

Much More Water A/S

Stærkendevej 43, 4000 Roskilde
CVR no. 26 30 26 76

Annual report for 2019

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 20.03.20

Jesper Ellegaard
Dirigent

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The company

Much More Water A/S
Stærkendevej 43
4000 Roskilde
Registered office: Roskilde
CVR no.: 26 30 26 76
Financial year: 01.01 - 31.12

Executive Board

Jesper Ellegaard

Board of directors

Formand Kirsten Cecilie Ellegaard
Jesper Ellegaard
Jan Arvid Stridh Christensen

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement of the Board of Directors and Executive Board on the annual report

We have on this day presented the annual report for the financial year 01.01.19 - 31.12.19 for Much More Water A/S.

The annual report is presented in accordance with Danish Financial Statements Act (Årsregnskabsloven).

In our opinion, the financial statements give a true and fair view of the the company's assets, liabilities and financial position as at 31.12.19 and of the results of the the company's activities for the financial year 01.01.19 - 31.12.19.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Roskilde, March 3, 2020

Executive Board

Jesper Ellegaard

Board Of Directors

Kirsten Cecilie Ellegaard
Chairman

Jesper Ellegaard

Jan Arvid Stridh Christensen

To the Owners of capital of Much More Water A/S**Opinion**

We have audited the financial statements of Much More Water A/S for the financial year 01.01.19 - 31.12.19, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.19 and of the results of the company's operations for the financial year 01.01.19 - 31.12.19 in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

Basis for conclusion

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

Statement regarding the management's review

Management is responsible for management's review.

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

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

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

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

Management's responsibility for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 International Standards on Auditing and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Næstved, March 3, 2020

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Jørgen Stegmann

State Authorized Public Accountant
MNE-no. mne11738

Primary activities

The company's activities comprise of development, production and sale of mobile water purifying plants for drinking water.

Development in activities and financial affairs

The income statement for the period 01.01.19 - 31.12.19 shows a profit/loss of DKK -36,902 against DKK -1,202,145 for the period 01.01.18 - 31.12.18. The balance sheet shows equity of DKK -603,390.

The management considers the net profit for the year to be unsatisfactory.

Information on going concern

The company has lost its capital.

The company's management expects, through future earnings, to be able to re-establish the lost capital.

The company's operations are financed by the company's ultimate capital owner and concern related companies, as well as a declaration of resignation statement on debt to affiliated companies.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note		2019 DKK	2018 DKK
	Gross result	17,581	-830,535
2	Staff costs	-70,505	-566,649
	Loss before depreciation, amortisation, write-downs and impairment losses	-52,924	-1,397,184
	Amortisation and impairments losses of intangible assets	0	-125,160
	Loss before net financials	-52,924	-1,522,344
3	Financial income	6,258	24,605
4	Financial expenses	-644	-42,363
	Loss before tax	-47,310	-1,540,102
	Tax on profit or loss for the year	10,408	337,957
	Loss for the year	-36,902	-1,202,145
Proposed appropriation account			
	Retained earnings	-36,902	-1,202,145
	Total	-36,902	-1,202,145

ASSETS		31.12.19	31.12.18
		DKK	DKK
Note			
	Raw materials and consumables	55,900	203,964
	Total inventories	55,900	203,964
	Trade receivables	28,271	292,943
	Receivables from group enterprises	158,962	59,784
	Deferred tax asset	538,588	682,007
	Other receivables	0	163,143
	Total receivables	725,821	1,197,877
	Cash	328,933	145,445
	Total current assets	1,110,654	1,547,286
	Total assets	1,110,654	1,547,286

EQUITY AND LIABILITIES		31.12.19	31.12.18
		DKK	DKK
Note			
	Share capital	625,000	625,000
	Retained earnings	-1,228,390	-1,191,488
	Total equity	-603,390	-566,488
	Trade payables	74,709	78,152
	Payables to group enterprises	1,597,728	2,011,152
	Other payables	41,607	24,470
	Total short-term payables	1,714,044	2,113,774
	Total payables	1,714,044	2,113,774
	Total equity and liabilities	1,110,654	1,547,286

⁵ Contingent liabilities

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings
Statement of changes in equity for 01.01.18 - 31.12.18		
Balance as at 01.01.18	625,000	10,657
Net profit/loss for the year	0	-1,202,145
Balance as at 31.12.18	625,000	-1,191,488
Statement of changes in equity for 01.01.19 - 31.12.19		
Balance pr. 01.01.19	625,000	-1,191,488
Net profit/loss for the year	0	-36,902
Balance as at 31.12.19	625,000	-1,228,390

1. Information as regards going concern

The company has lost its capital.

The company's management expects, through future earnings, to be able to re-establish the lost capital.

The company's operations are financed by the company's ultimate capital owner and concern related companies, as well as a declaration of resignation statement on debt to affiliated companies.

	2019 DKK	2018 DKK
2. Staff costs		
Wages and salaries	67,500	503,394
Pensions	0	48,259
Other social security costs	0	3,692
Other staff costs	3,005	11,304
Total	70,505	566,649
Average number of employees during the year	0	1

3. Financial income

Interest, group enterprises	5,351	24,605
Other financial income	907	0
Total	6,258	24,605

	2019	2018
	DKK	DKK
4. Financial expenses		
Interest, group enterprises	0	15,109
Other interest expenses	644	27,254
Total	644	42,363

5. Contingent liabilities

Other contingent liabilities

The company is taxed jointly with the other companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies.

6. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

INCOME STATEMENT

Gross result

Gross result comprises revenue, raw materials and consumables and cost of sales and other external expenses.

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

6. Accounting policies - continued -

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Amortisation and impairment losses

The amortisation of intangible assets aim at systematic amortisation over the expected useful lives of the assets. Assets are amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful life, year	Residual value, per cent
Completed development projects	5-6	0

The basis of amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Other net financials

Interest income and interest expenses etc. are recognised in other net financials.

6. Accounting policies - continued -

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Inventories

Inventories are measured at cost calculated according to the FIFO principle. Inventories are written down to the lower of cost and net realisable value.

6. Accounting policies - continued -

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

6. Accounting policies - continued -

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.