmental, and economic sustainability including our first (2022) social, environmental, and economic impact assessment. Our Due Diligence on ICEpower is available on request.

• A Sustainability Policy (available on www.icepower.dk)
• A Business Relationships (RBR) Code of Conduct (CoC) (available on www.icepower.dk)
• A Code of Conduct for Employees (CoC) (available on www.icepower.dk)
• Established operational grievance mechanisms in ICEpower (incl. a whistle-blower system)
• A Three-Year Implementation Plan for Sustainability

ICEpower will continue our focus towards Sustainability going forward and will implement over time further policies and systems to ultimately meet UNGP's requirements.

Foreign Entities

Through subsidiaries, branches etc. the Group is represented in Sweden, Spain, USA, and Japan.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

The financial position at 31 May 2024 of the Group and the results of the activities and cash flows of the Group for the financial year for 2023/24 have not been affected by any unusual events.

Subsequent events

During July, 2024 all shareholders of ICEpower Global Holding ApS contributed to a capital injection of 48 MDKK to help fund continued high investments in new product development for leading audio brands while at the same time, the industry is suffering from overstock of certain products impacting the short-term revenue and profitability of ICEpower.

Income statement 28 September 2023 - 31 May 2024

	Note	Group	Parent company
		2023/24	2023/24
		TDKK 8 months	TDKK 8 months
Gross profit/loss		**59,924**	**-351**
Staff expenses	1	-45,966	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	2	-82,240	0
Profit/loss before financial income and expenses		**-68,282**	**-351**
Income from investments in subsidiaries	3	0	-59,402
Financial income	4	2,243	67
Financial expenses	5	-22,727	-12,929
Profit/loss before tax		**-88,766**	**-72,615**
Tax on profit/loss for the year	6	19,045	2,894
Net profit/loss for the year	7	**-69,721**	**-69,721**

Balance sheet 31 May 2024

Assets

	Note	Group 2023/24	Parent company 2023/24
		TDKK	TDKK
Completed development projects		102,246	0
Acquired licences		172,334	0
Customer contracts		477,990	0
Goodwill		68,843	0
Development projects in progress		41,374	0
Intangible assets	8	**862,787**	**0**
Plant and machinery		3,198	0
Other fixtures and fittings, tools and equipment		1,552	0
Leasehold improvements		2,922	0
Property, plant and equipment	9	**7,672**	**0**
Investments in subsidiaries	10	0	691,826
Deposits	11	1,310	0
Fixed asset investments		**1,310**	**691,826**
Fixed assets		**871,769**	**691,826**
Finished goods and goods for resale		54,272	0
Inventories		**54,272**	**0**
Trade receivables		22,397	0
Other receivables		1,141	110
Corporation tax		5,720	0
Prepayments	12	1,489	1
Receivables		**30,747**	**111**
Cash at bank and in hand		**1,003**	**59**
Current assets		**86,022**	**170**
Assets		**957,791**	**691,996**

Balance sheet 31 May 2024

Liabilities and equity

	Note	Group 2023/24 TDKK	Parent company 2023/24 TDKK
Share capital	13	95	95
Share premium account		0	0
Retained earnings		379,083	379,083
Equity		**379,178**	**379,178**
Provision for deferred tax	14	165,002	-2,894
Other provisions	15	506	0
Provisions		**165,508**	**-2,894**
Payables to group enterprises		315,438	315,438
Other payables		23,264	0
Long-term debt	16	**338,702**	**315,438**
Credit institutions		16,099	0
Trade payables		45,847	98
Corporation tax		397	0
Deposits		792	0
Other payables	16	11,268	176
Short-term debt		**74,403**	**274**
Debt		**413,105**	**315,712**
Liabilities and equity		**957,791**	**691,996**
Contingent assets, liabilities and other financial obligations	20		
Related parties	21		
Subsequent events	22		
Accounting Policies	23		

