

STERISAFE IP ApS
Ole Maaløes Vej 5
2200 København N
Business Registration No
38549278

Annual report 2018

The Annual General Meeting adopted the annual report on 26.06.2019

Chairman of the General Meeting

Name: Lars Nannerup

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Entity details

Entity

STERISAFE IP ApS
Ole Maaløes Vej 5
2200 København N

Central Business Registration No (CVR): 38549278

Registered in: København

Financial year: 01.01.2018 - 31.12.2018

Board of Directors

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

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 STERISAFE IP ApS for the financial year 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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, 26.06.2019

Executive Board

Lars Nannerup

Lars Nygaard Jepsen

Board of Directors

Oh Kim Sun

Antonio Jose Mugica Rivero

Matthew Johnson

Finn Mogensen

Lars Nygaard Jepsen

Independent auditor's report

To the shareholders of STERISAFE IP ApS

Opinion

We have audited the financial statements of STERISAFE IP ApS for the financial year 01.01.2018 - 31.12.2018, 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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 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

Management is in dialogue with potential investors and is confident that an agreement will be finalized shortly. As no agreement is finalized at the reporting date and as the Infuser Group is dependent on further financing, there is still uncertainty related to the company's ability to continue as a going concern. As Management remains positive about receiving the necessary financing, the Annual Report has been prepared in accordance with the going concern assumption. For further description, reference is made to note 1.

Emphasis of matter regarding circumstances in the financial statements

There is uncertainty regarding the measurement of the company's completed development projects. 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.

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 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.

Independent auditor's report

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, 26.06.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR)
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 are to develop, promote and sell environmental friendly disinfection technologies.

Development in activities and finances

The loss of the year is DKK (688)k. The total assets are DKK 5,903k and the equity is DKK 5,878k.

Events after the balance sheet date

Infuser Group Management has after year-end had dialogue with potential new investors. The dialogue is in its closing stage and Management expects that an agreement regarding a significant capital injection will be reached shortly. The capital injection will ensure both the capital structure of the Infuser Group and secure cash flow needs for the remainder of 2019.

Apart from above, no events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Gross loss		(15.365)	(24.170)
Depreciation, amortisation and impairment losses	3	<u>(719.563)</u>	<u>(479.708)</u>
Operating profit/loss		(734.928)	(503.878)
Other financial income	4	<u>46.726</u>	<u>30.684</u>
Profit/loss for the year		<u>(688.202)</u>	<u>(473.194)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(688.202)</u>	<u>(473.194)</u>
		<u>(688.202)</u>	<u>(473.194)</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Completed development projects		2.398.543	3.118.106
Intangible assets	5	2.398.543	3.118.106
Investments in group enterprises		2.624.879	2.624.879
Fixed asset investments	6	2.624.879	2.624.879
Fixed assets		5.023.422	5.742.985
Receivables from group enterprises		870.948	833.780
Other receivables		8.125	2.500
Receivables		879.073	836.280
Cash		13	830
Current assets		879.086	837.110
Assets		5.902.508	6.580.095

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital		50.000	50.000
Reserve for development expenditure		1.619.016	2.338.579
Retained earnings		<u>4.209.377</u>	<u>4.178.016</u>
Equity		<u>5.878.393</u>	<u>6.566.595</u>
Payables to group enterprises		5.365	0
Other payables		<u>18.750</u>	<u>13.500</u>
Current liabilities other than provisions		<u>24.115</u>	<u>13.500</u>
Liabilities other than provisions		<u>24.115</u>	<u>13.500</u>
Equity and liabilities		<u>5.902.508</u>	<u>6.580.095</u>
Going concern	1		
Uncertainty relating to recognition and measurement	2		
Contingent liabilities	7		

Statement of changes in equity for 2018

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>
Equity beginning of year	50.000	2.338.579	4.178.016	6.566.595
Transfer to reserves	0	(719.563)	719.563	0
Profit/loss for the year	0	0	(688.202)	(688.202)
Equity end of year	50.000	1.619.016	4.209.377	5.878.393

Notes

1. Going concern

The Management is aware of the company's capital resources. As mentioned in the Management Report, group 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 2019.

As no final agreement has currently been signed, there is 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 total DKK 2.399k. The assets are measured at cost after depreciation and amortization. Since there has been no significant income related the mentioned projects, the measurement is subject to significant 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.

	2018	2017
	DKK	DKK
3. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	719.563	479.708
	719.563	479.708
	2018	2017
	DKK	DKK
4. Other financial income		
Financial income arising from group enterprises	32.656	30.684
Exchange rate adjustments	14.070	0
	46.726	30.684

Notes

	Completed develop- ment projects DKK
	<u>DKK</u>
5. Intangible assets	
Cost beginning of year	3.597.814
Cost end of year	<u>3.597.814</u>
Amortisation and impairment losses beginning of year	(479.708)
Amortisation for the year	<u>(719.563)</u>
Amortisation and impairment losses end of year	<u>(1.199.271)</u>
Carrying amount end of year	<u>2.398.543</u>
	Invest- ments in group enterprises DKK
	<u>DKK</u>
6. Fixed asset investments	
Cost beginning of year	2.624.879
Cost end of year	<u>2.624.879</u>
Carrying amount end of year	<u>2.624.879</u>

7. 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 state-ments.

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 have been applied consistently with previous years.

Income statement

Gross profit or loss

Gross profit or loss comprises external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to intangible assets comprise depreciation, amortisation 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.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

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 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 their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot

Accounting policies

be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Investments in group enterprises

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

Receivables

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

Cash

Cash comprises bank deposits.

Other financial liabilities

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