



Sterisafe IP ApS

Ole Maaløes Vej 3
2200 Copenhagen N
CVR No. 38549278

Annual report 2021

The Annual General Meeting adopted the
annual report on 29.07.2022

Anders Kjær Dybdahl

Chairman of the General Meeting

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Entity details

Entity

Sterisafe IP ApS
Ole Maaløes Vej 3
2200 Copenhagen N

Business Registration No.: 38549278
Registered office: Copenhagen
Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Lars Nannerup
Lars Nygaard Jepsen

Executive Board

Eliot Booth

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Sterisafe IP ApS for the financial year 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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, 29.07.2022

Executive Board

Eliot Booth

Board of Directors

Lars Nannerup

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 01.01.2021 - 31.12.2021, 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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 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 for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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:

- 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, 29.07.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Henrik Wolff Mikkelsen

State Authorised Public Accountant
Identification No (MNE) mne33747

Management commentary

Primary activities

The company's main activities are to develop, promote and sell environmentally friendly disinfection technologies.

Description of material changes in activities and finances

The loss of the year is DKK (28.781)K. Total assets amounts to DKK 20.023K and equity is DKK (29.867)K

The company has lost its equity and in accordance with the Danish Companies Act, it is management's expectation that equity will be reestablished from future profits or capital injections from the parent company. As mentioned in note 1, the parent company has issued a letter of support expiring in July 2023. Based on this, management has assessed that Sterisafe IP ApS is going concern.

Events after the balance sheet date

The parent company, Sterisafe Holding A/S, has raised equity in July 2022.

Further to the 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 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		(5,113,024)	(2,743,365)
Staff costs	3	(11,071,089)	(11,163,772)
Depreciation, amortisation and impairment losses		(7,924,302)	(2,029,909)
Operating profit/loss		(24,108,415)	(15,937,046)
Income from investments in group enterprises		(3,508,215)	0
Other financial income	4	23,183	0
Other financial expenses	5	(2,104,532)	(473,836)
Profit/loss before tax		(29,697,979)	(16,410,882)
Tax on profit/loss for the year	6	916,636	15,226
Profit/loss for the year		(28,781,343)	(16,395,656)
Proposed distribution of profit and loss			
Retained earnings		(28,781,343)	(16,395,656)
Proposed distribution of profit and loss		(28,781,343)	(16,395,656)

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Completed development projects	8	435,531	7,334,627
Acquired patents		62,005	64,905
Development projects in progress	8	403,554	610,318
Intangible assets	7	901,090	8,009,850
Other fixtures and fittings, tools and equipment		71,243	299,775
Property, plant and equipment	9	71,243	299,775
Investments in group enterprises		3,569,205	6,671,069
Deposits		140,199	43,782
Financial assets	10	3,709,404	6,714,851
Fixed assets		4,681,737	15,024,476
Manufactured goods and goods for resale		7,377,000	9,525,391
Inventories		7,377,000	9,525,391
Trade receivables		614,509	312,962
Receivables from group enterprises		3,084,571	0
Other receivables		107,298	1,280,609
Income tax receivable		129,142	1,051,226
Prepayments		3,366,801	3,557,623
Receivables		7,302,321	6,202,420
Cash		661,800	681,543
Current assets		15,341,121	16,409,354
Assets		20,022,858	31,433,830

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		50,000	50,000
Reserve for development expenditure		4,853,280	6,197,057
Retained earnings		(34,770,214)	(7,332,648)
Equity		(29,866,934)	(1,085,591)
Debt to other credit institutions		7,041,400	8,618,384
Payables to group enterprises		39,073,159	0
Other payables		690,946	690,946
Non-current liabilities other than provisions	11	46,805,505	9,309,330
Current portion of non-current liabilities other than provisions	11	1,638,919	774,559
Bank loans		0	4,528,533
Trade payables		525,497	9,825,319
Payables to group enterprises		114,811	1,039,846
Other payables		805,060	7,041,834
Current liabilities other than provisions		3,084,287	23,210,091
Liabilities other than provisions		49,889,792	32,519,421
Equity and liabilities		20,022,858	31,433,830
Going concern	1		
Uncertainty relating to recognition and measurement	2		
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		
Assets charged and collateral	14		

Statement of changes in equity for 2021

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	50,000	6,197,057	(7,332,648)	(1,085,591)
Transfer to reserves	0	(1,343,777)	1,343,777	0
Profit/loss for the year	0	0	(28,781,343)	(28,781,343)
Equity end of year	50,000	4,853,280	(34,770,214)	(29,866,934)

Notes

1 Going concern

The Sterisafe Group have in July 2022 received a capital raise and with a further increase scheduled for later in 2022. Further, Sterisafe Holding A/S has provided a letter of support to Sterisafe IP ApS, which expires in July 2023.