Statement of changes in equity

Group

	Share capital	Share premium account	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Cash payment concerning formation of entity	40	0	0	40
Capital increase	55	448,804	0	448,859
Net profit/loss for the year	0	0	-69,721	-69,721
Transfer from share premium account	0	-448,804	448,804	0
Equity at 31 May	**95**	**0**	**379,083**	**379,178**

Parent company

	Share capital	Share premium account	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Cash payment concerning formation of entity	40	0	0	40
Capital increase	55	448,804	0	448,859
Net profit/loss for the year	0	0	-69,721	-69,721
Transfer from share premium account	0	-448,804	448,804	0
Equity at 31 May	**95**	**0**	**379,083**	**379,178**

Cash flow statement 28 September 2023 - 31 May 2024

	Note	Group 2023/24 TDKK 8 months
Result of the year		-69,721
Adjustments	17	83,679
Change in working capital	18	-4,105
Cash flow from operations before financial items		**9,853**
Financial income		2,243
Financial expenses		-22,727
Cash flows from ordinary activities		**-10,631**
Corporation tax paid		2,225
Cash flows from operating activities		**-8,406**
Purchase of intangible assets		-675,134
Purchase of property, plant and equipment		14,803
Fixed asset investments made etc		3
Business acquisition	19	-130,697
Cash flows from investing activities		**-791,025**
Repayment of other long-term debt		-967
Raising of loans from credit institutions		16,099
Raising of payables to group enterprises		315,438
Raising of other long-term debt		20,965
Cash capital increase		448,899
Cash flows from financing activities		**800,434**
Change in cash and cash equivalents		**1,003**
Cash and cash equivalents at 31 May		**1,003**
Cash and cash equivalents are specified as follows:		
Cash at bank and in hand		1,003
Cash and cash equivalents at 31 May		**1,003**

Notes to the Financial Statements

1. Staff Expenses

	Group	Parent company
	2023/24	2023/24
	TDKK 8 months	TDKK 8 months
Wages and salaries	42,650	0
Pensions	2,866	0
Other social security expenses	450	0
	45,966	**0**
Including remuneration to the Executive Board and Board of Directors	**315**	**315**
Average number of employees	**103**	**0**

2. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment

	Group	Parent company
	2023/24	2023/24
	TDKK 8 months	TDKK 8 months
Amortisation of intangible assets	80,056	0
Depreciation of property, plant and equipment	2,184	0
	82,240	**0**

3. Income from investments in subsidiaries

	Parent company
	2023/24
	TDKK 8 months
Share of losses of subsidiaries	-9,038
Amortisation of goodwill and other rights	-50,364
	-59,402

Notes to the Financial Statements

4. Financial income

	Group	Parent company
	2023/24	2023/24
	TDKK 8 months	TDKK 8 months
Other financial income	2,243	67
	2,243	**67**

5. Financial expenses

	Group	Parent company
	2023/24	2023/24
	TDKK 8 months	TDKK 8 months
Other financial expenses	20,797	12,929
Exchange adjustments, expenses	1,930	0
	22,727	**12,929**

6. Income tax expense

	Group	Parent company
	2023/24	2023/24
	TDKK 8 months	TDKK 8 months
Current tax for the year	-5,500	0
Deferred tax for the year	-13,545	-2,894
	-19,045	**-2,894**

7. Profit allocation

	Parent company
	2023/24
	TDKK
Retained earnings	-69,721
	-69,721

8. Intangible fixed assets

Group

	Completed development projects	Acquired licences	Customer contracts	Goodwill	Development projects in progress
	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 28 September	0	0	0	0	0
Net effect from merger and acquisition	80,973	188,001	521,407	73,108	41,927
Additions for the year	2,908	0	18	0	34,501
Transfers for the year	35,054	0	0	0	-35,054
Cost at 31 May	118,935	188,001	521,425	73,108	41,374
Impairment losses and amortisation at 28 September	0	0	0	0	0
Amortisation for the year	16,689	15,667	43,435	4,265	0
Impairment losses and amortisation at 31 May	16,689	15,667	43,435	4,265	0
Carrying amount at 31 May	**102,246**	**172,334**	**477,990**	**68,843**	**41,374**

The Group's development projects relate to development of new products, as well as continued development, improvements and upgrading of the Group's existing products.

