



Infuser ApS

Ole Maaløes Vej 5
2200 Copenhagen N
CVR No. 34091978

Annual report 2019

The Annual General Meeting adopted the
annual report on 24.09.2020

Lars Nannerup

Chairman of the General Meeting

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Entity details

Entity

Infuser ApS

Ole Maaløes Vej 5

2200 Copenhagen N

CVR No.: 34091978

Registered office: Copenhagen N

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Lars Nygaard Jepsen

Matthew Johnson

Finn Mogensen

Antonio Jose Mugica Rivero

Oh Kim Sun

Executive Board

Lars Nannerup, CEO

Lars Nygaard Jepsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Infuser ApS for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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.

Copenhagen, 24.09.2020

Executive Board

Lars Nannerup
CEO

Lars Nygaard Jepsen

Board of Directors

Lars Nygaard Jepsen

Matthew Johnson

Finn Mogensen

Antonio Jose Mugica Rivero

Oh Kim Sun

Independent auditor's report

To the shareholders of Infuser ApS

Opinion

We have audited the financial statements of Infuser ApS for the financial year 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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.

Material uncertainty related to going concern

Group Management in the Infuser Holding Group is in dialogue with potential investors and is confident that an agreement on further capital injection and/or loan financing will be reached shortly.

No agreement has been finalized at the reporting date. As the Group and its subsidiaries are dependent on further financing, there is material uncertainty that may cast significant doubt on the company's and the Group's ability to continue as a going concern. The uncertainty has been described in note 1 to the financial statements.

We have not modified our opinion in this respect.

Emphasis of matter regarding circumstances in the financial statements

There is material uncertainty regarding the measurement of the company's completed development projects and acquired patents and inventory. For further description, reference is made to note 2.

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:

- 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.

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.

Copenhagen, 24.09.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Henrik Wolff Mikkelsen

State Authorised Public Accountant
Identification No (MNE) mne33747

Mads Juul Hansen

State Authorised Public Accountant
Identification No (MNE) mne44386

Management commentary

Primary activities

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

Description of material changes in activities and finances

The loss for the year after taxes is DKK (20,307)k. Last year's loss was DKK (15,723)k. The total assets are DKK 26,360k., and the equity is DKK (2,649)k.

Management are aware of the company's financial situation and expects it to be reconstructed in 2020 by capital from investors.

Events after the balance sheet date

The outbreak of coronavirus has led to increased interest in the company's technology and products, and this is expected to have a positive impact on the financial years to come.

The management is in dialogue with potential investors and expect new capital before the end of 2020. This capital will ensure both the capital structure of the company and secure the cash flow needs to roll out the company's business plans that is expected to generate a high revenue.

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

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		1,729,376	(324,358)
Staff costs	3	(7,656,300)	(10,481,131)
Depreciation, amortisation and impairment losses	4	(3,638,708)	(2,881,054)
Operating profit/loss		(9,565,632)	(13,686,543)
Income from investments in group enterprises		(6,649,761)	0
Other financial income	5	75,721	0
Other financial expenses	6	(5,287,902)	(2,753,380)
Profit/loss before tax		(21,427,574)	(16,439,923)
Tax on profit/loss for the year	7	1,120,890	716,567
Profit/loss for the year		(20,306,684)	(15,723,356)
Proposed distribution of profit and loss			
Retained earnings		(20,306,684)	(15,723,356)
Proposed distribution of profit and loss		(20,306,684)	(15,723,356)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Completed development projects	9	2,365,228	5,338,086
Acquired patents		0	145,534
Development projects in progress	9	6,148,548	2,603,879
Intangible assets	8	8,513,776	8,087,499
Other fixtures and fittings, tools and equipment		2,389,676	3,842,064
Property, plant and equipment	10	2,389,676	3,842,064
Investments in group enterprises		0	9,771,049
Deposits		432,120	432,120
Other financial assets	11	432,120	10,203,169
Fixed assets		11,335,572	22,132,732
Manufactured goods and goods for resale		1,452,555	2,375,649
Inventories		1,452,555	2,375,649
Trade receivables		2,518,110	1,429,031
Receivables from associates		0	157,185
Other receivables		9,242,932	840,089
Income tax receivable		750,627	1,076,655
Prepayments		521,500	188,086
Receivables		13,033,169	3,691,046
Cash		538,699	52,340
Current assets		15,024,423	6,119,035
Assets		26,359,995	28,251,767

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		3,255,083	3,061,393
Reserve for development expenditure		6,640,745	6,194,723
Retained earnings		(12,545,309)	(29,226,632)
Equity		(2,649,481)	(19,970,516)
Other provisions		372,000	0
Provisions		372,000	0
Other payables		4,597,050	905,178
Non-current liabilities other than provisions	12	4,597,050	905,178
Current portion of non-current liabilities other than provisions	12	10,866,294	24,442,829
Bank loans		0	2,719,056
Trade payables		5,031,854	6,051,325
Payables to group enterprises		5,530,576	10,521,841
Payables to associates		477,990	0
Payables to shareholders and management		181,500	165,000
Other payables		1,952,212	3,417,054
Current liabilities other than provisions		24,040,426	47,317,105
Liabilities other than provisions		28,637,476	48,222,283
Equity and liabilities		26,359,995	28,251,767
Going concern	1		
Uncertainty relating to recognition and measurement	2		
Unrecognised rental and lease commitments	13		
Contingent assets	14		
Contingent liabilities	15		
Assets charged and collateral	16		
Non-arm's length related party transactions	17		

Statement of changes in equity for 2019

	Contributed capital DKK	Share premium DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	3,061,393	0	6,194,723	(29,226,632)	(19,970,516)
Increase of capital	193,690	11,056,310	0	0	11,250,000
Transferred from share premium	0	(11,056,310)	0	11,056,310	0
Group contributions etc	0	0	0	26,377,719	26,377,719
Transfer to reserves	0	0	446,022	(446,022)	0
Profit/loss for the year	0	0	0	(20,306,684)	(20,306,684)
Equity end of year	3,255,083	0	6,640,745	(12,545,309)	(2,649,481)

Notes

1 Going concern

The Management is aware of the company's capital resources. Management is close to finalizing an agreement with potential new investors securing a significant capital injection, that will ensure both the capital structure as well as the cash flow needs for 2020.

