

Infuser ApS
Central Business Registration No
34091978
Universitetsparken 7
4000 Roskilde

Annual report 2015

The Annual General Meeting adopted the annual report on 24.05.2016

Chairman of the General Meeting

Name: Lars Nygaard Jepsen

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Entity details

Entity

Infuser ApS
Universitetsparken 7
4000 Roskilde

Central Business Registration No: 34091978

Registered in: Himmelev

Financial year: 01.01.2015 - 31.12.2015

Board of Directors

Lars Nygaard Jepsen
Finn Mogensen
Oh Kim Sun
Antonio Jose Mugica Rivero
Matthew Stanley Johnson

Executive Board

Lars Nannerup
Lars Nygaard Jepsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København 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 Infuser ApS for the financial year 01.01.2015 - 31.12.2015.

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 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

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.

Roskilde, 02.05.2016

Executive Board

Lars Nannerup

Lars Nygaard Jepsen

Board of Directors

Lars Nygaard Jepsen

Finn Mogensen

Oh Kim Sun

Antonio Jose Mugica Rivero

Matthew Stanley Johnson

Independent auditor's reports

To the owners of Infuser ApS

Report on the financial statements

We have audited the financial statements of Infuser ApS for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

København, 02.05.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Jacob Simonsen
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

The company's main activities is to develop, manufacture, promote and sell environmental friendly air purification technologies.

Development in activities and finances

The loss of the year is DKK 21,208k. Last year's loss was DKK 5,833k. The total assets is DKK 40,248k. and the equity is DKK 15,363k.

The Management is aware of the company's capital resources. The company has after year-end signed a convertible loan of DKK 11,250k. The Management expect an improved cash flow from the activities in the second half of 2016 and the company has various strategic considerations about how to further strengtened the capital resources.

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.

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 for these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of raw materials and consumables and external expenses.

Accounting policies

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.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary write-downs of the relevant inventories.

Other external expenses

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

Staff costs

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises interest income as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Accounting policies

Income taxes

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.

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using the estimated useful lives of the assets. The amortisation period is 5 years. Development projects are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-8 years
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Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Investments in group enterprises

Investments in group enterprises are measured at cost and are written down to the lower of recoverable amount and carrying amount.

Deferred tax

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

Inventories

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

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

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Accounting policies

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Gross loss		(10.180.811)	(5.237)
Staff costs	2	(5.857.202)	(1.994)
Depreciation, amortisation and impairment losses	3	<u>(5.228.540)</u>	<u>(24)</u>
Operating profit/loss		(21.266.553)	(7.255)
Other financial income	4	22.589	172
Other financial expenses	5	<u>(1.424.002)</u>	<u>(599)</u>
Profit/loss from ordinary activities before tax		(22.667.966)	(7.682)
Tax on profit/loss from ordinary activities	6	<u>1.460.083</u>	<u>1.849</u>
Profit/loss for the year		<u>(21.207.883)</u>	<u>(5.833)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(21.207.883)</u>	<u>(5.833)</u>
		<u>(21.207.883)</u>	<u>(5.833)</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Completed development projects		2.224.878	0
Development projects in progress		6.864.144	10.251
Intangible assets	7	<u>9.089.022</u>	<u>10.251</u>
Other fixtures and fittings, tools and equipment		6.236.513	59
Property, plant and equipment	8	<u>6.236.513</u>	<u>59</u>
Investments in group enterprises		10.779.922	9.359
Deposits		220.405	11
Deferred tax		0	964
Fixed asset investments	9	<u>11.000.327</u>	<u>10.334</u>
Fixed assets		<u>26.325.862</u>	<u>20.644</u>
Work in progress		1.130.802	0
Inventories		<u>1.130.802</u>	<u>0</u>
Trade receivables		1.015.096	3.055
Contract work in progress		3.336.858	0
Receivables from group enterprises		693.819	251
Other short-term receivables		2.012.333	716
Income tax receivable		1.514.766	0
Prepayments		201.757	33
Receivables		<u>8.774.629</u>	<u>4.055</u>
Cash		<u>4.016.450</u>	<u>2.264</u>
Current assets		<u>13.921.881</u>	<u>6.319</u>
Assets		<u><u>40.247.743</u></u>	<u><u>26.963</u></u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Contributed capital	10	2.441.209	1.816
Retained earnings		<u>12.922.036</u>	<u>6.775</u>
Equity		<u>15.363.245</u>	<u>8.591</u>
Other payables		<u>12.594.137</u>	<u>4.816</u>
Non-current liabilities other than provisions	11	<u>12.594.137</u>	<u>4.816</u>
Current portion of long-term liabilities other than provisions	11	1.800.000	3.882
Trade payables		9.116.714	6.251
Debt to group enterprises		0	619
Other payables		<u>1.373.647</u>	<u>2.804</u>
Current liabilities other than provisions		<u>12.290.361</u>	<u>13.556</u>
Liabilities other than provisions		<u>24.884.498</u>	<u>18.372</u>
Equity and liabilities		<u>40.247.743</u>	<u>26.963</u>
Going concern	1		
Unrecognised rental and lease commitments	12		
Contingent assets	13		
Assets charged and collateral	14		

