

Lapee ApS

Guldbergsgade 25, kl. tv
2200 København N
Denmark

CVR no. 39 15 25 92

Annual report 2021

The annual report was presented and approved at
the Company's annual general meeting on

13 July 2022

Alexander Højland Egebjerg
Chairman of the annual general meeting

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Lapee ApS
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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Lapee ApS for the financial year 1 January – 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 13 July 2022
Executive Board:

Gina Terry Carolina Périer
CEO

Alexander Højland Egebjerg

Board of Directors:

Søren Bøgesgaard Niebuhr
Chairman

Lasse Sørensen

Ronnie Hansen

Alexander Højland Egebjerg

Maria del Mar Rodriguez

Independent auditor's report

To the shareholders of Lapee ApS

Opinion

We have audited the financial statements of Lapee ApS for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 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 the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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.

Independent auditor's report

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

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

Based on the work we have performed, we conclude that the Management's review 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's review.

Copenhagen, 13 July 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Morten Høgh-Petersen
State Authorised
Public Accountant
mne34283

Lapee ApS
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Management's review

Company details

Lapee ApS
Guldbergsgade 25, kl. tv
2200 København N
Denmark

CVR no.:	39 15 25 92
Established:	6 December 2017
Registered office:	Copenhagen
Financial year:	1 January – 31 December

Board of Directors

Søren Bøgesgaard Niebuhr, Chairman
Lasse Sørensen
Ronnie Hansen
Alexander Højland Egebjerg
Maria del Mar Rodriguez

Executive Board

Gina Terry Carolina Périer, CEO
Alexander Højland Egebjerg

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

Lapee is a female urinal production company with partner network covering more than 20 counties, and award winner of several design and impact prizes. Lapee is an innovation driven company focusing on changing and improving sanitation. This includes the still growing sanitation challenge in third world countries and Lapee have been funded by the Danish Innovation fond for their important work in this matter.

Development in activities and financial position

The Company's income statement for 2021 shows a loss of DKK -311,891 as against DKK -653,945 in 2020. Equity in the Company's balance sheet at 31 December 2021 stood at DKK 846,365 as against DKK 1,158,256 at 31 December 2020.

Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report for 2021.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2021	2020
Gross profit/loss		128,413	-459,639
Staff costs	2	-389,341	-345,723
Depreciation, amortisation and impairment losses		<u>-2,592</u>	<u>-2,592</u>
Loss before financial income and expenses		-263,520	-807,954
Other financial expenses		<u>-91,352</u>	<u>-61,031</u>
Loss before tax		-354,872	-868,985
Tax on loss for the year	3	<u>42,981</u>	<u>215,040</u>
Loss for the year		<u><u>-311,891</u></u>	<u><u>-653,945</u></u>
Proposed distribution of loss			
Reserve for development cost		124,513	287,132
Retained earnings		<u>-436,404</u>	<u>-941,077</u>
		<u><u>-311,891</u></u>	<u><u>-653,945</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021	31/12 2020
ASSETS			
Fixed assets			
Intangible assets	4		
Software		7,774	10,366
Development projects in progress		2,128,109	1,968,477
		<u>2,135,883</u>	<u>1,978,843</u>
Investments	5		
Equity investments in group entities		50,000	50,000
Total fixed assets		<u>2,185,883</u>	<u>2,028,843</u>
Current assets			
Receivables			
Receivables from group entities		241,457	196,156
Other receivables		103,539	203,239
Corporation tax		356,296	80,965
		<u>701,292</u>	<u>480,360</u>
Cash at bank and in hand		107,517	99,717
Total current assets		<u>808,809</u>	<u>580,077</u>
TOTAL ASSETS		<u><u>2,994,692</u></u>	<u><u>2,608,920</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021	31/12 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital		66,667	66,667
Share premium		1,983,373	1,983,373
Reserve for development costs		1,659,925	1,535,412
Retained earnings		<u>-2,863,600</u>	<u>-2,427,196</u>
Total equity		<u>846,365</u>	<u>1,158,256</u>
Provisions			
Provisions for deferred tax		<u>208,814</u>	<u>251,795</u>
Total provisions		<u>208,814</u>	<u>251,795</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Funding	6	<u>1,165,913</u>	<u>1,079,549</u>
Current liabilities other than provisions			
Trade payables		41,649	23,757
Payables to group entities		452,988	0
Other payables		<u>278,963</u>	<u>95,563</u>
		<u>773,600</u>	<u>119,320</u>
Total liabilities other than provisions		<u>1,939,513</u>	<u>1,198,869</u>
TOTAL EQUITY AND LIABILITIES		<u><u>2,994,692</u></u>	<u><u>2,608,920</u></u>
Contractual obligations, contingencies, etc.	7		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	<u>Contributed capital</u>	<u>Share premium</u>	<u>Reserve for development costs</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2021	66,667	1,983,373	1,535,412	-2,427,196	1,158,256
Transferred over the distribution of loss	<u>0</u>	<u>0</u>	<u>124,513</u>	<u>-436,404</u>	<u>-311,891</u>
Equity at 31 December 2021	<u><u>66,667</u></u>	<u><u>1,983,373</u></u>	<u><u>1,659,925</u></u>	<u><u>-2,863,600</u></u>	<u><u>846,365</u></u>

