

xpuris ApS
Lautruphøj 5, 2., 2750 Ballerup

Annual report
2021/22

Company reg. no. 42 93 85 72

The annual report was submitted and approved by the general meeting on the 11 April 2023.

Morten Ghiladi
Chairman of the meeting

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

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Management's statement

Today, the Managing Director has approved the annual report of xpuris ApS for the financial year 2021/22.

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

I consider the chosen accounting policy to be appropriate, and in my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 29 December 2021 - 31 December 2022.

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

We recommend that the annual report be approved at the Annual General Meeting.

Ballerup, 11 April 2023

Managing Director

Morten Ghiladi

Independent auditor's report

To the Shareholder of xpuris ApS

Opinion

We have audited the financial statements of xpuris ApS for the financial year 29 December 2021 - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet and notes, for the Company. The financial statements are prepared under 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 2022, and of the results of the Company's operations for the financial year 29 December 2021 - 31 December 2022 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 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.

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.

Independent auditor's report

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.
- 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.

Independent auditor's report

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 Act. We did not identify any material misstatement of Management's Review.

Esbjerg, 11 April 2023

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Lars Æbelø-Nielsen

State Authorised Public Accountant
mne33693

Company information

The company

xpuris ApS
Lautruphøj 5, 2.
2750 Ballerup

Company reg. no. 42 93 85 72
Established: 29 December 2021
Domicile: Ballerup
Financial year: 29 December 2021 - 31 December 2022

Managing Director

Morten Ghiladi

Auditors

Martinsen
Statsautoriseret Revisionspartnerselskab
Edison Park 4
6715 Esbjerg N

Parent company

ASK Chemicals GmbH

Management´s review

The principal activities of the company

The company's activity consists in developing, manufacturing, marketing and selling systems, catalysts and absorbents for use in emission control, including sales and business within green hydrogen and power-to-x solutions, as well as all business which, at the management's discretion, is related to this.

Development in activities and financial matters

The gross loss for the year totals DKK -364.064. Income or loss from ordinary activities after tax totals DKK -2.013.073. Management considers the net profit or loss for the year satisfactory.

The company has lost the original capital contribution. The company's equity amounts to 31. December 2022 DKK -1,973 thousand. The company is expected to be able to restore the company's capital in the future positive operations.

The company's continued operation is dependent on the company being able to maintain and expand the current credit facilities with the parent company ASK Chemicals GmbH, in line with the financing needs. In support of this, the company's owners have submitted a declaration of resignation for their receivables totaling DKK 2,688 thousand valid until the approved annual report for 2023 as well as a commitment to continue financing the operations for 2023.

On this basis, the company's management assesses that the annual report can be presented with continued operations in mind.

Accounting policies

The annual report for xpuris ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

This is the company's first financial year. The company was founded on 29.12.2021, which is why the company has extended the financial year. The period includes 29.12.2021 - 31.12.2022.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Accounting policies

Income statement

Gross loss

Gross loss comprises the revenue and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Accounting policies

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement

All amounts in DKK.

<u>Note</u>	29/12 2021 - 31/12 2022
Gross profit	-364.064
2 Staff costs	-2.100.379
Operating profit	-2.464.443
3 Other financial expenses	-99.630
Pre-tax net profit or loss	-2.564.073
4 Tax on net profit or loss for the year	551.000
Net profit or loss for the year	-2.013.073
Proposed distribution of net profit:	
Allocated from retained earnings	-2.013.073
Total allocations and transfers	-2.013.073

Balance sheet

All amounts in DKK.

Assets		
<u>Note</u>	<u>31/12 2022</u>	<u>29/12 2021</u>
Current assets		
Deferred tax assets	551.000	0
Other receivables	135.505	0
Prepayments	79.617	0
Total receivables	<u>766.122</u>	<u>0</u>
Cash and cash equivalents	<u>87.082</u>	<u>40.000</u>
Total current assets	<u>853.204</u>	<u>40.000</u>
Total assets	<u>853.204</u>	<u>40.000</u>

Balance sheet

All amounts in DKK.

Equity and liabilities			
<u>Note</u>	<u>31/12 2022</u>	<u>29/12 2021</u>	
Equity			
5	Contributed capital	40.000	40.000
6	Retained earnings	-2.013.073	0
	Total equity	-1.973.073	40.000
Liabilities other than provisions			
	Bank loans	6.100	0
	Trade payables	5.526	0
	Payables to group enterprises	2.695.841	0
	Payables to shareholders and management	2.089	0
	Other payables	116.721	0
	Total short term liabilities other than provisions	2.826.277	0
	Total liabilities other than provisions	2.826.277	0
	Total equity and liabilities	853.204	40.000
1	Financing conditions for continued operation		
7	Contingencies		

Notes

All amounts in DKK.

1. Financing conditions for continued operation

The company's continued operation is dependent on the company being able to maintain and expand the current credit facilities with the parent company ASK Chemicals GmbH, in line with the financing needs. In support of this, the company's owners have submitted a declaration of resignation for their receivables totaling DKK 2,688 thousand valid until the approved annual report for 2023 as well as a commitment to continue financing the operations for 2023.

	29/12 2021	- 31/12 2022
2. Staff costs		
Salaries and wages	1.814.620	
Pension costs	275.696	
Other costs for social security	10.063	
	<u>2.100.379</u>	
Average number of employees	<u>2</u>	
3. Other financial expenses		
Financial costs, group enterprises	72.803	
Other financial costs	26.827	
	<u>99.630</u>	
4. Tax on net profit or loss for the year		
Adjustment for the year of deferred tax	-551.000	
	<u>-551.000</u>	
5. Contributed capital		
Contributed capital 29 December 2021	40.000	0
Cash capital increase	<u>0</u>	<u>40.000</u>
	<u>40.000</u>	<u>40.000</u>

Notes

All amounts in DKK.

	<u>31/12 2022</u>	<u>29/12 2021</u>
6. Retained earnings		
Profit or loss for the year brought forward	-2.013.073	0
	<u>-2.013.073</u>	<u>0</u>
7. Contingencies		
Contingent liabilities		DKK in thousands
Lease liabilities		243
Rental liabilities		<u>29</u>
Total contingent liabilities		<u>272</u>

In addition to finance leases, the company has entered into operational leases with an average annual lease payment of DKK 108 thousand. The leases have 27 months to maturity and total outstanding lease payments total DKK 243 thousand.

Moreover, the company has entered into operational leases with an annual rent payment of DKK 114 thousand. The total rent obligation amounts to DKK 29 thousand, as the contract can be terminated with 3 months' notice.

Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

Morten Ghiladi

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Morten Ghiladi

Direktør

ID: 76931586

Tidspunkt for underskrift: 12-04-2023 kl.: 10:58:54

Underskrevet med NemID

NEM ID

Morten Ghiladi

Navnet returneret af dansk NemID var:

Morten Ghiladi

Dirigent

ID: 76931586

Tidspunkt for underskrift: 12-04-2023 kl.: 10:58:54

Underskrevet med NemID

NEM ID

Lars Æbelø-Nielsen

Navnet returneret af dansk NemID var:

Lars Æbelø-Nielsen

Revisor

På vegne af Martinsen Statsautoriseret Revisionspartnerse...

ID: 1255072680634

CVR-match med dansk NemID

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