Based on these factors, Management has assessed that Sterisafe IP ApS is going concern.

2 Uncertainty relating to recognition and measurement

Intangible assets total DKK 901K including a write-down in the year of DKK 5.383K.

Development projects are measured at cost and the completed development projects are depreciated on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. The measurement is subject to uncertainty.

Management is confident that income and cash flow related to projects and patents will materialise 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 further impairment.

3 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	10,735,233	10,761,956
Pension costs	113,120	142,440
Other social security costs	159,299	93,357
Other staff costs	63,437	166,019
	11,071,089	11,163,772
Average number of full-time employees	12	10

4 Other financial income

	2021	2020
	DKK	DKK
Financial income from group enterprises	23,183	0
	23,183	0

5 Other financial expenses

	2021 DKK	2020 DKK
Financial expenses from group enterprises	388,028	0
Other financial expenses	1,716,504	473,836
	2,104,532	473,836

6 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	(129,142)	(1,051,226)
Change in deferred tax	0	1,036,000
Adjustment concerning previous years	(787,494)	0
	(916,636)	(15,226)

7 Intangible assets

	Completed development projects DKK	Acquired patents DKK	Development projects in progress DKK
Cost beginning of year	11,280,408	64,905	610,318
Transfers	206,764	0	(206,764)
Additions	587,010	0	0
Cost end of year	12,074,182	64,905	403,554
Amortisation and impairment losses beginning of year	(3,945,781)	0	0
Impairment losses for the year	(7,692,870)	(2,900)	0
Amortisation and impairment losses end of year	(11,638,651)	(2,900)	0
Carrying amount end of year	435,531	62,005	403,554

8 Development projects

Development projects in progress consist of project relating to new products that the company is developing. 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 completed development projects and development projects in progress are at 31 December 2021 DKK 436k and DKK 404k. The development projects in progress are expected to be finalized during 2022.

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

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	575,595
Cost end of year	575,595
Depreciation and impairment losses beginning of year	(275,820)
Depreciation for the year	(228,532)
Depreciation and impairment losses end of year	(504,352)
Carrying amount end of year	71,243

10 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	6,671,069	43,782
Additions	0	96,417
Cost end of year	6,671,069	140,199
Impairment losses for the year	(3,101,864)	0
Impairment losses end of year	(3,101,864)	0
Carrying amount end of year	3,569,205	140,199

Investments in subsidiaries	Registered in	Equity interest %
O3 Technology AB	Sweden	100
Sterisafe Sweden AB	Sweden	100

11 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK	Due within 12 months 2020 DKK	Due after more than 12 months 2021 DKK
Debt to other credit institutions	1,638,919	774,559	7,041,400
Payables to group enterprises	0	0	39,073,159
Other payables	0	0	690,946
	1,638,919	774,559	46,805,505

12 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Liabilities under rental or lease agreements until maturity in total	303,599	445,556

13 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Sterisafe Holding A/S 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.

14 Assets charged and collateral

A floating charge of nominally DKK 4,500k has been provided to Danske Bank. The floating charge provides collateral in intangible assets, property, plant and equipment, inventories and trade receivables. The book value of assets charged as collateral amounts to DKK 21.035k.

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 a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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, cost of goods sold 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.

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. This item also includes writedowns of receivables recognised in current assets.

Staff costs

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and 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, payables and transactions in foreign currencies etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises 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 their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot 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.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised

on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

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

Property, plant and equipment

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	2-3 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. Investments 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. 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 writedowns for bad and doubtful debts.

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 cash of bank deposits.

Other financial liabilities

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

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“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Henrik Wolff Mikkelsen

Revisor

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NEM ID 

Lars Nygaard Jepsen

Bestyrelsesmedlem

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Mit  

Anders Kjær Dybdahl

Dirigent

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NEM ID 

Eliot Booth

Adm. direktør

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Lars Nannerup

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