



Piaster Revisorerne
vi giver bedre råd

SolarSack ApS

CVR-no. 39 26 79 26

Titangade 11
2200 København N

Annual Report 2019

(Financial year 1 January 2019 - 31 December 2019)

The Annual Report is presented and
adopted at the Annual General Meeting of
shareholders on the 20 April 2020

Jonas Pilgaard
Chairman of the meeting

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Management's Statement

The Board of Directors and the Executive Board have today considered and approved the Annual Report of 1 January 2019 - 31 December 2019 for SolarSack ApS.

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 and liabilities, financial position and results of operations for the financial year ended 31 December 2019.

In our opinion the Management's Review gives a true and fair statement regarding the content in the Management's Review.

We recommend the Annual Report approved at the Annual General Meeting.

København, 20 April 2020

Executive Board:

Jonas Pilgaard

Director

Johan Juul Jensen

Anders Alexander
Venning Løcke

Board of Directors:

Jan Mattsson

Chairman of the Board

Linda Poulsen

Torben Bjerrisgaard
Lange

Anne-Louise Thon-
Jensen

Steen Michael Donner

Independent Auditor's Reports

To the Shareholders of SolarSack ApS

Report on financial statements

Opinion

We have audited the Financial Statements of SolarSack ApS for the financial year 1 January 2019 - 31 December 2019, which comprise the income statement, balance sheet, statement of changes in equity, notes and 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 financial position of the Company at 31 December 2019 and of the results of the operations for the financial year 1 January 2019 - 31 December 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 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’ 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.

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 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.

Independent Auditor's Reports (-continued)

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 judgment and maintain professional skepticism 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 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.

Independent Auditor's Reports (-continued)

- 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not identify any material misstatement of Management's Review.

Independent Auditor's Reports (-continued)

Allerød, 20 April 2020

**Piaster Revisorerne,
statsautoriseret revisionsaktieselskab
CVR. no.: 25 16 00 37**

Steen Dahl Andersen
State Authorized Public Accountant
mne29455

Company details

Company details	SolarSack ApS Titangade 11 2200 København N
	CVR no.: 39 26 79 26
	Founded: 22 January 2018
	Registered office: København N
	Financial year: 1 January - 31 December
Executive Board	Jonas Pilgaard Johan Juul Jensen Anders Alexander Venning Løcke
Board of Directors	Jan Mattsson Linda Poulsen Torben Bjerrisgaard Lange Anne-Louise Thon-Jensen Steen Michael Donner
Auditor	Piaster Revisorerne, Statsautoriseret Revisionsaktieselskab Engholm Parkvej 8 3450 Allerød

Management's Review

Primary activities of the Company

The company's activity is developing affordable water purification solutions for the Bottom of the Pyramid (BoP) market.

Development in activities and financial affairs

The company's financial performance is considered satisfying. 2019 was a year where we focused on product iterations with end-users finding product market fit and setting up sub suppliers who are affordable, easy to work with and trustworthy.

Significant events occurred after the end of the financial year

The COVID-19 hit the world materially affecting the financial position of our company. It is highly important for us to be able to travel to countries, where our target market is. Also, the nature of the BoP-markets is very fragile, so we fear for the long-term implications of Africa.

However, with COVID-19 also comes a higher focus on proper hygiene, which could prove beneficiary to SolarSack. Also, in times of lockdown, people need a good household water treatment solution, which is exactly, what we deliver to the market.

We can only guess about the true financial impact for SolarSack, but most likely we will have a slower uptake of customers in 2020 than planned. The long-term perspectives are still uncertain.

Income Statement 1 January - 31 December

DKK	Notes	2019	2018
Gross profit (loss)		-1.238.421	517.998
Staff costs	1	-1.966.529	-336.893
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss	2	-1.700	0
Other operating expenses		0	0
Operating profit		-3.206.650	181.105
Financial expenses	3	-5.841	0
Profit before tax		-3.212.491	181.105
Tax on profit for the year	4	695.656	-39.842
Profit for the year		-2.516.835	141.263
Proposed distribution of results			
Retained earnings		-2.516.835	141.263
Proposed dividend recognised in equity		0	0
Total distribution		-2.516.835	141.263