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Lapee ApS for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on loss for the year

The Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries.

The Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Balance sheet

Intangible assets

Software

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining life of the patent, and licences are amortised over the contract period, however, not exceeding 5 years.

Development projects

Development costs comprise costs, wages, salaries and amortisation directly and indirectly attributable to development activities. Capitalized development costs are in progress, and are not depreciated, before the sales are commercial.

Investments

Equity investments in group entities and participating interests (including associates) are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value. The cost is reduced by dividends received exceeding accumulated earnings after the acquisition date.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Equity

Reserve for development costs

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividends, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the developments costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

Corporation tax and deferred tax

The Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

Current tax payable and receivable is recognised in the balance sheet as intercompany balance with the group entities.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities

Other liabilities are measured at amortised cost.

Financial statements 1 January – 31 December

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DKK	<u>2021</u>	<u>2020</u>	
2 Staff costs			
Wages and salaries	532,107	584,643	
Other social security costs	9,636	10,840	
Other staff costs	7,230	22,004	
Transferred to development projects	<u>-159,632</u>	<u>-271,764</u>	
	<u>389,341</u>	<u>345,723</u>	
Average number of full-time employees	<u>2</u>	<u>2</u>	
Out of total staff costs 548.973 DKK, 159,632 DKK has been capitalized as development costs.			
3 Tax loss for the year			
Current tax for the year	0	-80,964	
Deferred tax for the year	<u>-42,981</u>	<u>-134,076</u>	
	<u>-42,981</u>	<u>-215,040</u>	
4 Intangible assets			
DKK	Software	Development projects in progress	Total
Cost at 1 January 2021	12,958	1,968,477	1,981,435
Additions for the year	<u>0</u>	<u>159,632</u>	<u>159,632</u>
Cost at 31 December 2021	<u>12,958</u>	<u>2,128,109</u>	<u>2,141,067</u>
Depriciations at 1 January 2021	-2,592	0	-2,592
Depriciation for the year	<u>-2,592</u>	<u>0</u>	<u>-2,592</u>
Depriciations at 31 December 2021	<u>-5,184</u>	<u>0</u>	<u>-5,184</u>
Carrying amount at 31 December 2021	<u>7,774</u>	<u>2,128,109</u>	<u>2,135,883</u>
5 Investments			
DKK		Equity investments in group entities	
Cost at 1 January 2021		<u>50,000</u>	
Cost at 31 December 2021		<u>50,000</u>	
Carrying amount at 31 December 2021		<u>50,000</u>	

Financial statements 1 January – 31 December

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6 Non-current liabilities other than provisions

DKK	<u>31/12 2021</u>	<u>31/12 2020</u>
Liabilities other than provisions can be specified as follows:		
1-5 years	1,165,913	1,079,549

7 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is in joint taxation with the Group's Danish subsidiaries, and are therefore liable and solidary for additional companies in the national joint taxation. Any corrections that may occur of the joint taxation will lead to the Company's liable and solidary joint taxation to account to a different amount.

Operating lease obligations

The Company has entered into house renting contract with a termination period of 3 months. The obligation totalling DKK 139,800.