As no final agreement has currently been signed, there is material uncertainty related to the company's ability to continue as a going concern. Management is confident that the necessary financing will be obtained and has therefore prepared the Annual report in accordance with the going concern assumption.

2 Uncertainty relating to recognition and measurement

Completed development projects and acquired patents totals DKK 8,514k. The assets are measured at cost after depreciation and amortization. Since there has been no significant income related the mentioned projects and patents, the measurement is subject to material uncertainty. Management is confident that income and cash flow related to projects and patents will be significant and that the significant uncertainty primarily relates to the timing of income and cash flow. It is the opinion of Management that the net booked value of development projects and the related patents is not subject to impairment.

Inventory totals DKK 1,452k. Inventory are measured at lower of cost using the FIFO method and net realisable value. Since there has been no income related to the inventory items, the measurement is subject to material uncertainty.

3 Staff costs

	2019	2018
	DKK	DKK
Wages and salaries	10,535,551	11,326,408
Pension costs	177,600	87,750
Other social security costs	178,292	182,704
Other staff costs	170,815	85,269
	11,062,258	11,682,131
Staff costs classified as assets	(3,405,958)	(1,201,000)
	7,656,300	10,481,131
Average number of full-time employees	17	16

4 Depreciation, amortisation and impairment losses

	2019	2018
	DKK	DKK
Amortisation of intangible assets	1,377,425	1,408,937
Impairment losses on intangible assets	1,179,231	0
Depreciation of property, plant and equipment	1,082,052	1,472,117
	3,638,708	2,881,054

5 Other financial income

	2019 DKK	2018 DKK
Other financial income	75,721	0
	75,721	0

6 Other financial expenses

	2019 DKK	2018 DKK
Financial expenses from group enterprises	1,781,857	37,282
Other interest expenses	3,492,550	2,681,949
Exchange rate adjustments	13,495	34,149
	5,287,902	2,753,380

7 Tax on profit/loss for the year

	2019 DKK	2018 DKK
Current tax	(1,120,890)	(716,567)
	(1,120,890)	(716,567)

8 Intangible assets

	Completed development projects DKK	Acquired patents DKK	Development projects in progress DKK
Cost beginning of year	7,589,088	145,534	2,603,879
Additions	777,563	0	4,317,390
Disposals	(1,396,278)	(112,300)	(772,721)
Cost end of year	6,970,373	33,234	6,148,548
Amortisation and impairment losses beginning of year	(2,251,002)	0	0
Impairment losses for the year	(1,179,231)	0	0
Amortisation for the year	(1,344,191)	(33,234)	0
Reversal regarding disposals	169,279	0	0
Amortisation and impairment losses end of year	(4,605,145)	(33,234)	0
Carrying amount end of year	2,365,228	0	6,148,548

9 Development projects

Development projects in progress consist of project relating to new products that the company is developing within the air pollution industry. The capitalized development costs consists of material costs and direct staff costs etc., which is handled and recorded in the company's internal project module.

The value of Development projects in progress are at 31 December 2019 6.149 t.DKK. The development projects are expected to be finalized during 2020.

The developments projects are expected to grant competitive advantages when they are finalized.

10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	8,546,174
Additions	15,259
Disposals	(519,479)
Cost end of year	8,041,954
Depreciation and impairment losses beginning of year	(4,704,110)
Depreciation for the year	(1,082,052)
Reversal regarding disposals	133,884
Depreciation and impairment losses end of year	(5,652,278)
Carrying amount end of year	2,389,676

11 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	9,771,049	432,120
Disposals	(9,771,049)	0
Cost end of year	0	432,120
Carrying amount end of year	0	432,120

12 Non-current liabilities other than provisions

	Due within 12 months 2019 DKK	Due within 12 months 2018 DKK	Due after more than 12 months 2019 DKK
Convertible and dividend-yielding debt instruments	0	11,878,927	0
Other payables	10,866,294	12,563,902	4,597,050
	10,866,294	24,442,829	4,597,050

13 Unrecognised rental and lease commitments

	2019 DKK	2018 DKK
Liabilities under rental or lease agreements until maturity in total	1,797,281	1,497,426

14 Contingent assets

The company has unused tax losses worth DKK 67.098k from before joining the joint taxation.

15 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Infuser Holding ApS serves 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.

16 Assets charged and collateral

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.

17 Non-arm's length related party transactions

The Company have not invoiced management fee to related parties. All other transactions with related parties conducted in the financial year has been conducted on an arm's length basis.

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.

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.

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.

Income statement

Gross profit or loss

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

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 writedowns 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, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation 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.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividends etc received from the individual group enterprises in the financial year.

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.

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.

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. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

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.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

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.

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. 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 writedowns for bad and doubtful debts.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed 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 bank deposits.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Other financial liabilities

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