

**VESAVE A/S**  
Karetmagervej 25  
7100 Vejle  
Business Registration No  
21780979

## **Annual report 2017**

The Annual General Meeting adopted the annual report on 12.04.2018

**Chairman of the General Meeting**



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Name: Jens Sehested Krogh

## Contents

	<b><u>Page</u></b>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2017	7
Balance sheet at 31.12.2017	8
Statement of changes in equity for 2017	10
Notes	11
Accounting policies	12

## Entity details

### Entity

VESAVE A/S  
Karetmagervej 25  
7100 Vejle

Central Business Registration No (CVR): 21780979

Founded: 27.05.1999

Registered in: Vejle

Financial year: 01.01.2017 - 31.12.2017

### Board of Directors

David Packness Meyer, formand

Ronnie Møller-Thorsøe

Per Krøyer Kristensen

### Executive Board

Jens Sehested Krogh

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of VESAVE A/S for the financial year 01.01.2017 - 31.12.2017.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.


We recommend the annual report for adoption at the Annual General Meeting.

Vejle, 12.04.2018

### Executive Board

  
Jens Sehested Krogh

### Board of Directors

  
David Packness Meyer  
formand

  
Ronnie Møller-Thorsøe

  
Per Krøyer Kristensen

## Independent auditor's report

### To the shareholders of VESAVE A/S

#### Opinion

We have audited the financial statements of VESAVE A/S for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that 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:

## Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

## Independent auditor's report

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 12.04.2018

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556



Jacob Nørmark

State Authorised Public Accountant

Identification No (MNE) mne30176

## Management commentary

### Primary activities

The Company develops, Manufacture and supply "state of the art" equipment and solution for water reuse and thereby turning wastewater into useable technical water for the Brewing and soft drink segment.

### Development in activities and finances

The Company has finished Proof of concept (POC) for the technology for turning waste water into water reuse and to be used as technical water in brewing and soft drink segment where there is a high demand for high quality technical water.

The solution, now being field tested at Carlsberg (who ordered a project in 2016) has in 2017 shown good technical results with a very high water quality and we estimate finishing field test in Q2 – 2018 with very positive results.

The KD VeSave membrane solution gives the opportunity for the customer to save up to 30 % of their water consumption with a pay-back between 1.5- 3 years. The solution is very unique within the Food & Beverage sector and we foresee a huge potential with TOP 10 brewery groups and Top 2 Soft drink producers over the coming years.

### The expected development of the company including Financials

This year's results is a deficit on t.kr. 985 against a deficit for 2016 on t.kr. 8. The Board find the result acceptable considered that the technology is still in the test phase after has shown POC and now showing promising results and considered that KD VeSave is s a development company developing a new technology solution to the Food & beverage segment that will disrupt the market.

We expect 2018 to give a positive result for KD VeSave.

KD has in February 2018 employed a key person from the utility sector in the Beverage segment to head the market introduction of the KD VeSave membrane solution technology to the Food & beverage Market Targeting Top 10 brewery groups and TOP 2 soft drink Producers on a global scale.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.



## Income statement for 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
<b>Gross loss</b>		<b>(832.313)</b>	<b>(16.303)</b>
Staff costs	1	(160.464)	0
<b>Operating profit/loss</b>		<b>(992.777)</b>	<b>(16.303)</b>
Other financial income	2	9.634	6.465
Other financial expenses		(476)	(600)
<b>Profit/loss before tax</b>		<b>(983.619)</b>	<b>(10.438)</b>
Tax on profit/loss for the year	3	(2.000)	2.000
<b>Profit/loss for the year</b>		<b>(985.619)</b>	<b>(8.438)</b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		(985.619)	(8.438)
		<b>(985.619)</b>	<b>(8.438)</b>

**Balance sheet at 31.12.2017**

	<u>Notes</u>	<u>2017</u> <u>DKK</u>	<u>2016</u> <u>DKK</u>
Trade receivables		1.650.000	0
Receivables from group enterprises		0	690.034
Deferred tax		0	2.000
Other receivables		0	154
<b>Receivables</b>		<u><b>1.650.000</b></u>	<u><b>692.188</b></u>
<b>Cash</b>		<u><b>3.192</b></u>	<u><b>0</b></u>
<b>Current assets</b>		<u><b>1.653.192</b></u>	<u><b>692.188</b></u>
<b>Assets</b>		<u><b>1.653.192</b></u>	<u><b>692.188</b></u>

## Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Contributed capital		500.000	500.000
Retained earnings		<u>1.135.674</u>	<u>149.191</u>
<b>Equity</b>		<b><u>1.635.674</u></b>	<b><u>649.191</u></b>
Bank loans		0	32.517
Trade payables		10.000	10.480
Other payables		<u>7.518</u>	<u>0</u>
<b>Current liabilities other than provisions</b>		<b><u>17.518</u></b>	<b><u>42.997</u></b>
<b>Liabilities other than provisions</b>		<b><u>17.518</u></b>	<b><u>42.997</u></b>
<b>Equity and liabilities</b>		<b><u>1.653.192</u></b>	<b><u>692.188</u></b>
Contingent liabilities	4		
Assets charged and collateral	5		

## Statement of changes in equity for 2017

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	500.000	149.191	649.191
Group contributions etc	0	1.972.102	1.972.102
Profit/loss for the year	0	(985.619)	(985.619)
<b>Equity end of year</b>	<b>500.000</b>	<b>1.135.674</b>	<b>1.635.674</b>

The Parent KD Maskinfabrik A/S has granted a group contribution of DKK 1,972k in the financial year.

## Notes

	<b>2017</b>	<b>2016</b>
	<b>DKK</b>	<b>DKK</b>
<b>1. Staff costs</b>		
Wages and salaries	145.011	0
Pension costs	14.400	0
Other social security costs	1.053	0
	<b>160.464</b>	<b>0</b>
	<b>2017</b>	<b>2016</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Other financial income</b>		
Financial income arising from group enterprises	9.634	6.465
	<b>9.634</b>	<b>6.465</b>
	<b>2017</b>	<b>2016</b>
	<b>DKK</b>	<b>DKK</b>
<b>3. Tax on profit/loss for the year</b>		
Change in deferred tax	2.000	(2.000)
	<b>2.000</b>	<b>(2.000)</b>

#### 4. Contingent liabilities

The Company participates in a Danish joint taxation arrangement with KD Maskinfabrik A/S serving as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities.

The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

#### 5. Assets charged and collateral

##### Collateral provided for group enterprises

The Company has provided a guarantee for KD Maskinfabrik A/S and KD Pile Equipment A/S' debt to Jyske Bank. The bank debt amounts to DKK 31,752k at 31.12.2017. Moreover, as security for group enterprises' debt to Jyske Bank, the Company has provided a floating charge of a nominal amount of DKK 2,000k on the Company's unsecured claims, fuel and intangible rights. The carrying amount is DKK 1,650k at 31.12.2017.

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year, a few post are changed by reclassifications.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and external expenses.

#### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer.. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

#### Other external expenses

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

#### Staff costs

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

#### Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, etc.

#### Other financial expenses

Other financial expenses comprise interest expenses etc.

#### Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with KD Maskinfabrik A/S all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

## Accounting policies

### Balance sheet

#### Receivables

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

#### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

#### Cash

Cash comprises bank deposits.

#### Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.