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AIRLICH TOPCO APS
SORTEMOSEVEJ 21, 3450 ALLERØD
ANNUAL REPORT
26 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

CVR NO. 44 11 76 30

CONTENTS

	Page
Company Details	
Company Details.....	3
Statement and Report	
Management's Statement.....	4
Auditor's report on compilation of financial information.....	5
Management Commentary	
Management Commentary.....	6
Financial Statements 26 May - 31 December	
Income Statement.....	7
Balance Sheet.....	8-9
Equity.....	10
Notes.....	11-12
Accounting Policies.....	13-14

COMPANY DETAILS**Company**

Airlich Topco ApS
Sortemosevej 21
3450 Allerød

CVR No.: 44 11 76 30
Established: 26 May 2023
Municipality: Allerød
Financial Year: 26 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 Airlich Topco ApS for the financial year 26 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 26 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.

Allerød, 24 June 2024

Executive Board

Peter Aue Elbek

AUDITOR'S REPORT ON COMPILATION OF FINANCIAL INFORMATION

To the shareholders of Airlich Topco ApS

We have compiled these Financial Statements of Airlich Topco ApS for the financial year 26 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

BDO Statsautoriseret revisionsaktieselskab
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 an intermediary holding company, Airlisch Holding ApS, a majority ownership of Airlisch ApS, a company engaged in developing a retrofit air cleaning system, and Airlisch 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 Airlisch Holding ApS to allow it to fund Airlisch ApS's development activities and Airlisch IP ApS's acquisition and maintenance of patents associated with indoor air cleaning and purification. Whilst the subsidiaries in the group are in a start up phase, the valuation of the loans provided to Airlisch Holding ApS are subject to significant uncertainty. The subsidiaries' 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 together with loans payable are due no later than 1 January 2025.

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.

Significant events after the end of the financial year

After the balance sheet date, the Company has provided Airlisch Holding ApS with additional loans amounting to DKK 4,340k. The terms for the loans are identical with loans provided in 2023. Payment of the loans including accrued interest is payable no later than 1 January 2025.

INCOME STATEMENT 26 MAY - 31 DECEMBER

	Note	2023 DKK
Other external expenses.....		-31.395
OPERATING LOSS.....		-31.395
Other financial income.....	2	1.061.301
Other financial expenses.....	3	-1.065.627
LOSS BEFORE TAX.....		-35.721
Tax on profit/loss for the year.....	4	4.198
LOSS FOR THE YEAR.....		-31.523
PROPOSED DISTRIBUTION OF PROFIT		
Retained earnings.....		-31.523
TOTAL.....		-31.523

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK
Investments in subsidiaries.....		100.000
Receivables from group companies.....		19.458.806
Financial non-current assets.....	5	19.558.806
NON-CURRENT ASSETS.....		19.558.806
Corporation tax receivable.....		4.198
Receivables.....		4.198
Cash and cash equivalents.....		406
CURRENT ASSETS.....		4.604
ASSETS.....		19.563.410

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK
Share Capital.....		100.000
Retained earnings.....		-31.523
EQUITY.....		68.477
Payables to group enterprises.....		19.479.163
Non-current liabilities.....	6	19.479.163
Trade payables.....		15.770
Current liabilities.....		15.770
LIABILITIES.....		19.494.933
EQUITY AND LIABILITIES.....		19.563.410
 Contingencies etc.	 7	

EQUITY

	Share Capital	Retained earnings	Total
Equity at 26 May 2023.....	100.000	0	100.000
Proposed loss allocation.....		-31.523	-31.523
Equity at 31 December 2023.....	100.000	-31.523	68.477

NOTES

	2023 DKK	Note
Staff costs		1
Average number of full time employees	1	
Other financial income		2
Interest income from group enterprises.....	1.061.301	
	1.061.301	
Other financial expenses		3
Interest expenses to group enterprises.....	1.062.033	
Other interest expenses.....	3.594	
	1.065.627	
Tax on profit/loss for the year		4
Calculated tax on taxable income of the year.....	-4.198	
	-4.198	
Financial non-current assets		5
	Investments in subsidiaries	Receivables from Group companies
Additions.....	100.000	19.458.806
Cost at 31 December 2023.....	100.000	19.458.806
Carrying amount at 31 December 2023.....	100.000	19.458.806

The Company has declared to Airlich Holding 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 write-down.

NOTES

				Note
Long-term liabilities				6
	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	
Payables to group enterprises.....	19.479.163	0	0	
	19.479.163	0	0	

The Parent Company, Nelbek Ventures 2 ApS, has confirmed that it will not demand repayment of the outstanding loan balance, including interest accrued, at 31 December 2023 of DKK 19.479.163 before 1 January 2025.

Contingencies etc. **7**

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.

Tax payable on the Group’s joint taxable income is stated in the annual report of Nelbek Ventures 2 ApS, which serves as management Company for the joint taxation.

ACCOUNTING POLICIES

The Annual Report of Airlich Topco 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 format of the income statement has been adjusted to the Company's activities as a holding Company.

The Annual Report is prepared with the following accounting principles.

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, etc

Financial income and expenses

Financial income and expenses include interest income and expenses recognised by the amounts that relate to the financial year.

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 carrying 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.

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.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

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.