The development, improvement and upgrading is completed on an ongoing basis and the projects are ready for use upon completion. The products form the basis of a large part of the Group's existing business, hence, there are markets and customers for the products. Projects in progress, consist of supplementary products as well as customer-specific products; hence, there is a market herefore.

The improvements and upgrades are expected to have lives of 3 to 6 years which are considered to reflect the useful lives.

The projects are progressing according to plan through the use of the resources allocated by Management to the development.

Goodwill is amortised on a straight-line basis over its useful life, which is deemed at 10 years. The estimated useful life is based on the company's unique market- and commercial position and the strength in the operation and thus the expected earnings profile.

Customer contracts and Acquired licences are amortised on a straight-line basis over its useful life, which is deemed at 7 years. The estimated useful life is based on the company's unique market- and commercial position and the strength in the operation and thus the expected earnings profile.

Notes to the Financial Statements

9. Property, plant and equipment

Group

	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improve-ments
	TDKK	TDKK	TDKK
Cost at 28 September	0	0	0
Net effect from merger and acquisition	4,338	1,901	3,549
Additions for the year	68	0	0
Cost at 31 May	4,406	1,901	3,549
Impairment losses and depreciation at 28 September	0	0	0
Depreciation for the year	1,208	349	627
Impairment losses and depreciation at 31 May	1,208	349	627
Carrying amount at 31 May	**3,198**	**1,552**	**2,922**

Notes to the Financial Statements

	Parent company
	2023/24
	TDKK

10. Investments in subsidiaries

Cost at 28 September	0
Additions for the year	751,228
Cost at 31 May	751,228
Net profit/loss for the year	-9,038
Amortisation of goodwill	-50,364
Value adjustments at 31 May	-59,402
Carrying amount at 31 May	**691,826**
Positive differences arising on initial measurement of subsidiaries at net asset value	626,461

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership and Votes
ICEpower Holding ApS	Søborg, Denmark	DKK 1.130k	100%

11. Other fixed asset investments

Group

	Deposits
	TDKK
Cost at 28 September	0
Net effect from merger and acquisition	1,004
Additions for the year	306
Cost at 31 May	1,310
Carrying amount at 31 May	**1,310**

12. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well.

Notes to the Financial Statements

13. Share capital

	Number	Nominal value
		TDKK
A-shares	2,125,000	21
B-shares	2,875,000	29
C-shares	1,912,500	19
D-shares	2,587,500	26
		95

14. Provision for deferred tax

	Group	**Parent company**
	2023/24	2023/24
	TDKK	TDKK
Amounts recognized from acquisitions	178,967	0
Amounts recognised in the income statement for the year	-13,545	-2,894
Amounts recognised in equity for the year	-420	0
Deferred tax liabilities at 31 May	**165,002**	**-2,894**

15. Other provisions

	Group	**Parent company**
	2023/24	2023/24
	TDKK	TDKK
Other provisions	506	0
	506	**0**

The ICEpower Group provides warranties of 1 to 5 years on some of its products and is therefore obliged to repair or replace goods which are not satisfactory. Based on previous experience in respect of the level of repairs and returns, other provisions of DKK 506k have been recognised for expected warranty claims.

16. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group 2023/24 TDKK	Parent company 2023/24 TDKK
Payables to group enterprises		
After 5 years	0	0
Between 1 and 5 years	315,438	315,438
Long-term part	315,438	315,438
Within 1 year	0	0
	315,438	**315,438**
Other payables		
After 5 years	0	0
Between 1 and 5 years	23,264	0
Long-term part	23,264	0
Other short-term payables	11,268	176
	34,532	**176**

17. Cash flow statement - Adjustments

	Group 2023/24 TDKK 8 months
Financial income	-2,243
Financial expenses	22,727
Depreciation, amortisation and impairment losses, including losses and gains on sales	82,240
Tax on profit/loss for the year	-19,045
	83,679

