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NELBEK VENTURES 2 APS
STRANDVEJEN 265, 2920 CHARLOTTENLUND
ANNUAL REPORT
25 MAY - 31 DECEMBER 2023

The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 24 June 2024

Peter Aue Elbek

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COMPANY DETAILS**Company**

Nelbek Ventures 2 ApS
Strandvejen 265
2920 Charlottenlund

CVR No.: 44 07 65 27
Established: 25 May 2023
Municipality: Gentofte
Financial Year: 25 May - 31 December

Executive Board

Peter Aue Elbek

Auditor

BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
1561 Copenhagen V

MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of Nelbek Ventures 2 ApS for the financial year 25 May - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 25 May - 31 December 2023.

The Management Commentary includes in my opinion a fair presentation of the matters dealt with in the Commentary.

The Executive Board remain of the opinion that the conditions for opting out of audit have been fulfilled.

I recommend the Annual Report be approved at the Annual General Meeting.

Charlottenlund, 24 June 2024

Executive Board

Peter Aue Elbek

AUDITOR'S REPORT ON COMPILATION OF FINANCIAL INFORMATION

To the shareholders of Nelbek Ventures 2 ApS

We have compiled these Financial Statements of Nelbek Ventures 2 ApS for the financial year 25 May - 31 December 2023 based on the Company's accounting records and other information provided by Management.

These Financial Statements comprise income statement, balance sheet, statement of changes in equity, notes and accounting policies.

We performed this compilation engagement in accordance with the International Standard, Compilation Engagements.

We have applied our professional expertise to assist Management in the preparation and presentation of these Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant statutory provisions of the Danish Audit Act and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), including principles of integrity, objectivity, professional behaviour, and due care.

These Financial Statements and the accuracy and completeness of the information used to compile these Financial Statements are Management's responsibility.

Since an engagement to compile financial information is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by Management to us to compile these Financial Statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 24 June 2024

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CVR no. 20 22 26 70

Kim Mücke
State Authorised Public Accountant
MNE no. mne10944

MANAGEMENT COMMENTARY

Principal activities

The principal activity of the Company is a holding company with, through various intermediary holding companies, a majority ownership of Airlich ApS, a company engaged in developing a retrofit air cleaning system, and Airlich IP ApS, a company that acquires and maintains patents associated with indoor air cleaning and purification.

Financial performance and valuation uncertainty

In 2023, the Company has provided financing to its intermediary holding companies to allow them to fund Airlich ApS's development activities and Airlich IP ApS's acquisition and maintenance of patents associated with indoor air cleaning and purification. Whilst the subsidiaries in the group are in a development-stage phase without any revenue and profits yet to be generated, the valuation of the loans provided to its subsidiary is subject to significant uncertainty. Airlich ApS's development activities are progressing as planned, and Management is comfortable that the subsidiaries will begin to generate revenue in the foreseeable future, and that, in the mid- to long-term, the subsidiaries will also become profitable.

Loans receivable are due on 1 January 2025 and loans payable are due no later than May 2028.

On this basis, Management has determined that it is reasonable and appropriate to present the annual report for 2023 assuming that the Company is a going concern for a period at least until 31 December 2024, and to present the loan receivables from the subsidiaries without any provision for the risk of the subsidiaries not being able to repay the loans.

The Company has negative equity at 31 December 2023. The negative equity is funded by loans from the key shareholders. Management and shareholder are monitoring the negative equity position and the related funding need on an ongoing basis. In the short-term, the funding need is covered by the ultimate key shareholders. In the mid-term, Management and the ultimate key shareholders expect funding requirements to reduce as subsidiaries secure funding from external investors. In the long-term, Management and the current ultimate key shareholders are comfortable that the Company will become profitable, which then also will contribute to the recapitalization of the current negative equity position.

Significant events after the end of the financial year

After the balance sheet date, the Company has provided Airlich Topco ApS with additional loans amounting to DKK 4,349k. The terms for the loans are identical with loans provided in 2023. Payment of the loans including accrued interest is in 2025.