Statement of changes in equity for 2015

	Contributed capital DKK	Retained ear- nings DKK	Total DKK
Equity beginning of year	1.816.331	6.774.572	8.590.903
Increase of capital	624.878	27.355.347	27.980.225
Profit/loss for the year	0	(21.207.883)	(21.207.883)
Equity end of year	<u>2.441.209</u>	<u>12.922.036</u>	<u>15.363.245</u>

Notes

1. Going concern

The Management is aware of the company's capital resources. The company has after year-end signed a convertible loan of DKK 11,250k. The Management expect an improved cash flow from the activities in the second half of 2016 and the company has various strategic considerations about how to further strengthened the capital resources.

	2015	2014
	DKK	DKK'000
2. Staff costs		
Wages and salaries	5.786.150	2.907
Other social security costs	69.762	38
Other staff costs	1.290	(951)
	5.857.202	1.994

	2015	2014
	DKK	DKK'000
3. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	940.222	0
Impairment losses on intangible assets	3.911.478	0
Depreciation of property, plant and equipment	376.840	24
	5.228.540	24

	2015	2014
	DKK	DKK'000
4. Other financial income		
Interest income	2	0
Exchange rate adjustments	22.587	172
	22.589	172

	2015	2014
	DKK	DKK'000
5. Other financial expenses		
Interest expenses	1.424.002	599
	1.424.002	599

Notes

	2015	2014
	DKK	DKK'000
6. Tax on ordinary profit/loss for the year		
Current tax	(972.900)	0
Change in deferred tax for the year	964.122	(1.849)
Adjustment relating to previous years	(1.451.305)	0
	(1.460.083)	(1.849)

Adjustment relating to previous years relates to recognition of tax credit to the tax year 2014.

	Completed development projects DKK	Development projects in progress DKK
7. Intangible assets		
Cost beginning of year	0	10.251.171
Additions	7.076.578	3.075.621
Disposals	0	(6.462.648)
Cost end of year	7.076.578	6.864.144
Impairment losses for the year	(3.911.478)	0
Amortisation for the year	(940.222)	0
Amortisation and impairment losses end of year	(4.851.700)	0
Carrying amount end of year	2.224.878	6.864.144
		Other fix- tures and fittings, tools and equipment DKK
8. Property, plant and equipment		
Cost beginning of year		96.235
Additions		6.553.991
Cost end of year		6.650.226
Depreciation and impairment losses beginning of the year		(36.873)
Depreciation for the year		(376.840)
Depreciation and impairment losses end of the year		(413.713)
Carrying amount end of year		6.236.513

Notes

	Investments in group en- terprises DKK	Deposits DKK	Deferred tax DKK
9. Fixed asset investments			
Cost beginning of year	9.359.049	10.728	964.122
Additions	1.420.873	209.677	0
Disposals	0	0	(964.122)
Cost end of year	10.779.922	220.405	0
Carrying amount end of year	10.779.922	220.405	0

	Registered in	Equity interest %	Equity DKK	Profit/loss DKK
Subsidiaries:				
Infuser Sverige AB	Sweden	96,60	2.236.277	(211.021)
03 Technology Research & Develop- ment Ab	Sweden	100,00	79.242	(2.067)

	Number	Par value DKK	Nominal value DKK
10. Contributed capital			
A-shares	2.250.388	1,00	2.250.388
B-shares	190.821	1,00	190.821
	2.441.209		2.441.209

	2015 DKK	2014 DKK	2013 DKK	2012 DKK	2011 DKK
Changes in con- tributed capital					
Contributed capital beginning of year	1.816.331	1.272.139	1.272.139	80.000	80.000
Increase of capital	624.878	544.192	0	1.192.139	0
Contributed capi- tal end of year	2.441.209	1.816.331	1.272.139	1.272.139	80.000

Notes

	Instal- ments within 12 months 2014 DKK'000	Instalments within 12 months 2015 DKK	Instalments beyond 12 months 2015 DKK
11. Long-term liabilities other than provisions			
Other payables	3.882	1.800.000	12.594.137
	3.882	1.800.000	12.594.137
		2015 DKK	2014 DKK'000
12. Unrecognised rental and lease commitments			
Commitments under rental agreements or leases until expiry		862.407	820

13. Contingent assets

The company has deferrable tax losses worth DKK 6,360k.

14. Assets charged and collateral

Total shares in group enterprises worth DKK 10,779,922 is provided as security for other liabilities.

Loan is secured with company charge. The security includes other fixtures and fittings, tools and equipment, intangible assets, inventories and trade receivables.

The company has provided customs duty guarantee for SEK 500,000.