Balance Sheet at 31 December

Assets

	Notes	2019	2018
		<u> </u>	<u> </u>
Plant and machinery	5	100.299	0
Property, plant and equipment		100.299	0
		<u> </u>	<u> </u>
Fixed assets		100.299	0
		<u> </u>	<u> </u>
Trade receivables		0	2.500
Short-term tax receivables	4	695.656	0
Other receivables		149.776	9.542
Receivables		845.432	12.042
		<u> </u>	<u> </u>
Cash and cash equivalents		2.027.395	316.924
		<u> </u>	<u> </u>
Current assets		2.872.827	328.966
		<u> </u>	<u> </u>
Assets		2.973.126	328.966
		<u> </u>	<u> </u>

Balance Sheet at 31 December

Equity and liabilities

	Notes	2019	2018
		<u> </u>	<u> </u>
Share capital		62.500	1
Retained earnings		2.560.084	139.418
Proposed dividend recognised in equity		0	0
Equity		<u>2.622.584</u>	<u>139.419</u>
Trade payables		75.419	0
Tax payables		39.116	39.116
Other payables		236.007	150.431
Short-term liabilities other than provisions		<u>350.542</u>	<u>189.547</u>
Liabilities other than provisions		<u>350.542</u>	<u>189.547</u>
Equity and liabilities		<u>2.973.126</u>	<u>328.966</u>
Contingent liabilities	6		

Statement of changes in equity 1. January - 31. December

	<u>2019</u>	<u>2018</u>
Share capital		
Beginning balance	1	1
Increase of capital	62.499	0
End balance	<u>62.500</u>	<u>1</u>
Retained earnings		
Beginning balance	139.418	0
Profit (loss)	-2.516.835	139.418
Transferred from share premium	4.937.501	0
End balance	<u>2.560.084</u>	<u>139.418</u>
Proposed dividend recognized in equity		
Beginning balance	0	0
Extraordinary dividend paid	0	0
Dividend paid	0	0
Profit (loss)	0	0
End balance	<u>0</u>	<u>0</u>
Equity	<u>2.622.584</u>	<u>139.419</u>

Notes

	2019	2018
1 Staff costs		
Wages and salaries	1.935.214	336.893
Social security contributions	31.315	0
	1.966.529	336.893
Average number of full time employees	5	3
2 Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		
Depreciation, plant and machinery	1.700	0
	1.700	0
3 Financial expenses		
Other financial expenses	5.841	0
	5.841	0
4 Tax on profit for the year		
Tax this year to be paid out due to research and development costs (Danish tax credit scheme)	-695.656	0
Tax, prior years	0	39.842
	-695.656	39.842

Tax payables also includes tax payables to group companies.

Notes

	2019	2018
5 Plant and machinery		
Cost at 1 January	0	0
Additions	101.999	0
Cost at 31 December	101.999	0
Depreciations at 1 January	0	0
Depreciation for the year	1.700	0
Depreciations at 31 December	1.700	0
Carrying amount at 31 December	100.299	0

6 Contingent liabilities

Lease agreement

The company has entered an ordinary lease agreement on the premises which can end with short notice.

Accounting policies

The Annual Report has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with election from reporting class C.

Material error in Annual Report 2018

The Annual Report 2018 unfortunately recognized public grants directly as equity and not in the Income Statement. This error has been corrected in the comparison figures in the Income Statement, Balance Sheet and the Statement of Changes in Equity

The accumulated effect for the years are:

1.000 DKK	2019	2018
Effect on net income before tax	0	546
Effect on tax after change in accounting policies	0	-40
Effect on net income after tax	0	506
Effect on balance sheet	0	0
Effect on equity	0	-40

Besides the material error some comparison figures have been reclassified.

Accounting policies

General

Reporting currency

The Annual Report is presented in Danish kroner (DKK).

In general regarding accounting and measuring

Income is recognized in the income statement when they are earned. Furthermore are all costs, depreciations and write downs recognized in the income statement when incurred.

Assets are recognized in the balance sheet when it is probable that future economical benefits will accrue to the company and the assets value can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economical benefits will be deducted from the company and the value can be measured reliably.

On initial recognition assets and liabilities are measured to cost price. Thereafter assets and liabilities are measured as described for each entry.

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.

Currency retranslation

Transactions denominated in foreign currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Exchange differences arising between the transaction date and the exchange rate at the date of actual payment are recognized in the income statement under financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated into the functional currency at the exchange rates ruling at the balance sheet date. The difference between the exchange rates ruling at the balance sheet date and at the date when the receivable or payable arose is recognized in the income statement under financial income or financial expenses.

Non-current assets acquired in foreign currency are measured to the exchange rate ruling at the date of the transaction.

