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Lautrupsgade 11
2100 København
CVR-nr. 34209936

T (+45) 33 110 220
www.grantthornton.dk

Adept Water Technologies A/S

Mileparken 22, st, 2740 Skovlunde

Company reg. no. 28 10 41 62

Annual report

2024

The annual report was submitted and approved by the general meeting on the 27 June 2025.

Søren Spangbo Christiansen
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Adept Water Technologies A/S for the financial year 2024.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 2024.

Further, in our 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.

Skovlunde, 24 June 2025

Managing Director

Søren Spangbo Christiansen

Board of directors

Preben Tolstrup
Chairman

Jesper Bo Hansen

Thomas Asger Lund

Steen Blaafalk

Nils Christian Foss

Independent auditor's report

To the Shareholders of Adept Water Technologies A/S

Opinion

We have audited the financial statements of Adept Water Technologies A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, 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 2024, and of the results of the Company's operations for the financial year 1 January - 31 December 2024 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.

Copenhagen, 24 June 2025

Grant Thornton

Certified Public Accountants
Company reg. no. 34 20 99 36

Martin Bomholtz

State Authorised Public Accountant
mne34117

Company information

The company

Adept Water Technologies A/S
Mileparken 22, st
2740 Skovlunde

Phone +4588708525

Web site www.adeptwatertech.com

Company reg. no. 28 10 41 62

Established: 3 September 2004

Financial year: 1 January - 31 December

Board of directors

Preben Tolstrup, Chairman
Jesper Bo Hansen
Thomas Asger Lund
Steen Blaafalk
Nils Christian Foss

Managing Director

Søren Spangbo Christiansen

Auditors

Grant Thornton, Godkendt Revisionspartnerselskab
Lautrupsgade 11
2100 København Ø

Bankers

Danske Bank

Management's review

Description of key activities of the company

Adept Water Technologies A/S (AWT) develops, manufactures, and markets disinfection systems for water using in-line electrolysis without the use of chemicals, as well as systems for in situ production of active chlorine using salt.

Markets

During the year, the company has continued to optimize its product portfolio and supply chain processes.

In the dental industry, AWT markets disinfection systems through market-leading providers of dental equipment (stand-alone systems) and dental chairs (build-in systems). This is done through international partnerships.

In 2024 the company has engaged in dialogue with several high-end chair manufacturers and the company will continue to pursue strategic partnerships with the right dental chair manufacturers.

In the hot water installations sector, the products are mainly sold through a distributor on the Danish market. In 2024 the company welcomed new partners to the distribution network and the company will make an effort to further extend this to export markets in 2025.

The introduction of the new system variant for disinfection of surfaces has been subject for further testing and it is anticipated that the system variant will provide a significant contribution to sales in 2025.

Significant changes in the company's activities and financial matters

There have been no significant changes in activities and financial matters.

The gross margin for the year DKK -1.3 million and the net loss for the year was 9.8 million.

The result is in accordance with expectations.

The Shareholder's Equity as of 31 December 2024 is negative by DKK 5.9 million. The equity will be restored in the new year, see the section subsequent events below.

Events occurring after the end of the financial year

The company has carried out a capital increase through the company's main shareholders amounting to DKK 4 million. The capital increase took place on 20 February 2025 and is expected to cover the funding need for 1 Half 2025. The Board of directors has carried out another capital increase through the company's main shareholders on 3 June 2025 amounting to DKK 2.5 million which will cover 2 Half of 2025.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2024</u>	<u>2023</u>
Gross loss	-1.276.292	-1.081.826
2 Staff costs	-9.177.486	-9.297.915
Depreciation, amortisation, and impairment	<u>-577.670</u>	<u>-577.670</u>
Operating profit	-11.031.448	-10.957.411
Other financial income	14.530	229.164
3 Other financial expenses	<u>-318.705</u>	<u>-400.123</u>
Pre-tax net profit or loss	-11.335.623	-11.128.370
4 Tax on net profit or loss for the year	<u>1.501.228</u>	<u>1.454.455</u>
Net profit or loss for the year	<u>-9.834.395</u>	<u>-9.673.915</u>
Proposed distribution of net profit:		
Allocated from retained earnings	<u>-9.834.395</u>	<u>-9.673.915</u>
Total allocations and transfers	<u>-9.834.395</u>	<u>-9.673.915</u>

Balance sheet at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2024</u>	<u>2023</u>
Non-current assets			
5	Completed development projects, including patents and similar rights arising from development projects	0	577.671
	Total intangible assets	0	577.671
	Other fixtures, fittings, tools and equipment	43.700	0
	Total property, plant, and equipment	43.700	0
	Investments in participating interests	224.019	224.019
	Other debtors	489.125	393.971
	Total investments	713.144	617.990
	Total non-current assets	756.844	1.195.661
Current assets			
	Raw materials and consumables	2.405.780	1.648.299
	Manufactured goods and goods for resale	903.794	848.441
	Prepayments for goods	0	247.780
	Total inventories	3.309.574	2.744.520
	Trade debtors	1.051.591	1.140.326
	Other receivables	154.589	249.375
	Prepayments	367.718	224.395
	Total receivables	1.573.898	1.614.096
	Cash and cash equivalents	1.688.566	2.946.392
	Total current assets	6.572.038	7.305.008
	Total assets	7.328.882	8.500.669

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2024</u>	<u>2023</u>
Equity			
	Contributed capital	110.694.998	102.195.300
	Share premium	21.920.411	21.920.411
	Retained earnings	-138.479.044	-128.644.649
	Total equity	-5.863.635	-4.528.938
Liabilities other than provisions			
6	Other payables	10.692.855	10.471.404
	Total long term liabilities other than provisions	10.692.855	10.471.404
	Bank debts	32.353	27.638
	Trade creditors	1.145.039	727.375
	Other payables	1.322.270	1.803.190
	Total short term liabilities other than provisions	2.499.662	2.558.203
	Total liabilities other than provisions	13.192.517	13.029.607
	Total equity and liabilities	7.328.882	8.500.669

1 The company's financial situation**7 Charges and security****8 Contingencies**

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Retained earnings	Total
Equity 1 January 2023	94.798.831	16.234.536	-118.970.734	-7.937.367
Cash capital increase	7.396.469	5.685.875	0	13.082.344
Profit or loss for the year brought forward	0	0	-9.673.915	-9.673.915
Equity 1 January 2024	102.195.300	21.920.411	-128.644.649	-4.528.938
Cash capital increase	8.499.698	0	0	8.499.698
Profit or loss for the year brought forward	0	0	-9.834.395	-9.834.395
	110.694.998	21.920.411	-138.479.044	-5.863.635

Notes

All amounts in DKK.

1. The company's financial situation

On 20 February 2025, a cash capital increase was made, which added DKK 4 million in cash. Additionally on 3 June 2025, a cash capital increase was made, which added DKK 2.5 million in cash. On this basis and the managements budget for 2025, the management believes that the company has sufficient liquidity to finance its operations through 2025.

	2024	2023
2. Staff costs		
Salaries and wages	8.450.161	8.552.073
Pension costs	619.399	622.203
Other costs for social security	107.926	123.639
	9.177.486	9.297.915
Average number of employees	13	15
3. Other financial expenses		
Other financial costs	318.705	400.123
	318.705	400.123
4. Tax on net profit or loss for the year		
Other taxes	-1.501.228	-1.454.455
	-1.501.228	-1.454.455

Notes

All amounts in DKK.

	31/12 2024	31/12 2023
5. Completed development projects, including patents and similar rights arising from development projects		
Cost 1 January 2024	20.722.610	20.722.610
Cost 31 December 2024	20.722.610	20.722.610
Amortisation and write-down 1 January 2024	-20.144.939	-19.567.269
Amortisation for the year	-577.671	-577.670
Amortisation and write-down 31 December 2024	-20.722.610	-20.144.939
Carrying amount, 31 December 2024	0	577.671

6. Other payables

Other long term payables consists of loans from investors and accrued holiday pay. The company is authorised to defer repayment of loans to investors until the financial situation would be reasonable and adequate.

7. Charges and security

The company has tenancy commitments for a total of TDKK 543.

8. Contingencies

Contingent liabilities

Lease liabilities

In addition to financial leasing contracts, the company has entered into operational leasing contracts which will expire on 31 March 2027 latest. The leasing contracts have a total outstanding residual lease payment of TDKK 434.

Accounting policies

The annual report for Adept Water Technologies A/S 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.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

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, write-downs 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.

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.

Income statement

Gross loss

Gross loss comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, 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.

Accounting policies

Staff costs

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

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

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, debt and transactions in foreign currency, as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from

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

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Accounting policies

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Accounting policies

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Other financial instruments

Other unlisted financial instruments are measured at cost. Write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

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.

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Liabilities other than provisions

Other liabilities are measured to the nominal value.

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Nils Christian Foss

Bestyrelsesmedlem

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Preben Tolstrup

Bestyrelsesformand

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IP: 89.37.xxx.xxx

2025-06-24 13:54:53 UTC



Søren Spangbo Christiansen

Direktør

På vegne af: Direktør

Serienummer: 847ab35b-4741-461d-ae0b-33d352813cef

IP: 194.182.xxx.xxx

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Jesper Bo Hansen

Bestyrelsesmedlem

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IP: 152.115.xxx.xxx

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Steen Blaafalk

Bestyrelsesmedlem

Serienummer: 45112bb8-2509-4100-a2a1-9f50e49999f3

IP: 188.177.xxx.xxx

2025-06-24 15:46:05 UTC



Thomas Asger Lund

Bestyrelsesmedlem

Serienummer: e37e4a0e-94a1-4875-a69f-35423c42f0e5

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Martin Bomholtz

**Grant Thornton, Godkendt Revisionspartnerselskab CVR:
34209936**

Statsautoriseret revisor

På vegne af: Grant Thornton

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