

# LiqTech Water Projects A/S

Benshøj Industrivej 24  
DK-9500 Hobro

CVR no. 41 56 53 81

**Annual report for the period 1 January – 31 December 2021**

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

13 July 2022

\_\_\_\_\_  
Chairman of the annual general meeting

## **Contents**

|   |   |
|---|---|
| Statement by the Board of Directors and the Executive Board | 2 |
| Independent auditor's report                                | 3 |
| Management's review   | 5 |
| Company details   | 5 |
| Operating review  | 6 |
| Financial statements 1 January – 31 December                | 7 |
| Income statement  | 7 |
| Balance sheet   | 8 |
| Notes   | 9 |

## **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 LiqTech Water Projects A/S 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.

Hobro, 13 July 2022  
Executive Board:

---

Morten Dyrland Damgaard  
CEO

Board of Directors:

---

Alexander Jon Buehler  
Chairman

---

Simon Seidelin Stadil

---

Rikke Holgersen Feld

## Independent auditor's report

### To the shareholder of LiqTech Water Projects A/S

#### Opinion

We have audited the financial statements of LiqTech Water Projects A/S for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet 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.

Aalborg, 13 July 2022

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Steffen S. Hansen  
State Authorised  
Public Accountant  
mne32737

**LiqTech Water Projects A/S**  
Annual report 2021  
CVR no. 41 56 53 81

## Management's review

### Company details

LiqTech Water Projects A/S  
Benshøj Industrivej 24  
9500 Hobro  
Denmark

Telephone: 44986600  
Fax: 44986061  
Website: [www.liqtech.com](http://www.liqtech.com)  
E-mail: [info@liqtech.com](mailto:info@liqtech.com)

CVR no.: 41 56 53 81  
Established: 28 July 2020  
Registered office: Hobro  
Financial year: 1 January – 31 December

### Board of Directors

Alexander Jon Buehler, Chairman  
Simon Seidelin Stadil  
Rikke Holgersen Feld

### Executive Board

Morten Dyrland Damgaard, CEO

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Østre Havnegade 22D  
9000 Aalborg  
Denmark  
CVR no. 25 57 81 98

## **Management's review**

### **Operating review**

#### **Principal activities**

The Company's principal activity is to conduct trade, industry and investment activities within commercial water treatment as well as activities which, in Management's opinion, are related thereto.

#### **Events after the balance sheet date**

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

#### **Development in activities and financial position**

The Company's income statement for 2021 shows a loss of DKK 1,289 as against a loss of DKK 1,122 in 2020. Equity in the Company's balance sheet at 31 December 2021 stood at DKK 497,589 as against DKK 498,878 at 31 December 2020.

So far, there have been no significant activities in the Company.

## Financial statements 1 January – 31 December

### Income statement

| DKK                                  | Note | 2021                 | 28/7-31/12<br>2020   |
|--------------------------------------|------|----------------------|----------------------|
| Other financial expenses             |      | <u>-1,289</u>        | <u>-1,122</u>        |
| <b>Loss before tax</b>               |      | <u>-1,289</u>        | <u>-1,122</u>        |
| Tax on loss for the year             |      | <u>0</u>             | <u>0</u>             |
| <b>Loss for the year</b>             |      | <u><u>-1,289</u></u> | <u><u>-1,122</u></u> |
| <b>Proposed distribution of loss</b> |      |                      |                      |
| Retained earnings                    |      | <u><u>-1,289</u></u> | <u><u>-1,122</u></u> |



## Financial statements 1 January – 31 December

### Balance sheet

| DKK   | Note | 31/12 2021 | 31/12 2020 |
|---|------|------------|------------|
| <b>ASSETS</b>                                       |      |            |            |
| <b>Current assets</b>                               |      |            |            |
| <b>Receivables</b>                                  |      |            |            |
| Receivables from participating interests            |      | 450,000    | 0          |
| <b>Cash at bank and in hand</b>                     |      | 47,589     | 498,878    |
| <b>Total current assets</b>                         |      | 497,589    | 498,878    |
| <b>TOTAL ASSETS</b>                                 |      | 497,589    | 498,878    |
| <b>EQUITY AND LIABILITIES</b>                       |      |            |            |
| <b>Equity</b>                                       |      |            |            |
| Contributed capital                                 |      | 500,000    | 500,000    |
| Retained earnings                                   |      | -2,411     | -1,122     |
| <b>Total equity</b>                                 |      | 497,589    | 498,878    |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 |      | 497,589    | 498,878    |
| <b>Contractual obligations, contingencies, etc.</b> | 2    |            |            |

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of LiqTech Water Projects A/S for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

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

#### Gross profit

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

#### Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, 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.

#### Balance sheet

##### Receivables

Receivables are measured at amortised cost.

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

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

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.

##### Equity

Equity comprise contributed capital and retained earnings.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

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. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

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.

#### 2 Contractual obligations, contingencies, etc.

##### Contingent liabilities

LiqTech Water Projects A/S is taxed jointly with other Danish companies in the Liqtech Holding Group. As a 100% owned subsidiary, the Company has joint and unlimited liability with the other companies in the joint taxation for the Danish corporation taxes within the joint taxation group.

# PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

## Rikke Holgersen Feld

Bestyrelsesmedlem

Serial number: PID:9208-2002-2-362660453169

IP: 62.116.xxx.xxx

2022-07-13 08:56:24 UTC

NEM ID 

## Simon Seidelin Stadil

Bestyrelsesmedlem

Serial number: 54512e2f-bc07-4685-b214-9ad13e3247af

IP: 185.109.xxx.xxx

2022-07-13 10:42:10 UTC

Mit ID 

## Alexander Jon Buehler

Bestyrelsesformand

Serial number: abu@liqtech.com

IP: 45.24.xxx.xxx

2022-07-13 14:15:33 UTC



## Morten Dyrland Damgaard

Adm. direktør

Serial number: PID:9208-2002-2-991860936423

IP: 2.105.xxx.xxx

2022-07-13 19:22:26 UTC

NEM ID 

## Steffen Sjørslev Hansen

Statsautoriseret revisor

On behalf of: KPMG Statsautoriseret Revisionspartners...

Serial number: PID:9208-2002-2-792724867738

IP: 5.33.xxx.xxx

2022-07-13 19:56:01 UTC

NEM ID 

## Simon Seidelin Stadil

Dirigent

Serial number: 54512e2f-bc07-4685-b214-9ad13e3247af

IP: 185.109.xxx.xxx

2022-07-14 05:27:29 UTC

Mit ID 

Penneo document key: YV3BB-5HW01-3EOA8-YEQEQ-VYZYH-FEPGE

This document is digitally signed using Penneo.com. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

### How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service** <penneo@penneo.com>. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at <https://penneo.com/validate>