Accounting policies

Income statement

Gross profit

With reference to section 32 of the Danish Financial Statement Act, the items “Revenue” to and including “Other external expenses” are consolidated into one item designated “Gross profit”.

Revenue

Revenue includes invoiced sales of goods and rendering of services, recognition is done, when

- delivery and transfer of risk to the buyer has taken place before year end
- a committing sales agreement exists
- sales price is determined, and
- payment is received, or there are reasonable security that it will be received

Revenue is recognized excluding value added tax and after deduction of provisions rebates and trade discounts relating to the sale.

Cost of sales

Cost of sales include costs incurred to achieve revenue for the year.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, bad debt, premises, operating lease agreements etc.

Development costs are recognized directly in the income statement. Development costs could be recognised as an assets if strict criteria are met, in particular relating to technical feasibility and generation of future economic benefits. The Directors consider that, due to the complex nature of development, these criteria are not met until relatively late in the development phase.

Staff costs

Staff costs comprise costs such as wages and salaries, pension costs and other social security benefits ect. to the company's employees.

Financial items

Financial income and expenses are recognized in the income statement with the amounts related to the year. Financial income and expenses comprise interest receivable and payable, realised and unrealised capital gains on securities and currency translation adjustments.

Accounting policies

Tax expense

Tax on income for the year, consisting of the year's current tax and deferred tax, is recognized in the income statement to the extent that it relates to the income or loss for the year and on equity to the extent that it relates there to.

Balance sheet

Property, plant and equipment

Property, plant, fixtures, fittings, tools and equipment are measured at historic cost less accumulated depreciation and impairment losses.

Historic cost comprise the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Assets are depreciated on a straight-line basis over the expected useful economic lives of the assets:

	<u>Useful life</u>	<u>Expected scrap value</u>
Plant and machinery	3-5 years	0%

Asset acquisitions below the taxable limit is fully written off in the year of acquisition.

Gains and losses on disposals are determined as the difference between selling price less sales cost and carrying amount at time of disposal and are recognized in the income statement. Gain or loss is recognized under other operating income or expenses.

Accounting policies

Impairment of property, plant and equipment

The carrying amount of property, plant and equipment is every year reviewed in order to determine if there are indications of impairment exceeding the amount expressed by depreciations and amortisations. If this is the case an impairment test is carried out in order to determine if the recoverable amount is lower than the carrying amount. The assets are written down to this lower value.

Recoverable amount for the asset is determined as the highest value of net sales price and the capital value. If it is not possible to determine the recoverable amount for the individual asset, assets are assessed together with the smallest group of assets where it is possible to determine a reliable evaluation of the recoverable amount.

Assets where it is not possible to determine an individual capital value because the asset does not generate future cash flows is assessed together with the group of assets which they can be attributed to.

Receivables

Receivables are measured at amortized cost which corresponds in all material respects to nominal value. The value is reduced with provisions for expected bad debts.

Cash and bank balances

Cash comprises cash balances and bank balances.

Accounting policies

Current tax and current deferred tax

Current tax liabilities and current tax assets are recognized in the balance sheet as estimated tax on the taxable income for the year, adjusted for change in tax on prior years' taxable income and for tax paid under the on-account tax scheme.

Deferred tax is measured according to the balance sheet liability method on all timing differences between the tax and accounting value of assets and liabilities.

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 income tax is measured using tax rules and tax rates that apply by the balance sheet date when the deferred tax asset is realised or the deferred income tax liability is settled. The change in deferred tax as a result of changes in tax rates is recognized in the income statement.

Liabilities

Other liabilities are measured at amortized cost, corresponding to the nominal value.

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Steen Donner

Bestyrelsesmedlem

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2020-04-21 10:48:46Z

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Anders Alexander Venning Løcke

Direktør

På vegne af: SolarSack ApS

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2020-04-21 11:04:19Z

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Jonas Pilgaard

Direktør

På vegne af: SolarSack ApS

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IP: 5.186.xxx.xxx

2020-04-21 13:54:55Z

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Jonas Pilgaard

Dirigent

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2020-04-21 13:54:55Z

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Johan Juul Jensen

Direktør

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Linda Poulsen

Bestyrelsesmedlem

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2020-04-21 18:22:28Z

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Torben Bjerrisgaard Lange

Bestyrelsesmedlem

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Serienummer: CVR:34884773-RID:46663490

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Steen Dahl Andersen

Revisor

På vegne af: Piaster Revisorerne, Statsautoriseret revisionsaktieselskab

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