INCOME STATEMENT 25 MAY - 31 DECEMBER

	Note	2023 DKK
GROSS LOSS.....		-18.874
OPERATING LOSS.....		-18.874
Other financial income.....		1.062.033
Other financial expenses.....		-1.064.877
LOSS BEFORE TAX.....		-21.718
Tax on profit/loss for the year.....	2	-229.469
LOSS FOR THE YEAR.....		-251.187
PROPOSED DISTRIBUTION OF PROFIT		
Retained earnings.....		-251.187
TOTAL.....		-251.187

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK
Investments in subsidiaries.....		86.000
Receivables from group companies.....		19.479.163
Financial non-current assets.....	3	19.565.163
NON-CURRENT ASSETS.....		19.565.163
Other receivables.....		14.499
Corporation tax receivable.....		842.129
Receivables.....		856.628
CURRENT ASSETS.....		856.628
ASSETS.....		20.421.791

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK
Share Capital.....		100.000
Retained earnings.....		-251.187
EQUITY.....		-151.187
Payables to shareholders.....		19.485.387
Non-current liabilities.....	4	19.485.387
Bank debt.....		454
Trade payables.....		15.540
Joint tax contribution payable.....		1.071.597
Current liabilities.....		1.087.591
LIABILITIES.....		20.572.978
EQUITY AND LIABILITIES.....		20.421.791
 Contingencies etc.	 5	

EQUITY

	Share Capital	Retained earnings	Total
Equity at 25 May 2023.....	100.000	0	100.000
Proposed loss allocation.....		-251.187	-251.187
Equity at 31 December 2023.....	100.000	-251.187	-151.187

NOTES

	2023 DKK	Note
Staff costs		1
Average number of full time employees	1	
Tax on profit/loss for the year		2
Calculated tax on taxable income of the year.....	229.469	
	229.469	
Financial non-current assets		3
	Investments in subsidiaries	Receivables from Group companies
Additions.....	86.000	19.479.163
Cost at 31 December 2023.....	86.000	19.479.163
Carrying amount at 31 December 2023.....	86.000	19.479.163

The Company has declared to Airlich Topco ApS that the loan provided including accrued interest will not be demanded repaid until 1 January 2025.

All group companies are development-stage companies without having yet realised any revenue, the recoverable value of the receivables is inherently subject to uncertainty. At this stage, Management is confident that it is both realistic and achievable to commercialise the air cleaning system and securing positive cash-flow generation in the long-term throughout the Group. Therefore Management has recognised all receivables without provision for writedown.

Long-term liabilities	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	4
Payables to shareholders.....	19.485.387	0	0	
	19.485.387	0	0	

The shareholders and the Company have signed an agreement stating that payments are not due until 26 May 2028 at the earliest. The loans are interest free. However, the Company is required to pay a premium in addition to repayment of the principal amount. The premium amounts to DKK 10.773k. The premium is expensed over the term of the shareholder loans.

NOTES**Note****Contingencies etc.****5****Joint liabilities**

The Company is participating in a joint taxation, whereby the Company is jointly and severally liable together with the other group companies which participate in the joint taxation group for tax on the Group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

The Company serves as management company for the joint taxation. Tax payable of the group's jointly taxed income amounts to DKK ('000) 0 at the Balance Sheet date.

ACCOUNTING POLICIES

The Annual Report of Nelbek Ventures 2 ApS for 2023 has been presented in accordance with the provisions of the Financial Statements Act for Danish enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

Consolidated Financial Statements

Consolidated Financial Statements are not prepared because the Group fulfils the requirements for exemption in section 110 of the Danish Financial Statements Act.

INCOME STATEMENT

Other external expenses

Other external expenses include corporate costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, currency gains/losses, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on the effective interest rate method.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Financial non-current assets

Investments in subsidiaries are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

Impairment of fixed assets

The carrying amount of fixed assets, which are not measured at fair value, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

ACCOUNTING POLICIES

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.