Notes to the Financial Statements

18. Cash flow statement - Change in working capital

	Group 2023/24 TDKK 8 months
Change in inventories	1,131
Change in receivables	7,306
Change in other provisions	-407
Change in trade payables, etc	-12,135
	-4,105

19. Cash flow statement - Business acquisition

	Group 2023/24 TDKK
Purchase of goodwill	73,108
Purchase of acquired licenses	678,120
	751,228

20. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

	Group 2023/24 TDKK	Parent company 2023/24 TDKK
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	1,618	0
	1,618	**0**

	Group	Parent company
	2023/24	2023/24
	TDKK	TDKK

20. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to DKK 397. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Group’s liability.

The following assets have been placed as security with mortgage credit institutes: For assurance of all accounts with Financial institute, credit facility totalling DKK 30,000k, are given floating charge in all assets except accounts receivables.
Financial institutes are given floating charge in accounts receivables totalling DKK 60,000k.

The Parent Company's shares in ICEpower Holding ApS are collateral for all accounts with ICEpower Holding ApS' financial institutes.

ICEpower Global Holding ApS have given surety towards Group enterprise.

There are no further security and contingent liabilitites at 31 May 2024, other than what is normal in the line of business.

21. Related parties

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

22. Subsequent events

In July 2024 liquidity of MDKK 48 has been added to the Company's subsidiary as capital injection and the owners have committed to a further injection of MDKK 20.

Notes to the Financial Statements

23. Accounting policies

The Annual Report of ICEpower Global Holding ApS for 2023/24 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

This is the first accounting year for the Group.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023/24 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, ICEpower Global Holding ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Business combinations

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Subject to some exemptions, acquisitions carried through before 1 July 2018 are accounted for under the same accounting policies as those applying to business combinations carried through on or after 1 July 2018. The most material exemptions are:

- Identifiable assets and liabilities of the entity acquired are recognised only if they are probable.
- Identifiable contingent liabilities of the entity acquired are not recognised in the consolidated balance sheet.
- Where the purchase price allocation is not final, positive and negative differences due to changes to the recognition and measurement of the acquired net assets may be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.
- Transaction costs directly attributable to the acquisition of subsidiaries are included as part of cost.
- After the initial recognition, adjustment of contingent consideration is recognised directly with its counter entry in initial purchase price, thus correcting the value of goodwill or negative goodwill.
- In respect of step acquisitions, the carrying amount of the existing investments is recognised in cost.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an outflow of cash and cash equivalents, offered to the Executive Board and a number of senior employees is not recognised in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Revenue from license and royalty agreements is recognised as risks and rewards transfer during the course of the underlying agreement.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve the consolidated revenue for the year.

Other external expenses

Other external expenses comprise administration costs as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, work on own account recognised in assets, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Notes to the Financial Statements

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group.

Income from investments in subsidiaries and participating interests

The items “Income from investments in subsidiaries” and “Income from investments in participating interests” in the income statement include the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 10 years, determined on the basis of Management's experience with the individual business areas.

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 3-6 year.

Other intangible fixed assets

Patents, acquired licenses and rights are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Acquired licenses and rights are amortised over the remaining patent period or a shorter useful life. The amortisation period is 7 years.

Customer relationships

On initial recognition, customer relationships identified from business combinations are recognised in the statement of financial position at fair value. Subsequently, customer relationships are measured at cost less accumulated amortisation and impairment losses. Customer relationships are amortised over a period of 7 years using
the diminishing balance method.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	8-10 years
Leasehold improvements	3-10 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries and participating interests

Investments in subsidiaries and participating interests are recognised and measured under the equity method.

The items "Investments in subsidiaries" and "Investments in participating interests" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries and participating interests is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries and the participating interests.

Subsidiaries and participating interests with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Notes to the Financial Statements

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand”.

The cash flow statement cannot be immediately derived from the published financial records.

Notes to the Financial Statements

Financial Highlights

Explanation of financial ratios

Return on assets	Profit/loss of ordinary primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity